Deposit Insurance Act

(Act No. 34 of April 1, 1971)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to protect Depositors, etc. and ensure the settlement of funds pertaining to Failed Financial Institutions, by providing a system for the payment of insurance proceeds and the purchase of deposits and other claims necessary in the event that refund of Deposits, etc. is suspended by a Financial Institution, and by establishing a system for providing appropriate financial assistance to facilitate mergers and other resolutions of Failed Financial Institutions, the management of Failed Financial Institutions by financial administrators, the transfer of the business of Failed Financial Institutions, and any other measures concerning failure resolution of Financial Institutions, measures for the purchase of Specified, Difficult-To-Collect Claims, measures in response to financial crises, and measures for the orderly resolution of the assets and liabilities of Financial Institutions, etc., thereby contributing to upholding an orderly credit system.

(Respect for the Autonomy of Financial Institutions)

Article 1-2 Consideration must be given to the autonomy of Financial Institutions in the application of this Act.

(Definitions)

Article 2 (1) The term "Financial Institutions" as used in this Act means the following (excluding those whose head office is located outside the jurisdiction under which this Act has effect):

(i) the banks prescribed in Article 2, paragraph (1) of the Banking Act (Act No. 59 of 1981) (hereinafter referred to as "Banks");

(ii) the long-term credit banks prescribed in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1952) (hereinafter referred to as "Long-Term Credit Banks");

(iii) shinkin banks;

(iv) credit cooperatives;

(v) labor banks;

(vi) federations of shinkin banks;

(vii) federations of credit cooperatives engaged in the business provided for in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprises Cooperatives Act (Act No. 181 of 1949) (hereinafter referred to as "Federations of Credit Cooperatives");

(viii) Rokinren banks; and

(ix) The Shoko Chukin Bank, Ltd.

(2) The term "Deposits, etc." as used in this Act means the following:

(i) deposits;

(ii) installment savings;

(iii) installment deposits prescribed in Article 2, paragraph (4) of the Banking Act;

(iv) money received under contracts pertaining to money trusts (including loan trusts) for compensating for a loss of principal pursuant to the provisions of Article 6 of the Act on Provision, etc. of Trust Business by Financial Institutions (Act No. 43 of 1943); and

(v) money received through the issuance of Long-Term Credit Bank bonds under Article 8 of the Long-Term Credit Bank Act, specified bonds under 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 the provisions of Article 55, paragraph (4) of the Act) (including debentures issued under Article 17-2, paragraph (1) of the Act on Financial Institutions' Merger and Conversion (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24, paragraph (1), item (vii) of the Act) before the revision by Article 199 of the Act on the Development, etc. of Relevant Acts Associated with the Enforcement of the Companies Act (Act No. 87 of 2005)), national federation of shinkin banks bonds under Article 54-2-4, paragraph (1) of the Shinkin Bank Act (Act No. 238 of 1951), and commercial and industrial bonds under Article 33 of The Shoko Chukin Bank Limited Act (Act No. 74 of 2007) (including those that are deemed pursuant to the provisions of Article 37 of the Supplementary Provisions of the Act to be commercial and industrial bonds issued under Article 33 of the Act) (limited to those specified by Cabinet Order as those for which rightholders can be ascertained and referred to in Article 58-2, paragraph (1) and Article 73, paragraph (1) as "Long-Term Credit Bank Bonds, etc.").

(3) The term "Depositors, etc." as used in this Act means depositors and other creditors pertaining to the Deposits, etc.

(4) The term "Failed Financial Institution" as used in this Act means a Financial Institution that has suspended refund of Deposits, etc. (meaning the payment of obligations pertaining to Deposits, etc.; the same applies hereinafter) or is likely to suspend refund of Deposits, etc. in light of the status of its business or assets.

(5) The term "Bank Holding Company, etc." as used in this Act means the following:

(i) a bank holding company prescribed in Article 2, paragraph (13) of the Banking Act;

(ii) a company that has obtained the authorization under Article 52-17, paragraph (1) of the Banking Act to become a holding company which has as its subsidiary a bank which falls under the Failed Financial Institution through the acquisition of the shares of the bank (meaning a holding company which has a bank as its subsidiary company prescribed in Article 52-17, paragraph (1) of the Act; the same applies in Article 61, paragraph (8));

(iii) a Long-Term Credit Bank holding company prescribed in Article 16-4, paragraph (1) of the Long-Term Credit Bank Act;

(iv) a company that has obtained the authorization under Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act to become a holding company which has a Long-Term Credit Bank as its subsidiary company (meaning a holding company which has a Long-Term Credit Bank as its subsidiary company prescribed in Article 16-2-4, paragraph (1) of the Act; hereinafter the same applies in Article 61, paragraph (8)) through the acquisition of shares of a Long-Term Credit Bank that falls under the Failed Financial Institution; and

(v) a company that is not listed in the preceding items (excluding banks and Long-Term Credit Banks) and that has a bank or Long-Term Credit Bank (hereinafter referred to as "Bank, etc.") as its subsidiary company (meaning a company of which voting rights exceeding fifty hundredths of the voting rights held by all of its shareholders (excluding voting rights relating to shares held by shareholders who may not exercise their voting rights for all of the matters which may be resolved at a shareholders meeting but including voting rights relating to shares for which holders 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 item and paragraph (13)) are held by another company; hereinafter the same applies in this item) or intends to have the Bank, etc. become its subsidiary company.

(6) The term "Preferred Shares, etc." as used in this Act means preferred shares (meaning shares for which, at the time of issuance, there are no matters on which voting rights may be exercised, with preferred contents with regard to dividends of surplus and distribution of residual assets; the same applies hereinafter), subordinated bonds (meaning bonds with a special clause of subordinated contents with regard to the payment of principal and interest, and which fall under bonds specified by Cabinet Order as contributing to the adequacy of equity capital of a Bank, etc., Bank Holding Company, etc. or The Shoko Chukin Bank, Ltd.; the same applies hereinafter), or preferred equity investments (meaning preferred equity investments prescribed in the Act on Preferred Equity Investment by Cooperative Structured Financial Institution (Act No. 44 of 1993; hereinafter referred to as the "Preferred Equity Investment Act"); the same applies hereinafter).

(7) The term "Shares, etc." as used in this Act means Preferred Shares, etc. and shares which are not classified as preferred shares.

(8) The term "Subscription for Preferred Shares, etc." as used in this Act means subscription for Preferred Shares, etc. or loans for consumption made pursuant to Subordinated Loan Agreements (meaning loans for consumption falling under those with a special clause of subordinated contents with regard to the payment of principal and interest, and which are specified by Cabinet Order as contributing to the adequacy of equity capital of a Financial Institution or Bank Holding Company, etc.).

(9) The term "Subscription for Shares, etc." as used in this Act means subscription for shares other than preferred shares or the Subscription for Preferred Shares, etc.

(10) The term "Collateralization of Damage" as used in this Act means compensating creditors, based on a contract concluded in advance, through partial repayment of an unpaid amount of a loan in cases where obligations under the loan are not satisfied in whole or in part.

(11) The term "Transfer of Insured Deposits" as used in this Act means assumption of obligations pertaining to the Deposits, etc. of a Failed Financial Institution by another Financial Institution, when the obligations include obligations pertaining to the Deposits, etc. corresponding to amounts of insurance proceeds calculated under the provisions of Article 54, paragraphs (1) through (3) (including the cases where the provisions of the same paragraphs are applied mutatis mutandis pursuant to Article 54-2, paragraph (2)) and Article 54-2, paragraph (1) (hereinafter referred to as the "Insurance Claim Calculation Provision") (excluding those associated with the transfer or assumption of business (hereinafter referred to as a "Business Transfer, etc.")).

(12) The term "Financial Institution under Management" as used in this Act means a Financial Institution that has become subject to the injunction ordering management prescribed in Article 74, paragraph (1) pursuant to the provisions of Article 74, paragraph (1) or (2) or Article 110, paragraph (1).

(13) The term "Bridge Bank" as used in this Act means a bank that has taken over the business of a Financial Institution under Management through the assumption of business, Transfer of Insured Deposits, a merger, or company split (hereinafter referred to as the "Assumption of Business, etc."), whose primary purpose is to maintaining and continue the business on a temporary basis, and that has been established as a subsidiary company of the Deposit Insurance Corporation (meaning a company of which voting rights exceeding fifty hundredths of the voting rights held by all of its shareholders are held by the Deposit Insurance Corporation; the same applies hereinafter).

Chapter II Deposit Insurance Corporation

Section 1 General Provisions

(Legal Personality)

Article 3 The Deposit Insurance Corporation (hereinafter referred to as the "DICJ") is to have juridical personality.

(Number)

Article 4 Only one DICJ is to be established.

(Capital)

Article 5 (1) The capital of the DICJ is the total amount of capital contributed by the government and other persons at the time of the DICJ's establishment.

(2) The DICJ may, when necessary, increase its capital with the authorization of the Prime Minister and the Minister of Finance.

(Name)

Article 6 (1) The DICJ must use the words "Deposit Insurance Corporation" in its name.

(2) No person other than the DICJ may use the words "Deposit Insurance Corporation" in its name.

(Registration)

Article 7 (1) The DICJ must be registered pursuant to Cabinet Order provisions.

(2) The particulars required to be registered under the preceding paragraph may not be asserted against a third party until after they have been registered.

(Application Mutatis Mutandis of the Act on General Incorporated Associations and General Incorporated Foundations)

Article 8 The provisions of Article 4 and Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) apply mutatis mutandis to the DICJ.

Section 2 Establishment

(Founders)

Article 9 Seven or more persons with experience and expertise in financial matters must act as founders in order to establish the DICJ.

(Preparation of Articles of Incorporation)

Article 10 (1) The founders must promptly prepare the articles of incorporation of the DICJ and solicit capital contributions to the DICJ from persons other than the government.

(2) The articles of incorporation referred to in the preceding paragraph must state the following particulars:

(i) purpose;

(ii) name;

(iii) location of offices;

(iv) particulars concerning capital and capital contribution;

(v) particulars concerning the Board;

(vi) particulars concerning officers;

(vii) particulars concerning operations and their execution;

(viii) particulars concerning finance and accounting;

(ix) particulars concerning amendment of the articles of incorporation; and

(x) means of public notice.

(Authorization for Establishment)

Article 11 Promptly after the solicitation set forth in paragraph (1) of the preceding Article has been completed, founders must submit the articles of incorporation to the Prime Minister and the Minister of Finance and apply for authorization for establishment.

(Transfer of Affairs)

Article 12 (1) When the authorization set forth in the preceding Article is granted, founders must transfer their affairs without delay to the person who is to become the governor of the DICJ.

(2) The person who is to become the governor of the DICJ must, when they have taken over the affairs under the preceding paragraph, request without delay the government and persons other than the government who have agreed to make capital contributions in response to the solicitation to pay in capital contributions.

(Registration of Establishment)

Article 13 (1) When capital contributions are paid in pursuant to the provisions of paragraph (2) of the preceding Article, the person who is to become the governor of the DICJ must register its establishment without delay pursuant to Cabinet Order provisions.

(2) The DICJ is established upon the registration of its establishment.

Section 3 The Board

(Establishment)

Article 14 A board (hereinafter referred to as the "Board") will be established within the DICJ.

(Authority)

Article 15 Beyond matters separately specified by this Act (excluding Chapter I, Chapter II, Chapter V, and Chapter IX), the following matters must require a resolution of the Board:

(i) amendment of the articles of incorporation;

(ii) preparation of and amendments to the statement of operation procedures;

(iii) budget and funding plans;

(iv) settlement of accounts; and

(v) other matters deemed particularly necessary by the Board.

(Organization)

Article 16 (1) The Board will be composed of not more than eight members beyond the governor and the deputy governors of the DICJ.

(2) When it is necessary for carrying out study and deliberation of special matters, the Board may have up to four temporary members.

(3) The Board has a chairperson, who will be the governor of the DICJ.

(4) The chairperson presides over the affairs of the Board.

(5) The Board must designate in advance, from among its members and the deputy governors of the DICJ, a person who performs the duties of the chairperson in their place in the event that the chairperson is unable to attend to their duties.

(Appointment of Members)

Article 17 Members and temporary members (hereinafter referred to as "Members, etc.") are appointed from among persons with experience and expertise in financial matters by the governor of the DICJ, with the authorization of the Prime Minister and the Minister of Finance.

(Term of Office of Members)

Article 18 (1) The term of office of members is one year; provided, however, that the term of office of a member who fills a vacancy is the remaining term of their predecessor.

(2) Members may be reappointed.

(3) Temporary members are dismissed when the study and deliberation of the special matters pertaining to their appointment have been concluded.

(Dismissal of Members)

Article 19 The governor of the DICJ may dismiss a Member, etc. with the authorization of the Prime Minister and the Minister of Finance if the Member, etc. has come to fall under any of the following items:

(i) the Member, etc. has received a ruling for the commencement of bankruptcy proceedings;

(ii) the Member, etc. has been sentenced to imprisonment or a heavier punishment;

(iii) the Member, etc. is deemed unable to carry out their duties due to mental or physical disability; or

(iv) the Member, etc. has breached their obligations in the course of their duties.

(Remuneration of Members)

Article 20 Members, etc. do not receive any remuneration; provided, however, that they will be paid travel expenses and other actual expenses incurred in connection with carrying out their duties.

(Means of Resolution)

Article 21 (1) The Board may not convene a meeting or deliberate on a resolution unless the chairperson or the person who performs the duties of the chairperson prescribed in Article 16, paragraph (5) and half or more of the members, temporary members concerned with the business of the meeting, and deputy governors of the DICJ are present.

(2) Decisions of the Board will be made through a majority of the votes of the chairperson, members, temporary members concerned with the content of the meeting, and deputy governors of the DICJ who are present. In the event of a tie, the chairperson casts the deciding vote.

(3) Staff members appointed by the Prime Minister or the Minister of Finance, may attend the meeting prescribed in paragraph (1) and express opinions.

(4) The executive directors of the Bank of Japan who are appointed by the Bank of Japan's Board may attend the meeting prescribed in paragraph (1) and express opinions.

(Confidentiality Obligations of Members)

Article 22 Members, etc. must not divulge any secret which may have come to their knowledge in the course of their duties. The same applies after they have left their position.

(Status of Members as Public Officials)

Article 23 Members, etc. are deemed to be officials engaging in public duties pursuant to the provisions of laws and regulations with regard to the application of the Penal Code (Act No. 45 of 1907) and other penal provisions.

Section 4 Officers

(Officers)

Article 24 The DICJ has one governor, not more than four deputy governors, and one inspector as its officers.

(Duties and Authority of Officers)

Article 25 (1) The governor represents the DICJ and preside over its operations.

(2) The deputy governors, in accordance with decisions made by the governor, represent the DICJ, assist the governor in administrating the operations of the DICJ, perform the duties of the governor in their place in the event that the governor is unable to attend to their duties, and perform the duties of the governor when the post is vacant.

(3) The inspector audits the operations of the DICJ.

(4) The inspector may, when they find it necessary based on the audit results, submit their opinion to the governor or the Prime Minister and the Minister of Finance.

(Appointment of Officers)

Article 26 (1) Officers are appointed by the Prime Minister with consent from both Houses of the Diet.

(2) Notwithstanding the provisions of the preceding paragraph, the Prime Minister may appoint an officer if the term of office of an officer expires or a vacancy occurs at a time when the Diet is out of session or the House of Representatives has been dissolved and it is impossible to obtain consent from both Houses.

(3) In the case referred to in the preceding paragraph, ex post facto consent by both Houses of the Diet must be obtained in the first Diet after the appointment. In this case, if the ex post facto consent cannot be obtained by both Houses of the Diet, the Prime Minister must immediately dismiss that officer.

(Term of Office of Officers)

Article 27 (1) The term of office of officers is two years.

(2) Officers may be reappointed.

(3) When the term of office of an officer has expired, the relevant officer is to continue to carry out their duties until their successor is appointed.

(Ineligibility of Officers)

Article 28 No employee of the government or a local public entity (excluding part-time employees) is eligible to become an officer.

(Dismissal of Officers)

Article 29 (1) The Prime Minister must dismiss an officer if that officer has come to fall under the preceding Article.

(2) The Prime Minister may dismiss an officer if they come to fall under any of the items of Article 19 or if the Prime Minister otherwise finds that it is inappropriate for the officer to remain in office.

(Prohibition of the Concurrent Holding of Positions by Officers)

Article 30 No officer (excluding an inspector) takes office as an officer of a for-profit organization or personally engage in for-profit business; provided, however, that this does not apply when approval from the Prime Minister has been obtained.

(Restrictions on the Right to Represent)

Article 31 The governor or deputy governor does not have the right to represent with regard to any matters for which the interests of the DICJ and those of the governor or deputy governors conflict with each other. In this case, an inspector represents the DICJ.

(Appointment of Representatives)

Article 31-2 The governor may appoint from among the employees of the DICJ a representative who has the authority to perform all judicial and non-judicial acts in connection with part of the operations of the DICJ.

(Appointment of Staff)

Article 32 Staff of the DICJ will be appointed by the governor.

(Confidentiality Obligations of Officers)

Article 33 The provisions of Article 22 and Article 23 apply mutatis mutandis to officers and staff members.

Section 5 Operations

(Scope of Operations)

Article 34 The DICJ conducts the following operations in order to achieve the purpose prescribed in Article 1:

(i) collection of insurance premiums under the provisions of Section 2 of the following Chapter;

(ii) payment of insurance proceeds and provisional payment under the provisions of Section 3 of the following Chapter;

(iii) financial assistance and other business under the provisions of Section 4 of the following Chapter;

(iv) loan of funds under the provisions of Article 69-3;

(v) purchase of deposits and other claims under the provisions of Chapter IV;

(vi) duties of a financial administrator or a financial administrator's representative under the provisions of Article 78, paragraph (2);

(vii) management of a Bridge Bank and other business under the provisions of Chapter VI;

(viii) purchase of Specified, Difficult-To-Collect Claims of a Financial Institution under the provisions of Chapter VI-2 and other business under the provisions of the same Chapter;

(ix) Subscription for Shares, etc. and other business under the provisions of Chapter VII;

(x) Special Monitoring under the provisions of Chapter VII-2 and other business under the provisions of the same Chapter;

(xi) loan of funds under the provisions of Article 69-3 as applied mutatis mutandis pursuant to Article 127 or Article 128 or the provisions of Article 127-2 or Article 128-2 and purchase of assets under the provisions of Article 129;

(xii) submission of lists of depositors and other business under the provisions of Section 4 of Chapter IV, Section 2 of Chapter V, and Section 2 of Chapter VI of the Act on Special Measures for Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions (Act No. 95 of 1996);

(xiii) business of a bankruptcy trustee, provisional administrator, bankruptcy trustee representative, or provisional administrator representative appointed under the provisions of the Bankruptcy Act (Act No. 75 of 2004), a supervisor, trustee, provisional administrator, trustee representative, or provisional administrator representative appointed under the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999), a trustee, trustee representative, provisional administrator, provisional administrator representative, or supervisor appointed under the provisions of the Corporate Reorganization Act (Act No. 154 of 2002), a trustee, trustee representative, provisional administrator, provisional administrator representative, or supervisor appointed under the provisions of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, or a recognition trustee, provisional administrator, recognition trustee representative, or provisional administrator representative appointed under the provisions of the Act on Recognition of and Assistance for Foreign Insolvency Proceedings (Act No. 129 of 2000); and

(xiv) business incidental to the that listed in the preceding items.

(Entrustment of Business)

Article 35 (1) The DICJ may, with the authorization of the Prime Minister and the Minister of Finance, entrust part of its operations to the Bank of Japan, a Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); hereinafter the same applies in this Article, Article 122, paragraph (1), Article 123, paragraphs (2) and (3), and Article 125, paragraph (1)), or a Financial Institution Agent (meaning a bank agent prescribed in Article 2, paragraph (15) of the Banking Act, Long-Term Credit Bank agent prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act, shinkin bank agent prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, credit cooperative agent prescribed in Article 6-3, paragraph (3) of the Act on Financial Business by Cooperatives (Act No. 183 of 1949), labor bank agent prescribed in Article 89-3, paragraph (3) of the Labor Bank Act (Act No. 227 of 1953) and the other party to contracts pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of The Shoko Chukin Bank Limited Act; the same applies hereinafter).

(2) The Bank of Japan, a Financial Institution, etc., and a Financial Institution Agent may conduct business entrusted under the preceding paragraph notwithstanding the provisions of any other Acts.

(3) The provisions of Article 23 apply mutatis mutandis to officers or staff of a Financial Institution, etc. or Financial Institution Agent engaged in the business entrusted to the Financial Institution or Financial Institution Agent under paragraph (1).

(Statement of Business Procedures)

Article 36 (1) The DICJ must prepare a statement of business procedures when commencing operations and obtain the authorization of the Prime Minister and the Minister of Finance. The same applies when the DICJ intends to amend the statement.

(2) The statement of business procedures prescribed in the preceding paragraph must state matters concerning insurance premiums and other matters specified by Cabinet Office Order and Order of the Ministry of Finance.

(Request for Submission of Reports or Materials)

Article 37 (1) When the DICJ finds it necessary for conducting the business set forth in the following items, it may request the persons specified respectively in those items to submit reports or materials with regard to the status of its business and assets:

(i) business prescribed in Article 34, items (i), (ii), (iv) through (vi), (viii), or (xii), or business prescribed in item (xiv) of the same Article pertaining to the business: a Financial Institution (including a Financial Institution Agent having the Financial Institution as its Principal Financial Institution (meaning the principal bank prescribed in Article 2, paragraph (16) of the Banking Act, principal long-term credit bank prescribed in Article 16-5, paragraph (3) of the Long-Term Credit Bank Act, principal shinkin bank prescribed in Article 85-2, paragraph (3) of the Shinkin Bank Act, principal credit cooperative prescribed in Article 6-3, paragraph (3) of the Act on Financial Business by Cooperatives, and principal labor bank prescribed in Article 89-3, paragraph (3) of the Labor Bank Act; the same applies hereinafter) and the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act; the same applies in the following item);

(ii) business prescribed in Article 34, item (iii), (vii), or (ix), or business prescribed in item (xiv) of the Article pertaining to the business: a Financial Institution or Bank Holding Company, etc.; and

(iii) business prescribed in Article 34, item (x), (xi), or (xiii), or business prescribed in item (xiv) of the Article pertaining to the business: a Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2), and including a Financial Institution Agent having the relevant Financial Institution, etc. as its Principal Financial Institution and the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act, a Life Insurance Agent (meaning the life insurance agent prescribed in Article 2, paragraph (19) of the Insurance Business Act (Act No. 105 of 1995); the same applies hereinafter) and Non-Life Insurance Agent (meaning the non-life insurance agent prescribed in Article 2, paragraph (20) of the Insurance Business Act; the same applies hereinafter) having the relevant Financial Institution, etc. as their Affiliated Insurance Company, etc. (meaning the affiliated insurance company, etc. prescribed in Article 2, paragraph (24) of the Insurance Business Act; the same applies hereinafter), and a Financial Instruments Intermediary Service Provider (meaning the financial instruments intermediary service provider prescribed in Article 2, paragraph (12) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies hereinafter) having the relevant Financial Institution, etc. as its Entrusting Financial Instruments Business, etc. (meaning the entrusting financial instruments Business, etc. prescribed in Article 66-2, paragraph (1), item (iv) of the Financial Instruments and Exchange Act; the same applies hereinafter); the same applies in the following paragraph), or a Specified Holding Company, etc. (meaning the Specified Holding Company, etc. prescribed in Article 126-28, paragraph (1); the same applies in the following paragraph).

(2) A Financial Institution, etc. or Specified Holding Company, etc. must submit reports or materials without delay when requested to do so under the preceding paragraph.

(3) The DICJ may request any of the following persons (in the event that the persons set forth in items (iii) and (iv) are corporations, any of their officers and employees; hereinafter referred to as a "Target Person" in this paragraph) and a person who was previously a Target Person to report on the status of business and assets of the Failed Financial Institution or Financial Institution, etc. under Special Monitoring (meaning the Financial Institution, etc. under Special Monitoring prescribed in Article 126-3, paragraph (2), and excluding a Failed Financial Institution; hereinafter the same applies in this paragraph) (with regard to any person who was previously a Target Person, limited to the status pertaining to matters that could have been known by them during the period when them was engaged in the operations of the Failed Financial Institution or Financial Institution, etc. under Special Monitoring), or inspect the books, documents, and any other items of the Failed Financial Institution or Financial Institution, etc. under Special Monitoring and the person set forth in item (iii) or (iv):

(i) a director, executive officer, accounting advisor, inspector, corporate auditor, accounting auditor, manager, counselor, or any other employee of a Failed Financial Institution;

(ii) a director, executive officer, member who executes business, representative in Japan, accounting advisor, inspector, corporate auditor, or a person equivalent to any of these, accounting auditor, manager, counselor, or any other employee of a Financial Institution, etc. under Special Monitoring;

(iii) a Financial Institution Agent with a Failed Financial Institution as its Principal Financial Institution or the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd (limited to cases where it is a Failed Financial Institution); and

(iv) a Financial Institution Agent with a Financial Institution, etc. under Special Monitoring as its Principal Financial Institution or the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd (limited to the case where it is a Financial Institution, etc. under Special Monitoring), a Life Insurance Agent or Non-Life Insurance Agent having a Financial Institution, etc. under Special Monitoring as its Affiliated Insurance Company, etc., or a Financial Instruments Intermediary Service Provider having a Financial Institution, etc. under Special Monitoring as its Entrusting Financial Instruments Business, etc.

(4) When the DICJ finds it necessary for conducting its business, it may inquire with, or request the cooperation of, government agencies, public entities, or any other person.

(5) The national or prefectural government or the Bank of Japan may deliver relevant materials to the DICJ or make them available for inspection by the DICJ when the DICJ finds it particularly necessary for conducting its business and makes a request for the delivery or inspection.

Section 6 Finance and Accounting

(Business Year)

Article 38 The business year of the DICJ is from April 1 to March 31 of the following year.

(Authorization for a Budget)

Article 39 The DICJ must prepare a budget and funding plan for each business year and obtain the authorization of the Prime Minister and the Minister of Finance before the start of that business year. The same applies when the DICJ intends to amend the budget and/or funding plan.

(Financial Statements)

Article 40 (1) The DICJ must prepare an inventory of assets, a balance sheet, and a profit and loss statement (hereinafter referred to as "Financial Statements" in this Article) for each business year and submit the Financial Statements for approval to the Prime Minister and the Minister of Finance within three months of the end of that business year.

(2) When submitting Financial Statements to the Prime Minister and the Minister of Finance under the preceding paragraph, the DICJ must attach thereto a business report, statement of accounts prepared according to the classification of budget, and written opinion of the inspector on the Financial Statements and statement of accounts for that business year.

(3) Upon obtaining approval from the Prime Minister and the Minister of Finance pursuant to the provisions of paragraph (1), the DICJ must give public notice of the Financial Statements in the Official Gazette without delay, keep at each of the DICJ's offices the Financial Statements and supplementary schedules, business report, statement of accounts, and written opinion of the inspector prescribed in the preceding paragraph, and make them available for public inspection for a period specified by Cabinet Office Order and Order of the Ministry of Finance.

(Separate Accounting)

Article 40-2 The DICJ must separate the accounting and prepare separate accounts for each of the following:

(i) business listed in each item of Article 34 (excluding those listed in the following item); and

(ii) business pertaining to the Subscription for Shares, etc. prescribed in Article 107, paragraph (1), receipt of contributions pursuant to the provisions of Article 122, paragraph (1), operations pertaining to loan of funds and guarantee of obligations under Article 126-19, paragraph (1), business pertaining to Subscription for Specified Shares, etc. (meaning the Subscription for Specified Shares, etc. prescribed in Article 126-22, paragraph (1); the same applies in Article 126-2, paragraph (1), item (i) and Article 126-21, paragraph (1)) under Article 107, paragraph (1) as applied mutatis mutandis pursuant to Article 126-22, paragraph (7), business pertaining to Specified Financial Assistance (meaning the Specified Financial Assistance prescribed in Article 126-28, paragraph (1); the same applies in Article 126-2, paragraph (1), item (ii)) based on the decision set forth in Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 or Article 126-38, paragraph (7), business pertaining to the Additional Specified Financial Assistance prescribed in Article 126-32, paragraph (1) based on the decision set forth in Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-32, paragraph (4), business pertaining to contribution under Article 126-35, paragraph (1) or (2), business pertaining to loan of funds and guarantee of obligations under Article 98, paragraph (1) as applied mutatis mutandis pursuant to Article 126-37, business pertaining to compensation for loss under Article 99 as applied mutatis mutandis pursuant to Article 126-37, collection of Specified Contribution (meaning the Specified Contribution prescribed in Article 126-39, paragraph (1); the same applies in Articles 123 through 125) under the same paragraph, business pertaining to loan of funds under Article 127-2, paragraph (1) or Article 128-2, paragraph (1), business pertaining to purchase of assets (limited to those pertaining to the Financial Institution, etc. under Special Monitoring prescribed in Article 126-3, paragraph (2) and a Contracted Specified Bridge Financial Institution, etc. (meaning the Contracted Specified Bridge Financial Institution, etc. prescribed in Article 97, paragraph (1), item (i) as applied mutatis mutandis pursuant to Article 126-37; the same applies hereinafter)) under Article 129, paragraph (1), and business incidental thereto.

(Accumulation of Actuarial Reserves)

Article 41 At the end of each business year, the DICJ must calculate the actuarial reserve for the general account (meaning the account pertaining to operations listed in item (i) of the preceding Article; the same applies hereinafter) to be set aside pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance.

(Borrowing and Deposit Insurance DICJ Bonds)

Article 42 (1) The DICJ may, with the authorization of the Prime Minister and the Minister of Finance, borrow funds (including refinancing) from a Financial Institution or any other person (excluding the Bank of Japan) or issue Deposit Insurance DICJ bonds (hereinafter referred to as "DICJ Bonds") (including issuance for the purpose of refinancing DICJ Bonds) when the DICJ finds it necessary for conducting the operations listed in Article 40-2, item (i). In this case, the DICJ may issue DICJ Bonds.

(2) The DICJ may, with the authorization of the Prime Minister and the Minister of Finance, borrow funds (including refinancing) from the Bank of Japan when the DICJ finds it necessary for temporary cash flow in the event of conducting the business prescribed in the preceding paragraph.

(3) The total of the current amount of borrowing carried out under paragraph (1), the current amount of obligations pertaining to the principal of the DICJ Bonds issued under that paragraph, and the current amount of borrowing carried out under the preceding paragraph must not exceed the limit specified by Cabinet Order.

(4) Notwithstanding the provisions of Article 43, paragraph (1) of the Bank of Japan Act (Act No. 89 of 1997), the Bank of Japan may loan funds prescribed in paragraph (2) to the DICJ.

(5) Holders of the DICJ Bonds issued under paragraph (1) have the right to have their claims satisfied out of the assets of the DICJ in preference over other creditors.

(6) The order of the statutory lien under the preceding paragraph will be next to the general statutory lien under the provisions of the Civil Code (Act No. 89 of 1896).

(7) The DICJ may, with the authorization of the Prime Minister and the Minister of Finance, entrust all or part of the affairs relating to the issuance of the DICJ Bonds to a Bank, etc. or trust company.

(8) The provisions of Article 705 or Article 709 of the Companies Act apply mutatis mutandis to the Bank, etc. or trust company entrusted pursuant to the provisions of the preceding paragraph.

(9) Beyond what is provided for in paragraph (1) and paragraph (5) to the preceding paragraph, necessary particulars for the DICJ Bonds are specified by Cabinet Order.

(Government Guarantees)

Article 42-2 Notwithstanding the provisions of Article 3 of the Act on Restrictions on Government Financial Assistance for DICJs (Act No. 24 of 1946), the government may provide guarantees for obligations pertaining to the borrowing by the DICJ under paragraph (1) or (2) of the preceding Article or DICJ Bonds under paragraph (1) of the preceding Article within the limit of the amount approved by the Diet.

(Investment of Surplus Funds)

Article 43 The DICJ must not invest surplus funds in the course of business except by the following means:

(i) holding of national government bonds or other securities designated by the Prime Minister and the Minister of Finance;

(ii) depositing in the Financial Institutions designated by the Prime Minister and the Minister of Finance; or

(iii) other means specified by Cabinet Office Order and Order of the Ministry of Finance.

(Delegation to Cabinet Office Order and Order of the Ministry of Finance)

Article 44 Beyond what is provided for in this Act, necessary particulars for the finance and accounting of the DICJ are specified by Cabinet Office Order and Order of the Ministry of Finance.

Section 7 Supervision

(Supervision)

Article 45 (1) The DICJ will be supervised by the Prime Minister and the Minister of Finance.

(2) The Prime Minister and the Minister of Finance may, when they find it necessary for the enforcement of this Act, give the DICJ orders necessary for the supervision of its operations.

(Reports and Inspections)

Article 46 (1) The Prime Minister and the Minister of Finance may, when they find it necessary for the enforcement of this Act, have the DICJ report on its operations or have their officials enter the offices of the DICJ to inspect books, documents and other articles.

(2) When conducting on-site inspections under the preceding paragraph, the officials must carry a certificate of identification and produce it to those concerned.

(3) The authority for conducting on-site inspections prescribed in paragraph (1) must not be construed as given for any criminal investigation.

Section 8 Auxiliary Provisions

(Amendments of Articles of Incorporation)

Article 47 No amendment of the articles of incorporation are effective unless authorized by the Prime Minister and the Minister of Finance.

(Dissolution)

Article 48 (1) If, upon dissolution of the DICJ and payment of all its obligations, there are any residual assets, the assets are distributed to each capital contributor of the DICJ up to the amount of each contributor's capital contributions.

(2) Beyond what is provided for in the preceding paragraph, the dissolution of the DICJ will be prescribed separately by an Act.

Chapter III Deposit Insurance

Section 1 Insurance Relationship

(Insurance Relationship)

Article 49 (1) When a Financial Institution conducts its operations or business, an insurance relationship will be formed between the DICJ, Financial Institution and Depositors, etc. whereby each of the Depositors, etc. are repaid within a specified limit by virtue of the obligations pertaining to the Deposits, etc. assumed by the Financial Institution.

(2) Under the insurance relationship prescribed in the preceding paragraph, the insured amount is taken as a claim pertaining to the Deposits, etc. and either of the following will be construed as an insured event:

(i) suspension of refund of the Deposits, etc. by a Financial Institution (hereinafter referred to as "Category One Insured Event"); and

(ii) rescission of the business license of a Financial Institution (in the case of a shinkin bank, federation of shinkin banks, labor bank, or Rokinren banks, rescission of operational license, and in the case of a credit cooperative or Federation of Credit Cooperatives, an order for dissolution; the same applies in Article 55, paragraph (2), item (i)), a ruling for the commencement of bankruptcy proceedings or resolution on dissolution (hereinafter referred to as "Category Two Insured Event").

Section 2 Payment of Insurance Premiums

(Payment of Insurance Premiums)

Article 50 (1) A Financial Institution must submit to the DICJ documents specified by Cabinet Office Order and Order of the Ministry of Finance and pay insurance premiums for each business year within three months of the beginning of that business year; provided, however, that an amount equivalent to one-half of the amount of the insurance premiums may be paid within three months of the day on which six months have elapsed from the beginning of that business year.

(2) Notwithstanding the provisions of the preceding paragraph, the DICJ may, pursuant to the provisions of the articles of incorporation, exempt a Financial Institution falling under any of the following items from paying insurance premiums:

(i) when an insured event has occurred: the Financial Institution pertaining to the insured event;

(ii) when authorization of eligibility, etc. prescribed in Article 65 is given: the Failed Financial Institution pertaining to the authorization of eligibility, etc.;

(iii) when an Injunction Ordering Management prescribed in Article 74, paragraph (1) is issued: the Financial Institution under Management pertaining to the Injunction Ordering Management;

(iv) when a Bridge Bank or Specified Bridge Bank (meaning the Specified Bridge Bank prescribed in Article 126-34, paragraph (3), item (i); the same applies in Article 101-2, paragraph (1)) is established: the Bridge Bank or the Specified Bridge Bank; or

(v) when a decision under Article 111, paragraph (1) is made: the Bank, etc. pertaining to the decision.

(3) The DICJ may, following a resolution of the Board and based on the conditions specified by the Board in advance, return to a Financial Institution part of the insurance premiums that have been paid pursuant to paragraph (1).

(4) When the DICJ intends to return part of the insurance premiums that have been paid pursuant to paragraph (1), it must obtain the authorization of the Prime Minister and the Minister of Finance.

(Amount of Insurance Premiums Pertaining to General Deposits)

Article 51 (1) The amount of insurance premiums pertaining to Deposits, etc. (limited to those that are not Deposits for payment and settlement purposes (meaning the Deposits for payment and settlement purposes prescribed in paragraph (1) of the following Article; the same applies in the following paragraph) but excluding foreign currency deposits and other Deposits, etc. specified by Cabinet Order; hereinafter referred to as "General Deposits, etc.") are the amount calculated for each Financial Institution by dividing the average total amount of General Deposits, etc. for each day (excluding holidays specified in Article 15, paragraph (1) of the Banking Act (including the cases where it is applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, Article 89, paragraph (1) of the Shinkin Bank Act, Article 6, paragraph (1) of the Act on Financial Business by Cooperatives, and Article 94, paragraph (1) of the Labor Bank Act) or Article 31, paragraph (1) of The Shoko Chukin Bank Limited Act; the same applies in paragraph (1) of the following Article) of the business year immediately preceding the business year including the day on which the relevant insurance premiums are to be paid by twelve, multiplied by the number of months in the business year including the day on which the insurance premiums are to be paid, and multiplying the amount thus calculated by a rate determined by the DICJ following a resolution by the Board (hereinafter referred to as "Insurance Premiums Rate" in this Article).

(2) The Insurance Premiums Rate must be established such that the DICJ's long-term finances will be balanced in light of the estimated amount of expenses (excluding those pertaining to Deposits for payment and settlement purposes) to be incurred through payment of insurance proceeds, financial assistance and other operations of the DICJ (except those listed in Article 40-2, item (ii)) and that no specific Financial Institution will be subject to any discriminatory treatment (except that which is applied according to the how sound management of a Financial Institution is).

(3) When the DICJ finds it difficult to repay any funds borrowed under Article 42, paragraph (1) or (2) or to redeem the DICJ Bonds issued under Article 42, paragraph (1), the DICJ is to change the Insurance Premiums Rate following a resolution by the Board.

(4) When the DICJ intends to establish or change the Insurance Premiums Rate, the DICJ must obtain the authorization of the Prime Minister and the Minister of Finance.

(5) Upon receiving the authorization set forth in the preceding paragraph, the DICJ must give public notice of the Insurance Premiums Rate pertaining to the authorization without delay.

(Amount of Insurance Premiums Pertaining to Deposits for Payment and Settlement Purposes)

Article 51-2 (1) The amount of insurance premiums pertaining to deposits that satisfy all of the following requirements (excluding foreign currency deposits and other deposits specified by Cabinet Order; hereinafter referred to as "Deposits for payment and settlement purposes") will be the amount calculated for each Financial Institution by dividing the total average amount of Deposits for payment and settlement purposes for each day of the business year immediately preceding the business year including the day on which the relevant insurance premiums are to be paid by twelve, multiplied by the number of months in the business year including the day on which the insurance premiums are to be paid, and multiplying the amount thus calculated by a rate determined by the DICJ following a resolution by the Board:

(i) the deposits can be used for a transaction specified by Cabinet Order as prescribed in Article 69-2, paragraph (1) based on the contract or practice of the transaction;

(ii) the deposits are refundable to their depositors on demand; and

(iii) the deposits bear no interest.

(2) The provisions of paragraphs (2) through (5) of the preceding Article apply mutatis mutandis to the rate prescribed in the preceding paragraph. In this case, the term "excluding those pertaining to" in paragraph (2) of the preceding Article is deemed to be replaced with "limited to those pertaining to."

(Late Payment Charges)

Article 52 (1) A Financial Institution must pay a late payment charge to the DICJ in the event that the Financial Institution fails to pay insurance premiums by the due date.

(2) The amount of late payment charge will be an amount calculated by multiplying the amount of unpaid insurance premiums by 14.5% per annum prorated for the number of days from the day following the due date of payment until the day of payment.

Section 3 Payment of Insurance Claims

(Payment of Insurance Claims)

Article 53 (1) When an insured event has occurred, the DICJ is to pay insurance proceeds to Depositors, etc. pertaining to the insured event based on a request by the Depositors, etc.; provided, however, that any payment of claims for Category One Insurable Contingencies are conditional upon a decision by the DICJ to pay the amounts under the provisions of Article 56, paragraph (1).

(2) The insured event prescribed in the preceding paragraph is not to include any other insured event occurring thereafter (in the event that the proviso to the preceding paragraph applies, after the DICJ has made a decision referred to in the proviso) in relation to the relevant insured event with respect to the Financial Institution subject to the relevant insured event (referred to as "Related Insured Event" in Article 57, paragraph (1), item (ii)).

(3) The DICJ may pay insurance proceeds by depositing with a Financial Institution an amount equivalent to the insurance proceeds of each of the Depositors, etc. pertaining to the relevant insured event and by transferring the claims pertaining to the relevant deposits to the Depositors, etc. pertaining to the relevant insured event.

(4) When an insured event has occurred, the DICJ may, based on a request by Depositors, etc. pertaining to the relevant insured event, make a provisional payment to the Depositors, etc. in accordance with Cabinet Order within an amount specified by Cabinet Order.

(5) The request prescribed in paragraph (1) or the preceding paragraph may only be made within the payment period for which public notice was given under Article 57, paragraph (1), (2) or (4); provided, however, that this does not apply at the time of a natural disaster or when the DICJ finds any other unavoidable reason for the failure to make the request within the payment period.

(Amount of Insurance Claims Pertaining to General Deposits)

Article 54 (1) The amount of insurance proceeds pertaining to the General Deposits, etc. (excluding those held under the name of another person and other General Deposits, etc. specified by Cabinet Order; hereinafter referred to as "Covered General Deposits, etc.") of each of the Depositors, etc. in a Financial Institution subject to a single insured event will be an amount equivalent to the aggregate amount (if there is more than one aggregate amount for the same person, the total of the amounts) of the principal (in the case of the money specified in Article 2, paragraph (2), item (v) within the Covered General Deposits, etc., the amount of the money; the same applies hereinafter) and interest, etc. (meaning the portion that is not the principal but is interest and other items specified by Cabinet Order; the same applies hereinafter) of the claims pertaining to the Covered General Deposits, etc. actually held by this person in the relevant Financial Institution on the day of occurrence of the insured event (limited to those actually held by the person at the time of making a request under paragraph (1) of the preceding Article and including those no longer held due to the provisional payment under paragraph (4) of the preceding Article (limited to those pertaining to the Covered General Deposits, etc.; hereinafter the same applies in this Article) and the refund of the Covered General Deposits, etc. pertaining to the loan under Article 69-3, paragraph (1) or as applied mutatis mutandis pursuant to Article 127; the same applies in the following paragraph).

(2) If the amount of principal (if there is more than one amount for the same person, the total of the amounts) under the preceding paragraph exceeds an amount specified by Cabinet Order (hereinafter referred to as "Base Insurance Amount"), the amount of insurance proceeds pertaining to the Covered General Deposits, etc. will be the total of the Base Insurance Amount and the amount of interest, etc. pertaining to the principal corresponding to the Base Insurance Amount. In this case, if there is more than one amount of principal for the same person, the principal corresponding to the Base Insurance Amount will be the total of the amounts of principal prescribed in the following items up to the Base Insurance Amount:

(i) when there are claims pertaining to the Covered General Deposits, etc., some of which are the subject matter of a security interest and others are not, the principal pertaining to those that are not the subject matter of a security interest is to have priority;

(ii) when two or more claims pertaining to the Covered General Deposits, etc., which are not the subject matter of a security interest, are held by the same person, the principal pertaining to those with an earlier due date is to have priority;

(iii) in the case referred to in the preceding item, if two or more claims with the same due date pertaining to the Covered General Deposits, etc. are held by the same person, the principal pertaining to those with a lower interest rate (meaning the rate of interest and other similar matters specified by Cabinet Order; the same applies in the following item) is to have priority;

(iv) in the case referred to in the preceding item, if two or more claims with the same interest rate pertaining to the Covered General Deposits, etc. are held by the same person, the principal pertaining to those designated by the DICJ is to have priority; and

(v) when two or more claims pertaining to the Covered General Deposits, etc., which are the subject matter of a security interest, are held by the same person, the principal pertaining to those designated by the DICJ is to have priority.

(3) Notwithstanding the provisions of the preceding two paragraphs, in the event that any of the Depositors, etc. pertaining to an insured event have received provisional payment under paragraph (4) of the preceding Article or refund of the Covered General Deposits, etc. pertaining to the loan under Article 69-3, paragraph (1) as applied mutatis mutandis pursuant to Article 127 with respect to the relevant insured event, the amount of insurance proceeds for the Covered General Deposits, etc. of the person will be reduced by the amount of the relevant provisional payment and refund of the Covered General Deposits, etc. pertaining to the loan under Article 69-3, paragraph (1) as applied mutatis mutandis pursuant to Article 127 (excluding any amount to be repaid to the DICJ under the following paragraph) pursuant to the provisions of Cabinet Order concerning the amounts prescribed in these provisions.

(4) When the amount of provisional payment made under paragraph (4) of the preceding Article to any of the Depositors, etc. pertaining to an insured event exceeds an amount calculated pursuant to the provisions of Cabinet Order within the amounts of insurance proceeds prescribed in paragraph (1) and (2), the relevant persons must repay to the DICJ the amount of the excess.

(Amount of Insurance Claims Pertaining to Deposits for Payment and Settlement Purposes)

Article 54-2 (1) The amount of insurance proceeds pertaining to the Deposits for payment and settlement purposes (excluding those held under the name of another person and other Deposits for payment and settlement purposes specified by Cabinet Order; hereinafter referred to as "Covered Deposits for Settlement") of each of the Depositors, etc. in a Financial Institution subject to a single insured event will be an amount equivalent to the amount of principal (if there is more than one amount for the same person, the total of the amounts) of the claims pertaining to the Covered Deposits for payment and settlement purposes actually held by the Depositors, etc. in the relevant Financial Institution on the day of occurrence of the insured event (limited to those actually held by the Depositors, etc. at the time of making a request under Article 53, paragraph (1) and including those no longer held due to the provisional payment under Article 53, paragraph (4) (limited to those pertaining to the Covered Deposits for Settlement; the same applies in the following paragraph) or refund of the Covered Deposits for Settlement pertaining to the loan under Article 69-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 127; the same applies in the following paragraph)).

(2) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to cases where the Depositors, etc. pertaining to an insured event have received, with regard to the Covered Deposits for Settlement held thereby, the provisional payment under Article 53, paragraph (4) or refund of the Covered Deposits for payment and settlement purposes pertaining to the loan under Article 69-3, paragraph (1) with respect to the relevant insured event. In this case, the terms "Notwithstanding the provisions of the preceding two paragraphs" and "these provisions" in paragraph (3) of the preceding Article will be deemed to be replaced with "Notwithstanding the provisions of Article 54-2, paragraph (1)" and "the relevant provisions."

(Special Provisions for Deposits, etc. Pertaining to Defined Contribution Pensions)

Article 54-3 (1) In the event that any of the Depositors, etc. of a Financial Institution subject to a single insured event is an Asset Management Institution (limited to the trustee of a trust prescribed in Article 8, paragraph (1), item (i) of the Defined Contribution Pension Act (Act No. 88 of 2001)) prescribed in Article 2, paragraph (7), item (i), (b) of the same Act, an Association prescribed in Article 2, paragraph (5) of the same Act, or a trustee (limited to trust companies (including the Financial Institutions engaged in Trust Business)) of affairs prescribed in Article 61, paragraph (1), item (iii) of the same Act (hereinafter referred to as "Asset Management Institution, etc."), the amount of insurance proceeds of the relevant person is, notwithstanding the provisions of the Insurance Claim Calculation Provision, be the remaining amount after deducting the amount specified in item (ii) from the amount specified in item (i), adding thereto the amount specified in item (iii):

(i) with regard to claims pertaining to the covered Deposits, etc. (meaning the Covered General Deposits, etc. or Covered Deposits for payment and settlement purposes; the same applies hereinafter) of the relevant Asset Management Institution, etc. (limited to those actually held by the Depositors, etc. holding the covered Deposits, etc. at the time of making a request under Article 53, paragraph (1) and including those no longer held due to the provisional payment under Article 53, paragraph (4) or refund of the covered Deposits, etc. pertaining to the loan under Article 69-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 127); hereinafter the same applies in this Article) that pertain to the Fund Management of defined contribution pensions (meaning the reserves prescribed in Article 8, paragraph (1) of the Defined Contribution Pension Act; hereinafter the same applies in this Article), the total of the amounts that are deemed to be the amount of insurance proceeds for each of the subscribers, etc. (meaning the subscribers, etc. prescribed in Article 2, paragraph (7), item (i), (a) of the same Act; hereinafter the same applies in this Article) who have instructed the relevant investment, when the Insurance Claim Calculation Provision is applied in the event that, within the claims pertaining to the covered Deposits, etc. actually held by the Asset Management Institution, etc. in the relevant Financial Institution on the day of occurrence of the relevant insured event (hereinafter referred to as "Insured Event Date" in this paragraph), those portions that are equivalent to the amount of managed assets per individual (meaning the amount of managed assets per individual prescribed in Article 2, paragraph (13) of the same Act) of the relevant subscribers, etc. (referred to as "Deposit Claims Equivalent to Amount of Managed Assets Per Individual" in the following paragraph) are deemed to be claims pertaining to the covered Deposits, etc. of the relevant subscribers, etc.;

(ii) the total of the amounts of insurance proceeds under the Insurance Claim Calculation Provision with respect to each of the claims pertaining to the covered Deposits, etc. actually held by the relevant subscribers, etc. in the relevant Financial Institution on the Insured Event Date; and

(iii) the amount of insurance proceeds under the Insurance Claim Calculation Provision other than those pertaining to the investment of the reserves of defined contribution pensions, within the claims pertaining to the covered Deposits, etc. actually held by the Asset Management Institution, etc. in the relevant Financial Institution on the Insured Event Date.

(2) In the event that the provisions of Article 54, paragraph (2) are applied under item (i) of the preceding paragraph, the principal corresponding to Base Insurance Amount is the total of the amounts of principal prescribed in the following items up to the Base Insurance Amount:

(i) when there are Deposit Claims Equivalent to Amount of Managed Assets Per Individual of subscribers, etc., within the claims pertaining to the covered Deposits, etc. of the relevant subscribers, etc. and those of the relevant Asset Management Institution, etc. before the application of the provisions of item (i) of the preceding paragraph, the principal of the claims pertaining to the covered Deposits, etc. of the relevant subscribers, etc. is to have priority; and

(ii) when there are two or more Deposit Claims Equivalent to Amount of Managed Assets Per Individual of subscribers, etc. within the claims pertaining to the covered Deposits, etc. of the relevant Asset Management Institution, etc., the principal pertaining to those designated by the DICJ is to have priority.

(3) In the case referred to in paragraph (1), if the payment of insurance proceeds is made to an Asset Management Institution, etc. under Article 53, paragraph (1), the amount after deducting the amount specified in paragraph (1), item (ii) from the amount specified in paragraph (1), item (i) pertaining to subscribers, etc. within the insurance proceeds will be deemed to be reserved in the managed assets per individual (meaning the managed assets per individual prescribed in Article 2, paragraph (12) of the Defined Contribution Pension Act) of the relevant subscribers, etc.

(4) In applying the provisions of Article 2, paragraph (11) in the case referred to in paragraph (1), the term "and Article 54-2, paragraph (1)" in Article 2, paragraph (11) will be taken as meaning ", Article 54-2, paragraph (1), and Article 54-3, paragraphs (1) and (2)."

(Notice of an Insured Event)

Article 55 (1) A Financial Institution must immediately notify the DICJ upon the occurrence of an insured event pertaining to the Financial Institution.

(2) The Prime Minister, the Minister of Finance, the Minister of Health, Labour and Welfare, or the Minister of Economy, Trade and Industry must immediately notify the DICJ upon the occurrence of any of the following events:

(i) when they have rescinded the business license of, or passed a resolution on the authorization to dissolve, a Financial Institution under their supervision;

(ii) when they have become aware that a Financial Institution under their supervision has become subject to Category One Insured Event; and

(iii) when they have received notice under Article 137-2, paragraph (1).

(3) Upon receiving notice under paragraph (1) or notice from the Minister of Health, Labour and Welfare or Minister of Economy, Trade and Industry under the preceding paragraph, the DICJ must immediately report to that effect to the Prime Minister and the Minister of Finance.

(4) Upon receiving notice from the Prime Minister under paragraph (2), the DICJ must immediately report to that effect to the Minister of Finance.

(5) Upon receiving notice from the Minister of Finance under paragraph (2), the DICJ must immediately report to that effect to the Prime Minister.

(Ascertaining Amount of Claims Pertaining to Deposits, etc.)

Article 55-2 (1) Upon becoming aware that a Financial Institution has become subject to an insured event, the DICJ must promptly ascertain the amount of claims pertaining to the Deposits, etc. actually held in the relevant Financial Institution as of the day of the occurrence of the relevant insured event by each of the Depositors, etc. of the relevant Financial Institution.

(2) When the DICJ finds it necessary for promptly ascertaining the amount of claims pertaining to the Deposits, etc. prescribed in the preceding paragraph, the DICJ may, by clearly indicating to that effect, request the Financial Institution to submit materials concerning the names and addresses of the Depositors, etc., details of claims pertaining to the Deposits, etc. and other matters specified by Cabinet Office Order and Order of the Ministry of Finance.

(3) A Financial Institution must, if requested to submit materials under the preceding paragraph, submit them without delay using electronic data processing systems or magnetic tapes (including any other medium in which certain particulars can be securely recorded by equivalent means) pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance.

(4) A Financial Institution must prepare a database pertaining to the Deposits, etc. (meaning the collection of information pertaining to the Deposits, etc. that is systematically organized so that the information may be retrieved by using computers) and electronic data processing systems and take any other measures necessary for submitting materials under the preceding paragraph.

(Decisions on Payment)

Article 56 (1) If any of the events listed in the following items occurs, the DICJ must, following a resolution by the Board, decide whether to pay insurance proceeds with respect to the insured event prescribed in each of the following items within one month of the day specified in the items:

(i) when notice is received under Article 55, paragraph (1) or (2) concerning the Category One Insured Event: the day on which the notice is received;

(ii) beyond the case referred to in the preceding item, if the DICJ has become aware that the Category One Insured Event has occurred: the day on which the DICJ has become aware of the occurrence;

(iii) when notice is received under Article 66, paragraph (1) to the effect that the resolution, decision, or consent prescribed in Article 66, paragraph (1) has failed to be obtained for a merger, the Business Transfer, etc., Transfer of Insured Deposits, share exchange, share transfer, or company split involving a Financial Institution subject to the Category One Insured Event as a party thereto: the day on which the notice is received; and

(iv) beyond the case referred to in the preceding item, if the DICJ has become aware that the resolution, decision, or consent prescribed in Article 66, paragraph (1) has failed to be obtained for a merger, Business Transfer, etc., Transfer of Insured Deposits, share exchange, share transfer, or company split involving a Financial Institution subject to the Category One Insured Event as a party thereto: the day on which the DICJ has become aware of the fact.

(2) In the event that the DICJ applies for an extension of the time limit under the preceding paragraph following a resolution of the Board, the Prime Minister and the Minister of Finance may grant the extension for a period not exceeding one month.

(3) If any of the events listed in the following items occurs, the DICJ must, following a resolution of the Board, decide whether to make provisional payment under Article 53, paragraph (4) with respect to an insured event prescribed in each of the following items within one week of the day specified in the items:

(i) when notice is received under Article 55, paragraph (1) or (2) concerning an insured event: the day on which the notice is received;

(ii) beyond the case referred to in the preceding item, if the DICJ has become aware that an insured event has occurred: the day on which the DICJ has become aware of the occurrence;

(iii) if notice is received under Article 66, paragraph (1) to the effect that the resolution, decision, or consent prescribed in Article 66, paragraph (1) has failed to be obtained for a merger, Business Transfer, etc., Transfer of Insured Deposits, share exchange, share transfer, or company split involving a Financial Institution subject to the Category One Insured Event as a party thereto: the day on which the notice is received; and

(iv) beyond the case referred to in the preceding item, if the DICJ has become aware that the resolution, decision, or consent prescribed in Article 66, paragraph (1) has failed to be obtained for a merger, Business Transfer, etc., Transfer of Insured Deposits, share exchange, share transfer, or company split involving a Financial Institution subject to the Category One Insured Event as a party thereto: the day on which the DICJ has become aware of the fact.

(4) Upon making a decision under paragraph (1) or the preceding paragraph, the DICJ must immediately report matters pertaining to the decision to the Prime Minister and the Minister of Finance (to the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare if the decision relates to a labor bank or Rokinren banks, and to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry if the decision relates to The Shoko Chukin Bank, Ltd.).

(Public Notice of Payment)

Article 57 (1) The DICJ must, following a resolution of the Board, promptly determine the period, place, and method of payment of insurance proceeds and other matters specified by Cabinet Order and give public notice thereof in the following cases:

(i) when the DICJ has made a decision under paragraph (1) of the preceding Article to pay insurance proceeds pertaining to the Category One Insured Event;

(ii) when the DICJ has received notice under Article 55, paragraph (1) or (2) concerning the Category Two Insured event (excluding the Related Insured Event; the same applies in the following item); and

(iii) beyond the case referred to in the preceding item, if the DICJ has become aware that the Category Two Insured Event has occurred.

(2) When the DICJ has made a decision pursuant to the provisions of paragraph (3) of the preceding Article to make provisional payment under Article 53, paragraph (4), the DICJ must, following a resolution by the Board, promptly determine the period, place, and method of payment of the relevant provisional payment and other matters specified by Cabinet Order and give public notice thereof.

(3) If, after giving public notice under the preceding two paragraphs, there is public notice under Article 197, paragraph (1) of the Bankruptcy Act (including the cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the same Act), notice under Article 137-2, paragraph (2), or any other event specified by Cabinet Order with respect to the relevant Financial Institution, the DICJ may, pursuant to the provisions of Cabinet Order, change the payment period that was publicly announced under the provisions of the preceding two paragraphs.

(4) When the DICJ has changed the payment period under the preceding paragraph, the DICJ must give public notice of matters pertaining to the change without delay.

(5) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to cases where the matters prescribed in paragraph (1) or (2) have been decided and where the payment period has been changed under paragraph (3).

(Acquisition of Claims)

Article 58 (1) When a request is made for the payment of insurance proceeds under Article 53, paragraph (1), the DICJ may, pursuant to the provisions of Cabinet Order, acquire claims pertaining to the covered Deposits, etc. held in a Financial Institution by the Depositors, etc. pertaining to the relevant request, according to the amount of insurance proceeds that are required to be paid to the relevant Depositors, etc. under the Insurance Claim Calculation Provision.

(2) When the claims pertaining to the covered Deposits, etc. acquired under the preceding paragraph include any claim that is subject to a security interest, the DICJ may, pursuant to the provisions of Cabinet Order, defer the payment of insurance proceeds up to an amount equivalent to the claim pertaining to the covered Deposits, etc. (limited to the portion that has been acquired by the DICJ) that are subject to the relevant security interest until the extinction of the secured claim pertaining to the relevant security interest.

(3) When the DICJ has made provisional payment to the Depositors, etc. under Article 53, paragraph (4), the DICJ will, according to the amount of the payment (excluding the amount to be repaid to the DICJ under Article 54, paragraph (4)), acquire claims pertaining to the covered Deposits, etc. held in a Financial Institution by the relevant Depositors, etc.

(Taxation)

Article 58-2 (1) In the event that Depositors, etc. receive payment of insurance proceeds in connection with claims pertaining to the covered Deposits, etc. (excluding those pertaining to the Long-Term Credit Bank Bonds, etc. issued by means of a discount, among those listed in Article 2, paragraph (2), item (v)) held by the relevant Depositors, etc. (hereinafter referred to as "Deposits and Other Claims" in this paragraph), when the Deposits and Other Claims acquired by the DICJ according to the amount of insurance proceeds for which the payment is received include any interest, etc., an amount equivalent to the relevant interest, etc. will be deemed to be the amount prescribed in each of the following items according to the category of the covered Deposits, etc. pertaining to the relevant Deposits and Other Claims prescribed in each respective item, in applying the provisions of the Income Tax Act (Act No. 33 of 1965) and other laws and regulations concerning income tax:

(i) deposits: interests on the relevant deposits;

(ii) installment savings: compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iii) of the Income Tax Act) based on contracts for the relevant installment savings;

(iii) installment deposits specified in Article 2, paragraph (2), item (iii): compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iv) of the Income Tax Act) based on contracts for the relevant installment deposits;

(iv) money specified in Article 2, paragraph (2), item (iv): distribution of profits under money trusts prescribed in Article 2, paragraph (2), item (iv) pertaining to the relevant money; and

(v) money specified in Article 2, paragraph (2), item (v): interests on the Long-Term Credit Bank Bonds, etc. (excluding those issued by means of a discount).

(2) In the event that the provisions of the preceding paragraph apply, any necessary matters for the application of special provisions for Article 4-2 and Article 4-3 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) and other provisions of the preceding paragraph will be specified by Cabinet Order.

(Measures for Payment of Insurance Claims Pertaining to Deposits, etc.)

Article 58-3 (1) A Financial Institution must develop electronic data processing systems and take any other measures specified by Cabinet Office Order in order to secure the smooth implementation of the payment of insurance proceeds pertaining to the Covered Deposits, etc. or refund thereof and any other measures necessary for dealing with an insured event in the event of occurrence of an insured event.

(2) The Prime Minister may, when they find that the measures prescribed in the preceding paragraph have not been taken, order a Financial Institution to take the relevant measures to the extent necessary, by a specified time.

Section 4 Financial Assistance

(Application for Financial Assistance)

Article 59 (1) A Financial Institution undertaking a merger, etc. that is not a Failed Financial Institution (hereinafter referred to as an "Assuming Financial Institution") or a Bank Holding Company, etc. undertaking a merger, etc. (hereinafter referred to as an "Assuming Bank Holding Company, etc.") may apply to have the DICJ take the following measures (in the case of measures specified in item (vi), excluding those provided to the companies specified in Article 2, paragraph (5), item (v); hereinafter referred to as "Financial Assistance") to support the merger, etc.:

(i) donation of money;

(ii) loan or deposit of funds;

(iii) purchase of assets;

(iv) guarantee of obligations;

(v) assumption of obligations;

(vi) Subscription for Preferred Shares, etc.; and

(vii) Collateralization of Damage.

(2) The term "merger, etc." as used in the preceding paragraph means the following:

(i) a merger in which a Financial Institution that merges with a Failed Financial Institution survives;

(ii) a merger in which a Financial Institution is established through the merger of a Failed Financial Institution and another Financial Institution;

(iii) a Business Transfer, etc. in which a Failed Financial Institution transfers its business to another Financial Institution (in the case of transfer of part of the business, limited to one accompanied by the assumption of obligations pertaining to the Deposits, etc. of a Failed Financial Institution that include obligations pertaining to the Deposits, etc. corresponding to the amount of insurance proceeds calculated under the Insurance Claim Calculation Provision);

(iii)-2 Transfer of Insured Deposits;

(iv) an acquisition of shares of a Failed Financial Institution by another Financial Institution or Bank Holding Company, etc. to implement matters specified by the Prime Minister and the Minister of Finance as being necessary for ensuring sound and appropriate operation of the relevant Failed Financial Institution;

(v) an absorption-type company split to which a Failed Financial Institution is a party where another Financial Institution succeeds to all or part of the rights and obligations held by the Failed Financial Institution in relation to its business through the absorption-type company split (in the case of an absorption-type company split where another Financial Institution succeeds to part of the rights and obligations, limited to one where another Financial Institution succeeds to obligations pertaining to the Deposits, etc. of the Failed Financial Institution and where the obligations include those pertaining to Deposits, etc. corresponding to the amount of insurance claims calculated under the Insurance Claim Calculation Provision); and

(vi) an incorporation-type company split to which a Failed Financial Institution is a party where the Financial Institution newly established through the incorporation-type company split succeeds to all or part of the rights and obligations held by the Failed Financial Institution in relation to its business through the relevant incorporation-type company split (in the case of an incorporation-type company split where the newly established Financial Institution succeeds to part of the rights and obligations, limited to one where the newly established Financial Institution succeeds to obligations pertaining to the Deposits, etc. of the Failed Financial Institution and where the obligations include those pertaining to Deposits, etc. corresponding to the amount of insurance claims calculated under the Insurance Claim Calculation Provision).

(3) The Financial Assistance prescribed in paragraph (1) provided to support a merger specified in item (ii) of the preceding paragraph or an incorporation-type company split specified in item (vi) of the same paragraph will be provided to the Assuming Financial Institution or Financial Institution that will be established by the merger or the incorporation-type company split, and if there are two or more Assuming Financial Institutions involved in the merger or the incorporation-type company split, the application prescribed in paragraph (1) will be made in joint names with the relevant Assuming Financial Institutions.

(4) The purchase of assets specified in paragraph (1), item (iii) will be conducted with respect to the assets of a Failed Financial Institution pertaining to a merger, etc. (meaning the merger, etc. prescribed in paragraph (2); the same applies hereinafter) or assets specified in each of the following items according to the category of merger, etc. specified in the items, and if the Financial Assistance pertaining to the application prescribed in paragraph (1) includes the purchase of assets of a Failed Financial Institution pertaining to a merger, etc., the Assuming Financial Institution or Assuming Bank Holding Company, etc. pertaining to the merger, etc. applies to the DICJ in joint names with the relevant Failed Financial Institution for the DICJ to purchase the relevant assets:

(i) a merger specified in paragraph (2), item (i): the assets of the Financial Institution surviving through the merger (limited to those that were the assets of the Failed Financial Institution prior to the merger);

(ii) a merger specified in paragraph (2), item (ii): the assets of the Financial Institution that will be established by the merger (limited to those that were the assets of the Failed Financial Institution prior to the merger);

(iii) a Business Transfer, etc. specified in paragraph (2), item (iii): the assets of another Financial Institution prescribed in paragraph (2), item (iii) that have been received through the relevant Business Transfer, etc.;

(iv) the acquisition of shares specified in paragraph (2), item (iv): the assets of a Financial Institution whose shares have been so acquired;

(v) the absorption-type company split specified in paragraph (2), item (v): the assets of another Financial Institution set forth in the same item which the Financial Institution has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in paragraph (2), item (vi): the assets of the Financial Institution established through the incorporation-type company split (limited to those that were assets of the Failed Financial Institution prior to the incorporation-type company split).

(5) The Collateralization of Damage specified in paragraph (1), item (vii) will be performed with respect to the loan claims that are the assets prescribed in each of the preceding items according to the category of merger, etc. specified in that item.

(6) A Financial Institution or Bank Holding Company, etc. that has made an application under paragraph (1) or (4) must promptly report to that effect to the Prime Minister (in the case of a labor bank or Rokinren banks, to the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(7) Upon receiving an application under paragraph (1) or (4), the DICJ must promptly report to that effect to the Minister of Finance; provided, however, that this does not apply to cases where the Financial Institution that has made the relevant application is The Shoko Chukin Bank, Ltd.

(Special Provisions for Application of Financial Assistance)

Article 59-2 (1) An Assuming Financial Institution undertaking a merger, etc. (limited to the Business Transfer, etc. specified in paragraph (2), item (iii) of the preceding Article whereby a Failed Financial Institution transfers part of its business to another Financial Institution, the Transfer of Insured Deposits, the absorption-type company split specified in item (v) of the same paragraph where another Financial Institution succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business, or the incorporation-type company split specified in item (vi) of the same paragraph where the newly established Financial Institution succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business) may apply to have the DICJ provide Financial Assistance to the relevant Failed Financial Institution (limited to those specified in paragraph (1), item (i) of the preceding Article) in order to ensure equity between creditors of the Failed Financial Institution.

(2) The application under the preceding paragraph will be made in joint names with the Failed Financial Institution pertaining to the merger, etc.

(3) The provisions of paragraph (6) of the preceding Article apply mutatis mutandis to an Assuming Financial Institution and Failed Financial Institution that have made an application under the provisions of the preceding two paragraphs, and the provisions of paragraph (7) of the preceding Article apply mutatis mutandis to the DICJ that has received an application under the provisions of the preceding two paragraphs.

Article 60 (1) A Financial Institution designated by the Prime Minister that, in order to support a merger, etc., loans funds to a Financial Institution pertaining to the merger, etc. (excluding the Failed Financial Institution) or to a Bank Holding Company, etc. pertaining to the merger, etc. or conducts any other act specified by Cabinet Order may apply to the DICJ for Financial Assistance (limited to those specified in Article 59, paragraph (1), item (ii) or (iv)).

(2) A Financial Institution that has made an application under the preceding paragraph must promptly report to that effect to the Prime Minister (in the case of a labor bank or Rokinren banks, to the Prime Minister and the Minister of Health, Labour and Welfare).

(3) Upon receiving an application under paragraph (1), the DICJ must promptly report to that effect to the Minister of Finance.

(Confirmation of Eligibility)

Article 61 (1) With regard to a merger, etc. pertaining to an application prescribed in Article 59, paragraph (1), Article 59-2, paragraph (1), or paragraph (1) of the preceding Article, a Failed Financial Institution and Assuming Financial Institution or Failed Financial Institution and Assuming Bank Holding Company, etc. pertaining to the relevant merger, etc. must obtain the authorization of the Prime Minister by the time the application under these provisions is made.

(2) An application for the authorization under the preceding paragraph must be made in the joint names of the Failed Financial Institution and Assuming Financial Institution or Failed Financial Institution and Assuming Bank Holding Company, etc. prescribed in the preceding paragraph.

(3) The Prime Minister may not grant authorization under paragraph (1) unless all of the following requirements are satisfied:

(i) the merger, etc. contributes to the protection of the Depositors, etc. and other creditors;

(ii) the Financial Assistance by the DICJ is indispensable for carrying out the merger, etc.; and

(iii) if the merger, etc. is not carried out for the Failed Financial Institution pertaining thereto and the Failed Financial Institution ceases all its business or is dissolved, it is likely to cause considerable detriment to the smooth supply and demand of funds and convenience of consumers in the region or fields in which the relevant Failed Financial Institution conducts its business.

(4) The Prime Minister must, when granting authorization under paragraph (1) to a labor bank or Rokinren banks, obtain consent from the Minister of Health, Labour and Welfare, and when granting authorization under paragraph (1) to The Shoko Chukin Bank, Ltd., obtain consent from the Minister of Finance and the Minister of Economy, Trade and Industry.

(5) The Prime Minister must, when granting authorization under paragraph (1), make clear which Financial Institution pertaining to the relevant authorization is a Failed Financial Institution.

(6) Upon granting the authorization under paragraph (1), the Prime Minister must notify the DICJ to that effect.

(7) Upon receiving notice under the preceding paragraph, the DICJ must promptly report to that effect to the Minister of Finance.

(8) In the event that a company seeking to acquire the shares of a Failed Financial Institution has applied for authorization set forth in Article 52-17, paragraph (1) of the Banking Act or Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act with regard to the fact that, as a result of the acquisition, the company will become a holding company which has a Bank as its subsidiary company or Holding company which has a Long-Term Credit Bank as its subsidiary company (hereinafter referred to as "Holding Company Authorization" in this paragraph), the Prime Minister may not grant authorization under paragraph (1) until after they has granted the Holding Company Authorization to the relevant company.

(Mediation of Mergers)

Article 62 (1) Even in cases where no application is being made under paragraph (2) of the preceding Article, if a Financial Institution falls under a Failed Financial Institution and the Prime Minister finds that the Failed Financial Institution satisfies the requirements specified in paragraph (3), item (iii) of the preceding Article, they may provide mediation in writing with regard to the relevant merger, etc. (excluding those specified in Article 59, paragraph (2), item (ii) and limited to those that contribute to the protection of the Depositors, etc. and other creditors and for which the Financial Assistance by the DICJ is indispensable) between the relevant Failed Financial Institution and another Financial Institution or the relevant Failed Financial Institution and a Bank Holding Company, etc.

(2) Notwithstanding the provisions of paragraph (1) of the preceding Article, another Financial Institution or Bank Holding Company, etc. prescribed in the preceding paragraph that has received the mediation under the preceding paragraph may make an application under Article 59, paragraph (1) or Article 59-2, paragraph (1).

(3) Notwithstanding the provisions of paragraph (1) of the preceding Article, a Financial Institution designated by the Prime Minister under Article 60, paragraph (1) that, in order to support a merger, etc. pertaining to the mediation under paragraph (1), loans funds under Article 60, paragraph (1) to another Financial Institution or Bank Holding Company, etc. that has received the relevant mediation, or conducts any other act specified by Cabinet Order, may make an application under Article 60, paragraph (1).

(4) The provisions of paragraphs (4) through (7) of the preceding Article apply mutatis mutandis to cases where the mediation is provided under paragraph (1).

(5) The Prime Minister may, when they find it necessary for providing the mediation set forth in paragraph (1), within the limit of that necessity, deliver material related to the status of business and assets of a Failed Financial Institution or a Financial Institution recognized as having a high probability of becoming a Failed Financial Institution to another Financial Institution or Bank Holding Company, etc. and make any other preparations for the relevant mediation.

(6) The Prime Minister may request necessary cooperation from the DICJ for the mediation under paragraph (1) or preparations under the preceding paragraph.

Article 63 Deleted.

(Financial Assistance)

Article 64 (1) Upon receiving an application under Article 59, paragraph (1) or (4), Article 59-2, paragraph (1), or Article 60, paragraph (1), the DICJ must, following a resolution of the Board, decide whether to grant the Financial Assistance pertaining to the application without delay.

(2) When making a decision under the preceding paragraph, the Board must take into consideration the financial conditions of the DICJ, expected costs of the Financial Assistance pertaining to the relevant decision, and expected costs for the payment of insurance proceeds with respect to an insured event of the Failed Financial Institution pertaining to the relevant Financial Assistance, and give due consideration to the efficient use of the DICJ's assets.

(3) Upon making a decision under paragraph (1), the DICJ must immediately report matters pertaining to the relevant decision to the Prime Minister and the Minister of Finance (if the relevant decision pertains to a merger, etc. to which a labor bank or Rokinren banks is a party, to the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and if the relevant decision pertains to a merger, etc. to which The Shoko Chukin Bank, Ltd. is a party, to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(4) Upon making a decision to provide the Financial Assistance under paragraph (1), the DICJ is to conclude a contract concerning the relevant Financial Assistance with a Financial Institution or Bank Holding Company, etc. pertaining to the application for the relevant Financial Assistance.

(5) When the Financial Assistance pertaining to the contract prescribed in the preceding paragraph includes the Collateralization of Damage, the Financial Institution or Bank Holding Company, etc. pertaining to the relevant contract is to stipulate therein that, if profits are accrued with respect to loan claims pertaining to the Collateralization of Damage, it is to pay part of the relevant profits to the DICJ, or take measures to cause a person who is to hold the relevant loan claims as a result of the relevant merger, etc. to pay part of the relevant profits to the DICJ.

(Financial Assistance Pertaining to Subscription for Preferred Shares)

Article 64-2 (1) When an application is made under Article 59, paragraph (1) for the Subscription for Preferred Shares, etc., the Assuming Financial Institution or Assuming Bank Holding Company, etc. (excluding the companies specified in Article 2, paragraph (5), item (v); hereinafter the same applies in this Article) pertaining to the relevant application must, at the time of making the relevant application, submit to the DICJ a plan setting forth measures specified by Cabinet Order as measures to ensure sound financial conditions, etc.

(2) When a resolution prescribed in paragraph (1) of the preceding Article relates to an application for the Subscription for Preferred Shares, etc., the Board may not adopt a resolution to carry out the relevant Subscription for Preferred Shares, etc., unless in light of the adequacy of equity capital of the Assuming Financial Institution or Assuming Bank Holding Company, etc. pertaining to the relevant application, the relevant Subscription for Preferred Shares, etc. does not exceed the scope necessary for the smooth implementation of the relevant merger, etc. and conforms to other standards prescribed by the Prime Minister, the Minister of Finance, the Minister of Health, Labour and Welfare, and the Minister of Economy, Trade and Industry.

(3) In the event that an application is made under Article 59, paragraph (1) for the Subscription for Preferred Shares, etc., if the DICJ intends to make a decision to provide the Financial Assistance, it must, following a resolution prescribed in the preceding paragraph, obtain prior approval from the Prime Minister and the Minister of Finance (if the relevant application is made by a labor bank or Rokinren banks, from the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and if the relevant application is made by The Shoko Chukin Bank, Ltd., from the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(4) In the event that an application under Article 59, paragraph (1) for the Subscription for Preferred Shares, etc. is made to support a merger, etc. (limited to those specified in Article 59, paragraph (2), item (ii) or (vi)), if the DICJ has made a decision under paragraph (1) of the preceding Article, a plan submitted pursuant to the provisions of paragraph (1) must, following the relevant merger, etc., be deemed to have been submitted by a Financial Institution established by the relevant merger, etc. for the purpose of applying the provisions of this Article.

(5) Until the DICJ disposes or receives redemption or repayment of all Acquired Preferred Shares, etc. or Acquired Loan Claims (meaning those loan claims acquired by the DICJ through the Subscription for Preferred Shares, etc. based on a decision under paragraph (1) of the preceding Article; hereinafter the same applies in this Article to Article 68-3), the DICJ may request an Assuming Financial Institution (including the Financial Institutions established by the merger or incorporation-type company split pertaining to Subscription for Preferred Shares, etc.; hereinafter the same applies in this Article to Article 68-3) or Assuming Bank Holding Company, etc. that is an issuer of the relevant Acquired Preferred Shares, etc. or obligor pertaining to Acquired Loan Claims actually held by the DICJ to report the status of implementation of the plan that was submitted under paragraph (1) and make the report public.

(6) The term "Acquired Preferred Shares, etc." as used in the preceding paragraph means the following:

(i) the Preferred Shares, etc. (including the following) and other Shares, etc. specified by Cabinet Order acquired by the DICJ through the Subscription for Preferred Shares, etc. based on a decision under paragraph (1) of the preceding Article:

(a) in the event that the Preferred Shares, etc. are preferred shares, the following shares:

1. in the event that the relevant referred shares are those for which a request for Conversion into Shares of Another Class (meaning the delivery of shares of another class in exchange for the acquisition of the relevant preferred shares by their issuing company; hereinafter the same applies in this paragraph) can be made, shares of another class into which the relevant shares are converted pursuant to the request;

2. in the event that the preferred shares are convertible upon the occurrence of certain events, shares of another class into which the preferred shares are converted as a result of the occurrence; and

3. Shares split or consolidated with respect to the preferred shares or the shares of another class specified in 1 or 2;

(b) in the event that the Preferred Shares, etc. are subordinated bonds, shares delivered through the exercise of share options attached to the relevant subordinated bonds and shares split or consolidated with respect thereto; and

(c) in the event that the Preferred Shares, etc. are preferred equity investments, preferred equity investments split with respect to the relevant preferred equity investments; and

(ii) preferred shares (including the following) allotted to the DICJ by a company that has become a wholly owning parent company resulting from share exchange (meaning the wholly owning parent company resulting from share exchange prescribed in Article 768, paragraph (1), item (i) of the Companies Act; the same applies hereinafter) or wholly owning parent company incorporated in a share transfer (meaning the wholly owning parent company incorporated in share transfer prescribed in Article 773, paragraph (1), item (i) of the same Act; the same applies hereinafter) through share exchange or share transfer effected by a Financial Institution or Bank Holding Company, etc. for which the DICJ conducted the Subscription for Preferred Shares, etc. pursuant to a decision under paragraph (1) of the preceding Article, and other Shares, etc. specified by Cabinet Order:

(a) in the event that the relevant preferred shares are those for which a request for Conversion into Shares of Another Class can be made, shares of another class into which the relevant shares are converted pursuant to the request;

(b) in the event that the preferred shares are convertible upon the occurrence of certain events, shares of another class into which the preferred shares are converted as a result of the occurrence; and

(c) shares split or consolidated with respect to the relevant preferred shares or the shares of another class specified in (a) or (b).

(Reporting of Agreements for Mergers)

Article 65 A Financial Institution or Bank Holding Company, etc. that has received the authorization under Article 61, paragraph (1) or mediation under Article 62, paragraph (1) (hereinafter referred to as "Authorization of Eligibility, etc.") must, upon concluding an agreement for merger, etc. pertaining to the Authorization of Eligibility, etc., immediately report to that effect to the Prime Minister (in the case of a labor bank or Rokinren banks, to the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) and submit a copy of the relevant agreement for merger, etc. (in the case of a Financial Institution or Bank Holding Company, etc. that has concluded a contract with the DICJ under Article 64, paragraph (4), a copy of the relevant agreement for merger, etc. and documents stating the details of the contract under Article 64, paragraph (4)).

(Reporting of Resolutions of Shareholders Meetings)

Article 66 (1) In the event that a resolution or decision of shareholders meeting, etc. or consent of all shareholders or all class shareholders (meaning the consent prescribed in Article 783, paragraph (2) or (4) of the Companies Act; the same applies hereinafter) is required for a merger, Business Transfer, etc., Transfer of Insured Deposits, share exchange, or share transfer, or company split under the provisions of this Act, the Companies Act, other Acts, or the articles of incorporation, a Financial Institution that has received the Authorization of Eligibility, etc. must, when it has obtained or failed to obtain a resolution or decision, or consent of all shareholders or all class shareholders for a merger, Business Transfer, etc., Transfer of Insured Deposits, share exchange or share transfer, or company split pertaining to the relevant Authorization of Eligibility, etc., immediately report to that effect to the Prime Minister (in the case of a labor bank or Rokinren banks, to the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) and submit the minutes of the relevant shareholders meeting, etc. and any other documents proving the fact (including those prepared in the form of an electronic or magnetic record (meaning records used in computer data processing, which are created in electronic form, magnetic form, or any other form that is impossible to perceive through the human senses alone; specified by Cabinet Office Order and Order of the Ministry of Finance as used for data processing with computers; the same applies in Article 106, paragraph (3))), and must also notify the DICJ to that effect. The same applies when, in the event that a resolution of shareholders meeting, etc. or consent of all shareholders or all class shareholders is required for share exchange under the provisions of this Act, the Companies Act, or the articles of incorporation, a Bank Holding Company, etc. that has received the Authorization of Eligibility, etc. has obtained or failed to obtain the resolution or consent for share exchange pertaining to the relevant Authorization of Eligibility, etc.

(2) The term "shareholders meeting, etc." as used in the preceding paragraph means, in the case of a Bank, etc., Bank Holding Company, etc., or The Shoko Chukin Bank, Ltd., a shareholders meeting or class meeting (meaning, in the case prescribed in Article 22, paragraph (6) of the Act on Financial Institutions' Merger and Conversion, a shareholders meeting and the shareholders meeting prescribed in Article 22, paragraph (6)), and in the case of a shinkin bank, federation of shinkin banks, credit cooperative, Federation of Credit Cooperatives, labor bank, or Rokinren banks (hereinafter referred to as a "Shinkin Bank, etc."), a general meeting or general meeting of representatives.

(3) A Financial Institution or Bank Holding Company, etc. that has received the Authorization of Eligibility, etc. under paragraph (1) must, in the following cases, immediately report to that effect to the Prime Minister (in the case of a labor bank or Rokinren banks, to the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) and also notify the DICJ to that effect:

(i) in the event that a Financial Institution or Bank Holding Company, etc. that has received the Authorization of Eligibility, etc. under paragraph (1) seeks to receive the whole or part of business or undertake a merger, share exchange, or company split without obtaining approval by a resolution or decision of a shareholders meeting, etc. (meaning the shareholders meeting, etc. prescribed in the preceding paragraph; the same applies in the following item) under Article 468, paragraph (2) or Article 796, paragraph (3) of the Companies Act, the proviso to Article 58, paragraph (2) or the proviso to Article 61-3, paragraph (3) of the Shinkin Bank Act, the second sentence of Article 57-3, paragraph (2) or the proviso to Article 63-5, paragraph (3) of the Small and Medium-Sized Enterprises Cooperatives Act, the proviso to Article 62, paragraph (2) or the proviso to Article 62-6, paragraph (3) of the Labor Bank Act, or Article 30, paragraph (1) or Article 42, paragraph (1) of the Act on Financial Institutions' Merger and Conversion, when the relevant Financial Institution or Bank Holding Company, etc. has come to fall under the case prescribed in Article 468, paragraph (3) or Article 796, paragraph (4) of the Companies Act, Article 58, paragraph (4) or Article 61-3, paragraph (5) of the Shinkin Bank Act, Article 57-3, paragraph (3) or Article 63-5, paragraph (4) of the Small and Medium-Sized Enterprises Cooperatives Act, Article 62, paragraph (4) or Article 62-6, paragraph (5) of the Labor Bank Act, or Article 30, paragraph (2) or Article 42, paragraph (2) of the Act on Financial Institutions' Merger and Conversion; and

(ii) in the event that a Financial Institution that has received the Authorization of Eligibility, etc. under paragraph (1) seeks to conduct a Business Transfer, etc. with the permission of the court in lieu of a resolution or decision of a shareholders meeting, etc. or consent of all shareholders or all class shareholders under Article 87 or Article 43 of the Civil Rehabilitation Act (including the cases where it is applied mutatis mutandis pursuant to Article 454 of the Act on Special Measures of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions), if the relevant Financial Institution has failed to obtain the relevant permission.

(4) Upon receiving notice under paragraph (1) or the preceding paragraph, the DICJ must immediately report to that effect to the Minister of Finance; provided, however, that this does not apply in cases where the Financial Institution that gave the relevant notice is The Shoko Chukin Bank, Ltd.

(Special Provisions for the Continuation of Business)

Article 67 (1) In the event that an Assuming Financial Institution that has received the Authorization of Eligibility, etc. has, through a merger, transfer of business, Transfer of Insured Deposits, or company split pertaining to the relevant Authorization of Eligibility, etc., succeeded to the rights and obligations pertaining to a contract belonging to any business that the relevant Financial Institution is prohibited or restricted from carrying out by laws and regulations concerning the business or operations of the relevant Financial Institution, the relevant Financial Institution may continue the business concerning the contract until the period of contract expires, if the contract prescribes a period, and for a period limited to two years from the date of succession, if the contract does not prescribe a period.

(2) An Assuming Financial Institution that has received the Authorization of Eligibility, etc. may, in the event that there are special circumstances in light of the convenience of the users of the business concerning the contract prescribed in the preceding paragraph, etc., prepare a plan as to how the relevant business is to be concluded within a specified period of time, and if the relevant plan is approved by the Prime Minister (in the case of a labor bank or Rokinren banks, by the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., by the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry), continue the relevant business in accordance with the relevant plan and within a scope not exceeding the total amount of the relevant contract as of the date of the merger, assumption of business, Transfer of Insured Deposits, or company split, by renewing the contract following the expiration of the period prescribed in the preceding paragraph or beyond the period prescribed in the preceding paragraph.

(Consultation with the Minister of Finance)

Article 68 The Prime Minister must, when they find that if the DICJ is to provide Financial Assistance for a merger, etc. pertaining to the Authorization of Eligibility, etc., the financial conditions of the DICJ would significantly deteriorate and have a serious impact on the maintenance of an orderly credit system, consult in advance with the Minister of Finance concerning measures necessary for the maintenance of an orderly credit system.

(Approval of Share Exchange Pertaining to Financial Assistance)

Article 68-2 (1) An Assuming Financial Institution or an Assuming Bank Holding Company, etc. for which the DICJ conducted the Subscription for Preferred Shares, etc. based on a decision under Article 64, paragraph (1) (including companies prescribed in the following paragraph in the event that an approval is obtained under this paragraph and the bridge Financial Institution, etc. prescribed in paragraph (4) of the following Article in the event that an approval is obtained under paragraph (1) of the following Article; the same applies in the following Article), which has issued shares that are Acquired Preferred Shares, etc. actually held by the DICJ (hereinafter referred to as "Issuing Assuming Financial Institution, etc." in this Article), must obtain approval from the DICJ before effecting a share exchange (limited to those through which the Issuing Assuming Financial Institution, etc. becomes a wholly owned subsidiary company in the share exchange (meaning a wholly owned subsidiary company in the share exchange prescribed in Article 768, paragraph (1), item (i) of the Companies Act; the same applies in Article 108-2, paragraph (1) and Article 126-25, paragraph (1))) or share transfer (hereinafter referred to as "Share Exchange, etc." in this Article).

(2) The DICJ is not to grant the approval under the preceding paragraph unless a company that becomes, through the Share Exchange, etc., a wholly owning parent company resulting from share exchange or wholly owning parent company incorporated in a share transfer of the Issuing Assuming Financial Institution, etc. is a Financial Institution or Bank Holding Company, etc. (including those that will be newly established and, in the case of a Bank Holding Company, etc., limited to those specified in Article 2, paragraph (5), item (i) or (iii)) and conforms to other standards prescribed and publicly announced by the Prime Minister and the Minister of Finance.

(3) The DICJ must obtain the prior approval of the Prime Minister and the Minister of Finance before granting the approval under paragraph (1).

(4) When an Issuing Assuming Financial Institution, etc. has effected the Share Exchange, etc. following the approval under paragraph (1), a company that has become, through the relevant Share Exchange, etc., a wholly owning parent company resulting from share exchange or wholly owning parent company incorporated in a share transfer of the relevant Issuing Assuming Financial Institution, etc. must submit to the DICJ a plan setting forth measures specified by Cabinet Order as measures to ensure sound financial conditions, etc.

(5) The provisions of Article 64-2, paragraph (5) apply mutatis mutandis to the plan submitted to the DICJ under the preceding paragraph. In this case, the terms "an Assuming Financial Institution (including the Financial Institutions established by the merger or incorporation-type company split pertaining to Subscription for Preferred Shares, etc.; hereinafter the same applies in this Article to Article 68-3) or Assuming Bank Holding Company, etc." and "issuer ... or obligor pertaining to Acquired Loan Claims" in Article 64-2, paragraph (5) will be deemed to be replaced with "a company that has submitted a plan under Article 68-2, paragraph (4)," and "issuer pertaining to", respectively.

(Approval for Corporate Reorganization Pertaining to Financial Assistance)

Article 68-3 (1) An Assuming Financial Institution or Assuming Bank Holding Company, etc., for which the DICJ conducted the Subscription for Preferred Shares, etc. based on a decision under Article 64, paragraph (1), and which is an issuer or obligor pertaining to Acquired Preferred Shares, etc. (meaning the Acquired Preferred Shares, etc. prescribed in Article 64-2, paragraph (6); hereinafter the same applies in this paragraph and paragraph (4) of the following Article) or Acquired Loan Claims actually held by the DICJ (hereinafter referred to as "Financial Institution Eligible for Financial Assistance, etc." in this Article), must obtain approval from the DICJ before implementing a corporate reorganization (meaning a merger, company split or transfer of the whole or part of business, in which an issuer of Acquired Preferred Shares, etc. or obligor pertaining to Acquired Loan Claims after the merger, company split or business transfer will be a DICJ (including those that will be newly established) other than the Financial Institution Eligible for Financial Assistance, etc.; hereinafter the same applies in this Article).

(2) The DICJ is to not grant the approval under the preceding paragraph unless the DICJ other than the Financial Institution Eligible for Financial Assistance, etc. prescribed in the preceding paragraph is a Financial Institution or Bank Holding Company, etc. (limited to those specified in Article 2, paragraph (5), items (i) and (iii)) and conforms to other standards prescribed and publicly announced by the Prime Minister, the Minister of Finance, the Minister of Health, Labour and Welfare, and the Minister of Economy, Trade and Industry.

(3) The DICJ must obtain approval from the Prime Minister and the Minister of Finance (in the event that the Financial Institution Eligible for Financial Assistance, etc. is a labor bank or Rokinren banks, from the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that the Financial Institution Eligible for Financial Assistance, etc. is The Shoko Chukin Bank, Ltd., from the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) before granting the approval under paragraph (1).

(4) In the event that a Financial Institution Eligible for Financial Assistance, etc. has implemented a corporate reorganization after receiving the approval under paragraph (1), if there is a bridge Financial Institution, etc. pertaining to the relevant corporate reorganization (meaning a DICJ other than the Financial Institution Eligible for Financial Assistance, etc. prescribed in paragraph (1)), the relevant bridge Financial Institution, etc. must submit to the DICJ a plan setting forth measures specified by Cabinet Order as measures to ensure sound financial conditions, etc.

(5) The provisions of Article 64-2, paragraph (5) apply mutatis mutandis to a plan submitted to the DICJ under the preceding paragraph. In this case, the term "Assuming Financial Institution (including the Financial Institutions established by the merger or incorporation-type company split pertaining to Subscription for Preferred Shares, etc.; hereinafter the same applies in this Article to Article 68-3) or Assuming Bank Holding Company, etc." in Article 64-2, paragraph (5) will be deemed to be replaced with "bridge Financial Institution, etc. prescribed in Article 68-3, paragraph (4)."

(Additional Financial Assistance)

Article 69 (1) In the event that, subsequent to a merger, etc. pertaining to Financial Assistance, an Assuming Financial Institution or Assuming Bank Holding Company, etc. pertaining to the relevant Financial Assistance or a Financial Institution established by the merger or incorporation-type company split pertaining to the relevant Financial Assistance applies for additional Financial Assistance (referred to as "Additional Financial Assistance" in paragraph (4)), the DICJ may, when it finds it necessary, provide the Additional Financial Assistance to the Financial Institution that has made the relevant application.

(2) The purchase of assets pertaining to the application under the preceding paragraph will be conducted with respect to the assets of the Failed Financial Institution pertaining to a merger, etc. (limited to the Business Transfer, etc. specified in Article 59, paragraph (2), item (iii) in which a Failed Financial Institution transfers part of its business to another Financial Institution, the Transfer of Insured Deposits, the absorption-type company split specified in item (v) of the same paragraph where another Financial Institution succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business, or the incorporation-type company split specified in item (vi) of the same paragraph where the Financial Institution newly established through the incorporation-type company split succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business) or assets prescribed in each of the following items according to the category of merger, etc. specified in each respective item, and if the Financial Assistance pertaining to the application under the preceding paragraph includes the purchase of assets of the Failed Financial Institution pertaining to a merger, etc. (limited to the Business Transfer, etc. specified in Article 59, paragraph (2), item (iii) in which a Failed Financial Institution transfers part of its business to another Financial Institution, the Transfer of Insured Deposits, the absorption-type company split specified in item (v) of the same paragraph where another Financial Institution succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business, or the incorporation-type company split specified in item (vi) of the same paragraph where the Financial Institution newly established through the incorporation-type company split succeeds to part of the rights and obligations held by the Failed Financial Institution in relation to its business; hereinafter the same applies in this paragraph and paragraph (4)), an Assuming Financial Institution pertaining to the relevant merger, etc. applies to the DICJ for the purchase of the relevant assets in joint names with the relevant Failed Financial Institution:

(i) a merger specified in Article 59, paragraph (2), item (i): the assets of the Financial Institution surviving through the merger (limited to those that were the assets of the Failed Financial Institution prior to the merger);

(ii) a merger specified in Article 59, paragraph (2), item (ii): the assets of the Financial Institution established by the merger (limited to those that were the assets of the Failed Financial Institution prior to the merger);

(iii) a Business Transfer, etc. specified in Article 59, paragraph (2), item (iii): the assets of another Financial Institution prescribed in Article 59, paragraph (2), item (iii) that have been received through the Business Transfer, etc.;

(iv) an acquisition of shares specified in Article 59, paragraph (2), item (iv): the assets of the Financial Institution subject to the acquisition of shares;

(v) the absorption-type company split specified in Article 59, paragraph (2), item (v): the assets of another Financial Institution set forth in the same item which the relevant Financial Institution has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in Article 59, paragraph (2), item (vi): the assets of the Financial Institution established through the incorporation-type company split (limited to those that were assets of the Failed Financial Institution prior to the incorporation-type company split).

(3) The Collateralization of Damage pertaining to the application under paragraph (1) will be conducted with respect to loan claims that are the assets prescribed in each item of the preceding paragraph according to the category of merger, etc. specified in each respective item.

(4) The provisions of Article 59, paragraph (6) and (7), Article 64, and Article 64-2 apply mutatis mutandis to the application under paragraph (1) or (2), the provisions of Article 59-2 apply mutatis mutandis to the Assuming Financial Institution that has conducted the merger, etc. pertaining to the Financial Assistance, the provisions of Article 67 and Article 68 apply mutatis mutandis to the Additional Financial Assistance, and the provisions of the preceding two Articles apply mutatis mutandis to the Assuming Financial Institution, Assuming Bank Holding Company, etc. or the Financial Institutions established by the merger or incorporation-type company split pertaining to the Financial Assistance (excluding the Financial Institutions to which the DICJ has provided the Financial Assistance pertaining to the Subscription for Preferred Shares, etc. and in which the DICJ actually holds Acquired Preferred Shares, etc. pertaining to the relevant Financial Assistance, but including companies prescribed in Article 68-2, paragraph (2) as applied mutatis mutandis pursuant to this paragraph in the event that approval is obtained under Article 68-2, paragraph (1) as applied mutatis mutandis pursuant to this paragraph and the bridge Financial Institution, etc. prescribed in Article 68-2, paragraph (4) as applied mutatis mutandis pursuant to this paragraph in the event that an approval is obtained under paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to this paragraph) to which the DICJ has provided the Additional Financial Assistance (limited to those pertaining to the Subscription for Preferred Shares, etc.). In this case, the term "expected costs for the payment of insurance proceeds with respect to an insured event of the Failed Financial Institution pertaining to the relevant Financial Assistance" in Article 64, paragraph (2) will be deemed to be replaced with "expected costs of the Financial Assistance pertaining to the decision of the Board made prior to the relevant decision with respect to the Failed Financial Institution pertaining to the relevant Financial Assistance and expected costs for the payment of insurance proceeds with respect to an insured event of the relevant Failed Financial Institution," and the term "the DICJ is to provide Financial Assistance for a merger, etc. pertaining to the Authorization of Eligibility, etc.," in Article 68 will be deemed to be replaced with " the Additional Financial Assistance is to be provided", and any other necessary technical replacement of terms will be specified by Cabinet Order.

Chapter III-2 Protection of Creditors Concerning Settlement of Funds

(Protection of Settlement Obligations)

Article 69-2 (1) With regard to obligations borne by a Financial Institution with regard to exchange transactions and other transactions specified by Cabinet Order as transactions pertaining to the settlement of funds undertaken by a Financial Institution (excluding those for which payment is made in a foreign country, and limited to those resulting from entrustment by a Financial Institution and by other persons who engage in financial business other than persons specified by Cabinet Order and to those specified by Cabinet Order; hereinafter referred to as "Settlement Obligations" in this Chapter), other than those that will be extinguished if there is refund of the Covered Deposits for Settlement (hereinafter referred to as "Specified Settlement Obligations" in this paragraph and paragraph (1) of the following Article), the Specified Settlement Obligations will be deemed to be obligations pertaining to the Covered Deposits for Settlement, claims pertaining to the Specified Settlement Obligations will be deemed to be claims pertaining to the Covered Deposits for Settlement, creditors pertaining to the Specified Settlement Obligations will be deemed to be the Depositors, etc., the amount of the Specified Settlement Obligations will be deemed to be the amount of the Covered Deposits for Settlement, and the repayment of the Specified Settlement Obligations will be deemed to be the refund of the Covered Deposits for Settlement, for the purpose of applying the provisions of this Act (excluding Article 58-2, this Chapter, Article 73, and Article 127 and penal provisions pertaining thereto). In this case, the term "insurance premiums pertaining to deposits that satisfy all of the following requirements (excluding foreign currency deposits and other deposits specified by Cabinet Order; hereinafter referred to as "Deposits for payment and settlement purposes")" in Article 51-2, paragraph (1) will be deemed to be replaced with "insurance premiums pertaining to the Specified Settlement Obligations," the term "insurance proceeds pertaining to the Deposits for payment and settlement purposes (excluding those held under the name of another person and other Deposits for payment and settlement purposes specified by Cabinet Order; hereinafter referred to as "Covered Deposits for Settlement")" in Article 54-2, paragraph (1) will be deemed to be replaced with "insurance proceeds pertaining to the Specified Settlement Obligations," and the term "the amount of principal ... of" will be deemed to be replaced with "the amount of," the term "the Covered Deposits for Settlement held thereby" in Article 54-2, paragraph (2) will be deemed to be replaced with "the claims pertaining to the Specified Settlement Obligations held thereby," the term "Deposits, etc." in Article 55-2, paragraph (4) will be deemed to be replaced with "Specified Settlement Obligations," and the term "Covered Deposits, etc." in Article 58-3, paragraph (1) will be deemed to be replaced with "Specified Settlement Obligations."

(2) Where the Settlement Obligations will be extinguished if there is refund of the General Deposits, etc., the General Deposits, etc. whose amount is equivalent to the amount of the relevant Settlement Obligations will be deemed to be the Deposits for payment and settlement purposes.

(Loan of Funds for Repayment of Settlement Obligations)

Article 69-3 (1) In the event that the DICJ receives from any of the following persons an application for a loan of funds necessary for the repayment of the Settlement Obligations (limited to those carried out with respect to the Covered Deposits for Settlement or Specified Settlement Obligations corresponding to the amount of insurance proceeds calculated under Article 54-2, paragraph (1) and Article 54, paragraph (3) as applied mutatis mutandis pursuant to Article 54-2, paragraph (2)), the DICJ may, when it finds it necessary, and following a resolution of the Board, decide to make loan pertaining to the relevant application up to the total amount of insurance proceeds pertaining to the relevant Settlement Obligations calculated under Article 54-2, paragraph (1) and Article 54, paragraph (3) as applied mutatis mutandis pursuant to Article 54-2, paragraph (2):

(i) a Financial Institution that has become subject to an injunction ordering management under Article 74, paragraph (1) or (2);

(ii) a person who has become subject to a ruling for the commencement of bankruptcy proceedings (limited to a person who was a Financial Institution prior to becoming subject to the relevant ruling for the commencement of bankruptcy proceedings);

(iii) a Failed Financial Institution that has become subject to an injunction ordering management by a provisional administrator under Article 91, paragraph (1) of the Bankruptcy Act;

(iv) a Failed Financial Institution that has become subject to a ruling for the commencement of reorganization proceedings;

(v) a Failed Financial Institution that has become subject to an injunction ordering management by a provisional administrator under Article 30, paragraph (1) of the Corporate Reorganization Act or Article 22, paragraph (1) of the Act on Special Measures of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions;

(vi) a Failed Financial Institution that has become subject to an injunction by a trustee ordering management under Article 64, paragraph (1) of the Civil Rehabilitation Act;

(vii) a Failed Financial Institution that has become subject to an injunction ordering management by a provisional administrator under Article 79, paragraph (1) of the Civil Rehabilitation Act; or

(viii) a person who has become subject to an order for commencement of special liquidation (limited to a person who was a Financial Institution prior to its dissolution pertaining to the relevant order).

(2) The provisions of Article 64, paragraph (3) apply mutatis mutandis to the cases where a decision is made under the preceding paragraph, and the provisions of Article 64, paragraph (4) apply mutatis mutandis to the cases where a decision to provide a loan is made under the preceding paragraph. In this case, the term "pertains to a merger, etc. to which ... is a party" in Article 64, paragraph (3) will be deemed to be replaced with "pertains to ..."

(3) The loan provided under paragraph (1) to a person specified in each of the following items will, in relation to creditors other than the DICJ in bankruptcy proceedings, reorganization proceedings, rehabilitation proceedings or special liquidation proceedings pertaining to the relevant Financial Institution, be deemed to be provided prior to the decision prescribed in each respective item:

(i) a person specified in paragraph (1), item (ii): the relevant ruling for the commencement of bankruptcy proceedings;

(ii) a Failed Financial Institution specified in paragraph (1), item (iv): the relevant ruling for the commencement of reorganization proceedings;

(iii) a Failed Financial Institution that has become subject to a ruling for the commencement of rehabilitation proceedings: the relevant ruling for the commencement of rehabilitation proceedings; and

(iv) a person specified in paragraph (1), item (viii): the relevant order for commencement of special liquidation.

(4) The expected costs of the loan of funds provided pursuant to a decision under paragraph (1) will be deemed to be the expected costs of the Financial Assistance prescribed in Article 64, paragraph (2) for the purpose of applying Article 64, paragraph (2).

(5) The person specified in paragraph (1), item (ii) or (viii) will be deemed to be a Financial Institution for the purpose of the application of this Act pertaining to the loan prescribed in paragraph (1).

(Special Provisions of the Bankruptcy Act Pertaining to Settlement Obligations)

Article 69-4 (1) In the event that a Financial Institution that owes the Settlement Obligations and settlement creditors (meaning other Financial Institutions that hold claims pertaining to the relevant Settlement Obligations and also owe other Settlement Obligations to the relevant Financial Institution (including other persons who have acquired from the relevant other Financial Institutions the claims pertaining to the relevant Settlement Obligations or assumed the relevant other Settlement Obligations); hereinafter the same applies in this paragraph) have, prior to the occurrence of an insured event pertaining to the relevant Financial Institution, concluded a contract, under which the whole or part of the Settlement Obligations owed to each other will be extinguished by way of continuous set-off thereof, if the Settlement Obligations subject to the relevant contract arose after the relevant Financial Institution's insolvency, etc. (meaning insolvency (meaning the condition in which the relevant Financial Institution, due to the lack of ability to pay, is generally and continuously unable to pay its debts as they become due), suspension of payments, or a petition for the commencement of bankruptcy proceedings, commencement of reorganization proceedings, commencement of rehabilitation proceedings or commencement of special liquidation; hereinafter the same applies in this paragraph) and there has been a decision pertaining to the relevant Financial Institution for the provision of a loan under paragraph (1) of the preceding Article (including the cases where it is applied mutatis mutandis pursuant to Article 127), the relevant settlement creditors may, notwithstanding the provisions of Article 517 and Article 518 of the Companies Act, Article 71 and Article 72 of the Bankruptcy Act, Article 49 and Article 49-2 of the Corporate Reorganization Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 35 of the Act on Special Measures of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions) and Article 93 and Article 93-2 of the Civil Rehabilitation Act, set off the Settlement Obligations specified in the following items that are owed by the relevant Financial Institution pertaining to claims held by the creditors against the Settlement Obligations owed by the creditors prescribed in the item:

(i) the Settlement Obligations that arose prior to the insolvency, etc.: the Settlement Obligations owed to the relevant Financial Institution (excluding those based on a cause that arose prior to the relevant insolvency, etc.) that arose between the time of the insolvency, etc. and a ruling for the commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, or an order for commencement of special liquidation (hereinafter referred to as "Ruling for Commencement of Bankruptcy Proceedings, etc." in this item) pertaining to the relevant insolvency, etc., or the Settlement Obligations owed to the relevant Financial Institution that arose after the relevant Ruling for Commencement of Bankruptcy Proceedings, etc.; and

(ii) the Settlement Obligations that arose after the relevant insolvency, etc.: the Settlement Obligations owed to the relevant Financial Institution.

(2) The provisions of Article 653 of the Civil Code do not apply to a consignment contract concluded by the relevant Financial Institution pertaining to the Settlement Obligations.

(3) When a decision has been made to loan funds under paragraph (1) of the preceding Article to a Failed Financial Institution that has become subject to an order for commencement of special liquidation, the court may, notwithstanding the provisions of Article 500, paragraph (1) and Article 537, paragraph (1) of the Companies Act, in response to a application filed by the relevant Failed Financial Institution, grant permission for the repayment of the Settlement Obligations prescribed in paragraph (1) of the preceding Article.

(4) The court must, upon granting the permission under the preceding paragraph, specify the types of the Settlement Obligations to be repaid, limit of the amount of repayment, and period of repayment (in the case referred to in the preceding paragraph, the last day of the relevant period must precede the date of notice under Article 549, paragraph (1) of the Companies Act).

(5) When specifying the types of the Settlement Obligations to be repaid, limit of the amount of repayment, and period of repayment under the preceding paragraph, the court must hear the opinion of the DICJ in advance.

Chapter IV Purchase of Deposits, etc. and Other Claims

(Purchase of Deposits, etc. and Other Claims)

Article 70 (1) In the cases prescribed in Article 57, paragraph (1) (including the cases where the DICJ finds it necessary for the protection of the Depositors, etc. of a Financial Institution subject to the Category One Insured Event), the DICJ may, following a resolution by the Board, decide to purchase deposits and other claims pertaining to an insured event prescribed in each item of Article 57, paragraph (1) (meaning claims pertaining to the Deposits, etc. held by the Depositors, etc. in the Financial Institution subject to the insured event (excluding the Deposits, etc. specified by Cabinet Order) that are not subject to a security interest; the same applies hereinafter).

(2) The purchase under the preceding paragraph will be made within the purchase period publicly announced under Article 72, paragraph (1) or (3), upon request by the Depositors, etc. who hold deposits and other claims pertaining to the insured event prescribed in the preceding paragraph based on an approximate estimate of the relevant deposits and other claims; provided, however, that in the event that the DICJ has collected the deposits and other claims pertaining to the purchase, if an amount obtained by deducting from the amount so collected the amount of costs specified by Cabinet Order as being required for the relevant purchase exceeds the amount equivalent to estimated proceeds payment pertaining to the relevant purchase, the DICJ is to pay the excess to the relevant Depositors, etc.

(3) The amount of estimated proceeds payment prescribed in the preceding paragraph will be calculated by deducting from the amount of deposits and other claims to be purchased by the DICJ from the Depositors, etc. the amount of interest, distribution of profits and any other amount equivalent thereto specified by Cabinet Order corresponding to the period between the date of the insured event and the date of the relevant purchase, and multiplying the amount thus calculated by a rate determined by the DICJ under paragraph (1) of the following Article (hereinafter referred to as "Estimated Proceeds Payment Rate").

(4) The provisions of Article 53, paragraph (3) apply mutatis mutandis to the payment of an amount equivalent to estimated proceeds payment pertaining to the purchase under paragraph (2) (hereinafter referred to as "Estimated Proceeds Payment").

(5) When the DICJ finds that the Depositors, etc. did not make a request within the purchase period prescribed in paragraph (2) due to natural disaster or any other unavoidable reason, the DICJ may, notwithstanding the provisions of paragraph (2), purchase deposits and other claims of the relevant Depositors, etc. even after the lapse of the relevant purchase period.

(Estimated Proceeds Payment Rate)

Article 71 (1) In making a decision under paragraph (1) of the preceding Article, the DICJ must, following a resolution of the Board, specify the Estimated Proceeds Payment Rate for the purchase pertaining to the relevant decision and obtain the authorization of the Prime Minister and the Minister of Finance for the relevant decision.

(2) When making a decision on the Estimated Proceeds Payment Rate under the preceding paragraph, the Board must take into consideration, in light of the financial conditions of the Financial Institution pertaining to the decision under paragraph (1) of the preceding Article, the expected amount of payment to be received for deposits and other claims pertaining to the relevant Financial Institution in the event that it becomes subject to bankruptcy proceedings, and give due consideration to the efficient use of the DICJ's assets.

(3) When granting the authorization set forth in paragraph (1), the Prime Minister and the Minister of Finance must obtain consent from the Minister of Health, Labour and Welfare if the relevant Financial Institution is a labor bank or Rokinren banks, and must obtain consent from the Minister of Economy, Trade and Industry if the relevant Financial Institution is The Shoko Chukin Bank, Ltd.

(Public Notices of Purchase)

Article 72 (1) Upon receiving the authorization set forth in paragraph (1) of the preceding Article, the DICJ must, following a resolution by the Board, promptly specify the period, location, and method of the Estimated Proceeds Payment pertaining to the purchase of deposits and other claims and other particulars specified by Cabinet Order and give public notice thereof together with the Estimated Proceeds Payment Rate pertaining to the relevant authorization.

(2) If, after giving public notice under the preceding paragraph, there is public notice under Article 197, paragraph (1) of the Bankruptcy Act (including the cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the relevant Act), notice under Article 137-2, paragraph (2), or any other event specified by Cabinet Order with respect to the relevant Financial Institution, the DICJ may, pursuant to the provisions of Cabinet Order, change the purchase period that was publicly announced under the provisions of the preceding paragraph.

(3) If the DICJ has changed the payment period under the preceding paragraph, the DICJ must give public notice of particulars pertaining to the relevant change without delay.

(4) When making payment under the proviso to Article 70, paragraph (2), the DICJ must, following a resolution of the Board, specify the amount and period of payment and other particulars specified by Cabinet Order and give public notice thereof in advance.

(5) The provisions of Article 56, paragraph (4) apply mutatis mutandis to cases where the DICJ has specified the particulars prescribed in paragraph (1), changed the purchase period under paragraph (2), and specified the matters prescribed in the preceding paragraph.

(Taxation)

Article 73 (1) In the event that Depositors, etc. have received the Estimated Proceeds Payment for the deposits and other claims which they hold (excluding those pertaining to the Long-Term Credit Bank Bonds, etc. issued by means of a discount, among those listed in Article 2, paragraph (2), item (v); hereinafter the same applies in this Article), if the amount of the relevant Estimated Proceeds Payment (hereinafter referred to as "Amount of Estimated Proceeds Payment" in this Article) is equal to or less than the amount specified by Cabinet Order as the amount of principal of the relevant deposits and other claims on the date of the relevant Estimated Proceeds Payment (hereinafter referred to as "Amount of Principal on the Reference Date" in this Article), the Amount of Estimated Proceeds Payment will be deemed to be the amount of principal to be repaid with respect to the relevant deposits and other claims, and in the event that the Amount of Estimated Proceeds Payment exceeds the Amount of Principal on the Reference Date, the portion of the relevant Amount of Estimated Proceeds Payment equivalent to the relevant Amount of Principal on the Reference Date will be deemed to be the amount of principal to be repaid with respect to the relevant deposits and other claims, and the portion of the relevant Amount of Estimated Proceeds Payment that exceeds the relevant Amount of Principal on the Reference Date will be deemed to be the amount prescribed in each of the following items according to the category of the Deposits, etc. pertaining to the relevant deposits and other claims prescribed in each respective item, in applying the provisions of the Income Tax Act and other laws and regulations concerning income tax:

(i) deposits: interests on the relevant deposits;

(ii) installment savings: compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iii) of the Income Tax Act) based on contracts for the relevant installment savings;

(iii) installment deposits specified in Article 2, paragraph (2), item (iii): compensation money for benefits (meaning the compensation money for benefits specified in Article 174, item (iv) of the Income Tax Act) based on contracts for the relevant installment deposits;

(iv) money specified in Article 2, paragraph (2), item (iv): distribution of profits under money trusts prescribed in Article 2, paragraph (2), item (iv) pertaining to the relevant money; and

(v) money specified in Article 2, paragraph (2), item (v): interests on the Long-Term Credit Bank Bonds, etc. (excluding those issued by means of a discount).

(2) In the event that the Depositors, etc. have received payment under the proviso to Article 70, paragraph (2), the amount of money received for deposits and other claims pertaining to the relevant payment (hereinafter referred to as "Amount of Settlement Payment" in this paragraph) will be deemed to be the amount prescribed in each of the following items according to the category prescribed in the item, in applying the provisions of the Income Tax Act and other laws and regulations concerning income tax:

(i) in the event that the total amount of the Amount of Settlement Payment and the Amount of Estimated Proceeds Payment pertaining to the relevant deposits and other claims (referred to as "Total Amount of Settlement and Estimated Proceeds Payments" in the following items) is equal to or less than the Amount of Principal on the Reference Date pertaining to the relevant deposits and other claims: the amount of principal to be repaid with respect to the relevant deposits and other claims;

(ii) in the event that the Total Amount of Settlement and Estimated Proceeds Payments exceeds the Amount of Principal on the Reference Date pertaining to the relevant deposits and other claims, and the Amount of Estimated Proceeds Payment pertaining to the relevant deposits and other claims is equal to or less than the relevant Amount of Principal on the Reference Date: the amount prescribed in each of the following according to the category of Amount of Settlement Payment specified therein:

(a) within the relevant Amount of Settlement Payment, an amount corresponding to the balance after deducting from the relevant Amount of Principal on the Reference Date the relevant Amount of Estimated Proceeds Payment: an amount of principal to be repaid with respect to the relevant deposits and other claims; and

(b) within the relevant Amount of Settlement Payment, an amount corresponding to the balance after deducting from the Total Amount of Settlement and Estimated Proceeds Payments the relevant Amount of Principal on the Reference Date: an amount of the Deposits, etc. pertaining to the relevant deposits and other claims prescribed in each item of the preceding paragraph according to the category specified in each respective item; and

(iii) in the event that the Amount of Estimated Proceeds Payment pertaining to the relevant deposits and other claims exceeds the Amount of Principal on the Reference Date pertaining to the rlevenat deposits and other claims: an amount of the Deposits, etc. pertaining to the relevant deposits and other claims prescribed in each item of the preceding paragraph according to the category specified in each respective item.

(3) In the event that the provisions of the preceding two paragraphs applies, necessary particulars for the application of the special provisions of Article 4-2 and Article 4-3 of the Act on Special Measures Concerning Taxation and other provisions of the preceding two paragraphs will be specified by Cabinet Order.

Chapter V Management by Financial Administrators

(Injunction Ordering Management of Business and Assets)

Article 74 (1) In cases where the Prime Minister (in the event that a Financial Institution pertaining to the injunction prescribed in this paragraph is a labor bank or Rokinren banks, the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that the Financial Institution is The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of the following Article), paragraph (5), paragraph (1) of the following Article, Article 77, paragraphs (2) through (4), Article 79, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 79, paragraph (3)), Article 80, Article 84, paragraph (1), and Article 90) finds that a Financial Institution is unable to satisfy its obligations in full with its assets, or that, in light of the status of its business or assets, a Financial Institution is likely to suspend refund of Deposits, etc. or a Financial Institution has suspended refund of Deposits, etc., and that any of the following requirements is satisfied, the Prime Minister may order that the business and assets of the relevant Financial Institution be placed under the management of a financial administrator (hereinafter referred to as "Injunction Ordering Management"):

(i) the conducting of the relevant Financial Institution's business is particularly inappropriate; or

(ii) if a merger, etc. is not carried out for the Financial Institution pertaining thereto and the Failed Financial Institution discontinues all of its businesses or is dissolved, it is likely to cause considerable detriment to the smooth supply and demand of funds and convenience of consumers in the region or fields in which the relevant Failed Financial Institution conducts its business.

(2) Upon receiving notification from a Financial Institution that a situation is likely to arise in which the Financial Institution is unable to satisfy its obligations in full with its assets, the Prime Minister may, when they find that the relevant situation is likely to arise and any of the requirements specified in the preceding paragraph are satisfied, issue the Injunction Ordering Management with respect to the relevant Financial Institution.

(3) A Financial Institution (excluding Failed Financial Institutions) that has become subject to the Injunction Ordering Management under the provisions of the preceding two paragraphs will be deemed to be a Failed Financial Institution for the purpose of the application of this Act.

(4) Upon issuing the Injunction Ordering Management, the Prime Minister must give public notice thereof in the Official Gazette.

(5) A Financial Institution must, if it is unable to satisfy its obligations in full with its assets or is likely to suspend refund of Deposits, etc. in light of the status of its business or assets, give written notification of the fact and reasons thereof to the Prime Minister.

(Rescission of Injunctions Ordering Management)

Article 75 (1) The Prime Minister must rescind the Injunction Ordering Management, when they find that there is no longer any need for the relevant Injunction Ordering Management.

(2) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to the case referred to in the preceding paragraph.

(Prohibition of Shareholder Name Changes)

Article 76 (1) In the event that a Financial Institution under Management is a Bank, etc. or The Shoko Chukin Bank, Ltd., the Prime Minister may, when they find it necessary, prohibit any entry of the change of the name of a shareholder.

(2) For the purpose of applying the provisions of the preceding paragraph, in the event that a Financial Institution under Management set forth in the relevant paragraph is The Shoko Chukin Bank, Ltd. as prescribed in the same paragraph, the term "the Prime Minister" will be deemed to be "the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry."

(Appointment of Financial Administrators)

Article 77 (1) When an Injunction Ordering Management has been issued, the right to represent a Financial Institution under Management, conduct its business, and manage and dispose of its assets will be vested exclusively in a financial administrator. The same applies to the rights of a director and executive officer (in the event that the Financial Institution under Management is a Shinkin Bank, etc., a director) prescribed in Article 828, paragraphs (1) and (2) of the Companies Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 28 of the Shinkin Bank Act, Article 52-2 (including the cases where it is applied mutatis mutandis pursuant to Article 58, paragraph (7) of the same Act) and Article 61-7 of the same Act, Article 32 of the Small and Medium-Sized Enterprises Cooperatives Act, Article 57 (including the cases where it is applied mutatis mutandis pursuant to Article 57-3, paragraph (6) of the same Act) and Article 67 of the same Act, Article 28 of the Labor Bank Act, Article 57-2 (including the cases where it is applied mutatis mutandis pursuant to Article 62, paragraph (7) of the same Act) and Article 65 of the same Act), and Article 831 of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (10) and Article 48-8 of the Shinkin Bank Act, Article 27, paragraph (8), Article 54, Article 82, paragraph (4) and Article 82-10, paragraph (4) of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 24, paragraph (11) and Article 54 of the Labor Bank Act).

(2) The Prime Minister must, at the time of issuing an Injunction Ordering Management, appoint one or more financial administrators.

(3) The Prime Minister may, when they find it necessary, appoint another financial administrator after the appointment of a financial administrator under the preceding paragraph, or, when they find that the financial administrator has failed to properly manage the business and assets of the Financial Institution under Management, dismiss the financial administrator.

(4) The Prime Minister must, if they have appointed or dismissed a financial administrator under paragraph (2) or the preceding paragraph, notify the Financial Institution under Management to that effect and give public notice thereof in the Official Gazette.

(5) The provisions of Article 69, Article 70, Article 80, and Article 81, paragraphs (1) and (5) of the Corporate Reorganization Act apply mutatis mutandis to a financial administrator and the provisions of Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations apply mutatis mutandis to a Financial Institution under Management. In this case, the term "the permission of the court" in Article 69, paragraph (1) of the Corporate Reorganization Act will be deemed to be replaced with "approval from the Prime Minister" (in the event that the Financial Institution under the management of the financial administrator is a labor bank or Rokinren banks, of the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that the Financial Institution is The Shoko Chukin Bank, Ltd., of the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies hereinafter), the term "trustee representative" in Article 70 of the same Act will be deemed to be replaced with "financial administrator representative," the term "the permission of the court" in Article 70, paragraph (2) of the same Act will be deemed to be replaced with "approval from the Prime Minister," the term "the court" in Article 81, paragraph (1) of the same Act will be deemed to be replaced with "the Prime Minister," the term "trustee representative" in Article 81, paragraph (5) of the same Act will be deemed to be replaced with "financial administrator representative," and the term "representative director and other representatives" in Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations will be deemed to be replaced with "financial administrator."

Article 78 (1) A corporation may be appointed as a financial administrator or financial administrator representative.

(2) The DICJ may be appointed as a financial administrator or financial administrator representative and carry out the business thereof.

(Notice and Registration)

Article 79 (1) The Prime Minister must, when they have issued an Injunction Ordering Management or rescinded an Injunction Ordering Management, immediately notify the district court which has jurisdiction over the location of the head office or principal office of the Financial Institution under Management to that effect, attach a transcript of the written order to a written commission, and commission its registration in the registry office which has jurisdiction over the location of the head office or principal office of the Financial Institution under Management.

(2) The registration under the preceding paragraph must include the name and address of a financial administrator.

(3) The provisions of paragraph (1) apply mutatis mutandis to cases where any changes occur to the particulars specified in the preceding paragraph.

(Submission of Reports or Materials)

Article 80 The Prime Minister may, if they find it necessary, request a financial administrator to submit reports or materials with regard to the status of business and assets, etc. of a Financial Institution under Management or order a financial administrator to prepare and submit a plan for its management and take other necessary measures.

(Investigation of Financial Administrators)

Article 81 (1) A financial administrator may request a director, accounting advisor, corporate auditor, and accounting auditor (in the event that the Financial Institution under Management is a company with committees, a director, executive officer, accounting advisor and accounting auditor, and in the event that the Financial Institution under Management is a Shinkin Bank, etc., a director, inspector and accounting auditor; the same applies in Article 87, paragraph (5)), manager (in the event that the Financial Institution under Management is a credit cooperative, the Federation of Credit Cooperatives, labor bank or Rokinren banks, a counselor), and any other employee of a Financial Institution under Management, a Financial Institution Agent or the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd. (limited to the case where it is a Financial Institution under Management; hereinafter the same applies in this paragraph) (in the event that the Financial Institution Agent or the other party to a contract pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of the Shoko Chukin Bank Limited Act has juridical personality, an officer and employee) having a Financial Institution under Management as its Principal Financial Institution, and a person who previously held any of these positions (with regard to any person who previously held any of these positions, limited to those items pertaining to matters that could have been known by him/her during the period when they were engaged in the operations of the Financial Institution under Management) to report on the status of business and assets of the Financial Institution under Management, or inspect the books, documents, and any other items of the Financial Institution under Management and the Financial Institution Agent having the Financial Institution under Management as its Principal Financial Institution or the other party to a contract pertaining to the agency or intermediary prescribed in the same paragraph of The Shoko Chukin Bank, Ltd.

(2) A financial administrator may, if it is necessary for carrying out their duties, inquire with, or request the cooperation of, government agencies, public entities, or any other person.

(Obligation of Confidentiality of Financial Administrators)

Article 82 (1) A financial administrator and financial administrator representative (hereinafter referred to as "Financial Administrator, etc." in this Article) must not divulge any secret which may have come to their knowledge in the course of their duties. The same applies after a financial administrator, etc. resigns from office.

(2) If a financial administrator, etc. has juridical personality, its officers and staff who are engaged in the duty of the financial administrator, etc. must not divulge any secret which may have come to their knowledge in the course of their duties. The same applies after the relevant officers or staff members are no longer engaged in the duties of the financial administrator, etc.

(Measures to Clarify the Liability of Management for the Failure of a Financial Institution under Management.)

Article 83 (1) A financial administrator must, in order to have a director, accounting advisor, corporate auditor or accounting auditor of a Financial Institution under Management (a director, executive officer, accounting advisor or accounting auditor in the event that the Financial Institution under Management is a company with committees, and a director, inspector or accounting auditor in the event that the Financial Institution under Management is a Shinkin Bank, etc.) or a person who previously held any of these positions perform civil liability based on a breach of obligations in the course of duties, file an action or take other necessary measures.

(2) A financial administrator must, if when by carrying out their duty they believe that an offense has been committed, take necessary measures toward filing an accusation.

(Transactions between Financial Administrators and Financial Institutions under Management)

Article 84 (1) Financial administrators must obtain approval from the Prime Minister when carrying out, for themselves or for a third party, any transaction with a Financial Institution under Management. In this case, Article 108 of the Civil Code does not apply.

(2) An act will be null and void if the approval set forth in the preceding paragraph has not been obtained; provided, however, that it may not be duly asserted against a third party without knowledge of the requirement to obtain the approval.

Article 85 Deleted

(Special Provisions on Extraordinary Resolutions of Shareholders Meeting)

Article 86 (1) In a Financial Institution under Management, resolutions by a shareholders meeting or class meeting specified in Article 309, paragraph (2), item (iii) of the Companies Act (limited to the part pertaining to Article 171, paragraph (1) of the same Act) through item (v) of the same paragraph, (ix), (xi), or (xii) of the same paragraph, or Article 324, paragraph (2), item (i) or (iv) of the same Act, resolutions or decisions under Article 48-3 of the Shinkin Bank Act, Article 53 of the Small and Medium-Sized Enterprises Cooperatives Act, or Article 53 of the Labor Bank Act, and resolutions or decisions under Article 22, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of the same Article), Article 29, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of the same Article) or Article 35, paragraph (2) of the Act on Financial Institutions' Merger and Conversion may, notwithstanding these provisions, be made provisionally by two-thirds or more of the votes held by the shareholders, members, association members, substitute members, or representatives (referred to in paragraph (4) as "Shareholders, etc.") present.

(2) In a Financial Institution under Management, resolutions of shareholders meetings or class meetings specified in each item of Article 309, paragraph (3) or Article 324, paragraph (3) of the Companies Act and resolutions under Article 22, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of the same Article) of the Act on Financial Institutions' Merger and Conversion may, notwithstanding these provisions, be made provisionally by a majority of the shareholders present and two-thirds or more of the votes held by the shareholders present.

(3) In a Financial Institution under Management, resolutions of a shareholders meeting under Article 309, paragraph (4) of the Companies Act may, notwithstanding the provisions of the same paragraph, be made provisionally by a majority of the shareholders present and three-quarters or more of the votes held by the shareholders present.

(4) In the event that a resolution or decision is provisionally made under paragraph (1) (hereinafter referred to as "Provisional Resolution, etc." in this paragraph and the following paragraph), the Financial Institution under Management must notify its Shareholders, etc. of the purpose of the relevant Provisional Resolution, etc. and must call a subsequent shareholders meeting, etc. (meaning the shareholders meeting, etc. prescribed in Article 66, paragraph (2); the same applies in the following paragraph and paragraph (6) of the following Article) within one month of the date of adoption of the relevant Provisional Resolution, etc.

(5) In the event that a Provisional Resolution is approved by a majority as prescribed in paragraph (1) at a shareholders meeting, etc. under the preceding paragraph, a resolution or decision pertaining to the matters of the relevant Provisional Resolution, etc. will be deemed to have existed when the relevant approval was given.

(6) The provisions of the preceding two paragraphs apply mutatis mutandis to cases where a resolution is provisionally made under paragraph (2). In this case, the term "a majority prescribed in paragraph (1)" in the preceding paragraph will be deemed to be replaced with "a majority as prescribed in paragraph (2)."

(7) The provisions of paragraphs (4) and (5) apply mutatis mutandis to cases where a resolution is provisionally made under paragraph (3). In this case, the term "a majority as prescribed in paragraph (1)" in paragraph (5) will be deemed to be replaced with "a majority as prescribed in paragraph (3)."

(Permission in Lieu of Extraordinary Resolutions of Shareholders Meetings)

Article 87 (1) In the event that a Financial Institution under Management that is a Bank, etc. or The Shoko Chukin Bank, Ltd. is unable to satisfy its obligations in full with its assets, the relevant Financial Institution under Management may, notwithstanding the provisions of Article 111, paragraph (2), Article 171, paragraph (1), Article 199, paragraph (2), Article 447, paragraph (1), Article 466, Article 467, paragraph (1), items (i) and (ii), Article 471, item (iii), Article 783, paragraph (1), and Article 804, paragraph (1) of the Companies Act, carry out the following with the permission of the court:

(i) amendment of the articles of incorporation necessary for the issuance of Class Shares Subject to Wholly Call (meaning the class shares subject to wholly call prescribed in Article 171, paragraph (1) of the Companies Act; the same applies in Article 126-13, paragraph (1), item (i)), acquisition of all of the relevant Class Shares Subject to Wholly Call, or determination of the subscription requirements prescribed in Article 199, paragraph (2) of the same Act pertaining to the issuance of the shares for subscription prescribed in paragraph (1) of the same Article conducted together with the relevant acquisition;

(ii) reduction in the amount of stated capital;

(iii) assignment of all or a material portion of its business;

(iv) dissolution; and

(v) company split.

(2) In the event that a Financial Institution under Management that is a Shinkin Bank, etc. is unable to satisfy its obligations in full with its assets, the relevant Financial Institution under Management may, notwithstanding the provisions of Article 48-3 and Article 58, paragraph (1) of the Shinkin Bank Act, Article 53 and Article 57-3, paragraph (1) of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 53 and Article 62, paragraph (1) of the Labor Bank Act, carry out the following with permission by the court:

(i) dissolution; and

(ii) assignment of its business.

(3) Notwithstanding the provisions of Article 339, paragraph (1) and Article 403, paragraph (1) of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 347, paragraph (1) of the same Act), Article 35-8, paragraph (1), of the Shinkin Bank Act, Article 42, paragraph (1) of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 37-6, paragraph (1) of the Labor Bank Act, a financial administrator may, with the permission of the court, dismiss a director, accounting advisor, corporate auditor or accounting auditor of a Financial Institution under Management (in the event that the Financial Institution under Management is a company with committees, a director, executive officer, accounting advisor or accounting auditor, and in the event that the Financial Institution under Management is a Shinkin Bank, etc., a director, inspector or accounting auditor; the same applies in the following paragraph).

(4) In the event that a financial administrator intends to dismiss any director, accounting advisor, corporate auditor or accounting auditor of a Financial Institution under Management under the preceding paragraph, if the number of directors, accounting advisors, corporate auditors or accounting auditors fails to meet the number prescribed by an Act or by the articles of incorporation, the financial administrator may, notwithstanding the provisions of Article 329, paragraph (1) and Article 402, paragraph (2) of the Companies Act, Article 32, paragraph (3) of the Shinkin Bank Act, Article 35, paragraph (3) of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 32, paragraph (3) of the Labor Bank Act, appoint a director, accounting advisor, corporate auditor or accounting auditor of the Financial Institution under Management with permission from the court.

(5) The director, accounting advisor, corporate auditor and accounting auditor of a Financial Institution under Management appointed under the preceding paragraph will resign at the conclusion of the first annual shareholders meeting or ordinary general meeting (in cases where a general meeting of representatives is established, at which it is possible to appoint officers, the ordinary general meeting of representatives) convened after the conclusion of the management by the financial administrator pertaining to the relevant Financial Institution under Management, and an executive officer will resign at the completion of the first meeting of the board of directors held after the relevant annual shareholders meeting.

(6) When the permission prescribed in paragraphs (1) through (4) has been granted (hereinafter referred to as "Substituted Permission" in this Article and the following Article), it will be deemed that a resolution of a shareholders meeting, etc. or board of directors meeting has been adopted concerning matters pertaining to the relevant Substituted Permission.

(7) The district court which has jurisdiction over the location of the head office or principal office of a Financial Institution under Management has jurisdiction over cases pertaining to the Substituted Permission.

(8) The court must, when it has made a Substituted Permission, serve a written decision thereof on the Financial Institution under Management and give public notice of the outline of the decision.

(9) The public notice under the preceding paragraph will be published in the Official Gazette.

(10) A decision on the Substituted Permission takes effect as of the time of service thereof on the Financial Institution under Management under paragraph (8).

(11) Shareholders, members, or association members may make an immediate appeal against a decision on the Substituted Permission within an unextendable period of two weeks from the date of the public notice set forth in paragraph (8). In this case, if the immediate appeal is against a decision on the Substituted Permission pertaining to dissolution, it has the effect of a stay of execution.

(12) The provisions of Article 5, Article 6, Article 7, paragraph (2), Article 40, Article 41, Article 56, paragraph (2), and Article 66, paragraphs (1) and (2) of the Non-Contentious Cases Procedures Act (Act No. 51 of 2011) do not apply to cases pertaining to the Substituted Permission.

(Special Provisions for Registration Pertaining to Substituted Permission)

Article 88 In the event that a Substituted Permission pertaining to particulars specified in paragraph (1), item (i), (ii), (iv), or (v) or paragraph (2), item (i) of the preceding Article or matters prescribed in paragraph (3) or (4) of the preceding Article, a transcript or extract of a written decision of the relevant Substituted Permission will be attached to a written application for registration pertaining to the relevant particulars.

(Special Provisions for Procedures for the Protection of Creditors)

Article 89 In the event that a Financial Institution under Management that is a Bank, etc. or The Shoko Chukin Bank, Ltd. has adopted a resolution for reduction in the amount of stated capital, the notice prescribed in Article 449, paragraph (2) of the Companies Act is not required to be given to the Depositors, etc. or any other creditors specified by Cabinet Order.

(Conclusion of Management)

Article 90 A financial administrator is to conclude the management of a Financial Institution under Management by transferring its business or taking other measures within one year from the date of the Injunction Ordering Management; provided, however, that in cases where it is impossible to conclude the management within the period due to unavoidable circumstances, the period may be extended for a period not exceeding one year with approval from the Prime Minister.

Chapter VI Succession of Business of Failed Financial Institutions

(Decision to Establish a Bridge Bank)

Article 91 (1) The Prime Minister may, when they find it necessary to use a Bridge Bank for the succession of business of a Financial Institution under Management (meaning the succession of business by a Bridge Bank through the assumption of business, etc. and the provisional maintaining and continuation of the business by the Bridge Bank; hereinafter the same applies in this Chapter), make the following decisions:

(i) that a Bridge Bank be established by the DICJ as a subsidiary company to carry out the Assumption of Business, etc. in order to succeed to the business of a Financial Institution under Management; and

(ii) that a Bridge Bank should carry out the Assumption of Business, etc. in order to succeed to the business of a Financial Institution under Management.

(2) The Prime Minister may, when they find it necessary, rescind or modify a decision under the preceding paragraph.

(3) A financial administrator may, when they find it necessary, request the Prime Minister to make a decision under paragraph (1) or the preceding paragraph.

(Establishment of Bridge Banks)

Article 92 (1) When a decision prescribed in paragraph (1), item (i) of the preceding Article is made under paragraph (1) or (2) of the preceding Article, the DICJ must, following a resolution by the Board on the details of contribution pertaining to the relevant decision, become the incorporator of a stock company that is to become a Bridge Bank, and provide contribution for the incorporation of the relevant stock company as a subsidiary company of the DICJ.

(2) Beyond the case prescribed in the preceding paragraph, any contribution by the DICJ to the Bridge Bank requires a resolution by the Board.

(3) Upon providing the contribution prescribed in the preceding two paragraphs, the DICJ must promptly report the details thereof to the Prime Minister and the Minister of Finance.

(Confirmation of Succeeded Assets)

Article 93 (1) When a decision specified in Article 91, paragraph (1), item (ii) is made under Article 91, paragraph (1) or (2), a financial administrator of the Financial Institution under Management is to select loan claims and other assets of the relevant Financial Institution under Management to be succeeded to by the Bridge Bank pursuant to the succession of business prescribed in Article 91, paragraph (1) and request the Prime Minister to confirm that they are appropriate assets to be held by the Bridge Bank.

(2) Upon receiving the request prescribed in the preceding paragraph, the Prime Minister is to carry out the confirmation under the preceding paragraph from the viewpoint of facilitating the smooth succession of business and ensuring the sound and appropriate running of the business of the Bridge Bank.

(3) The Prime Minister and the Minister of Finance must prescribe standards in advance for carrying out the confirmation under the preceding paragraph and make the standards public.

(4) The standards prescribed in the preceding paragraph must include standards concerning the status of performance by an obligor of obligations pertaining to claims subject to the confirmation prescribed in paragraph (2).

(Management of Bridge Banks)

Article 94 (1) The DICJ must manage the Bridge Bank to ensure the proper performance of the following:

(i) to carry out the Assumption of Business, etc. in order to succeed to the business of the Financial Institution under Management that is subject to the relevant decision, when a decision specified in Article 91, paragraph (1), item (ii) is made under Article 91, paragraph (1) or (2);

(ii) to succeed to the assets that have been confirmed under paragraph (2) of the preceding Article as appropriate assets to be held by a Bridge Bank; and

(iii) to comply with the guidelines prescribed in the following paragraph in administering the receipt and payment of the Deposits, etc., loaning funds, and carrying out other operations.

(2) The DICJ must prepare guidelines for the administration of receipt and payment of the Deposits, etc., loan of funds, and other operations of a Bridge Bank in accordance with the following and, following approval from the Prime Minister, make the guidelines public:

(i) the guidelines will be prepared, taking into account that the purpose of a Bridge Bank is to facilitate the provisional maintaining and continuation of the administration of receipt and payment of the Deposits, etc., loan of funds, and other operations, giving consideration to ensuring consistency with the standards prescribed in paragraph (3) of the preceding Article, and with a view to ensuring the sound and appropriate operation of the business of a Bridge Bank; and

(ii) the guidelines will include a statement of matters approved by the DICJ concerning transactions designated by the DICJ among the loan of funds and other operations to be carried out by a Bridge Bank.

(3) The DICJ may give instructions and advice necessary for the management of a Bridge Bank.

(Cases Where Approval for a Transfer of Is not Required)

Article 95 The provisions of Article 467, paragraph (1) of the Companies Act (limited to the part pertaining to item (v)) do not apply to the assets for which confirmation has been rendered under Article 93, paragraph (2) in the event that all of the issued shares of the Bridge Bank are held by the DICJ.

(Conclusion of Management)

Article 96 (1) The DICJ is to conclude the management of a Bridge Bank within two years from the date of the Injunction Ordering Management of the first Financial Institution under Management for which the Bridge Bank receives the transfer of business by taking the following measures; provided, however, that if the management cannot be concluded within the period due to unavoidable circumstances, the time limit may be extended for a period not exceeding one year:

(i) the merger of the relevant Bridge Bank (limited to a merger where the corporation surviving the merger or corporation established by the merger is not a subsidiary company of the DICJ);

(ii) transfer of the whole of the business of the relevant Bridge Bank;

(iii) transfer of shares of the relevant Bridge Bank (limited to a transfer through which the Bridge Bank will cease to be a subsidiary company of the DICJ);

(iv) company split of the relevant Bridge Bank (limited to a company split where another company or a company established through the company split succeeds to all of the rights and obligations held by the relevant Bridge Bank in relation to its business through the company split, and where that other company or the relevant company established through the company split is neither a subsidiary company of the DICJ nor a Subsidiary Company of the Bridge Bank); and

(v) Dissolution of the relevant Bridge Bank by resolution of shareholders meeting.

(2) The DICJ must, if it intends to conclude management under the main clause of the preceding paragraph or extend the time limit under the proviso to the preceding paragraph, obtain approval from the Prime Minister.

(3) The DICJ must, when it has concluded the management of a Bridge Bank under paragraph (1) or transferred or made another disposition of shares of a Bridge Bank (including a bank that was formerly a Bridge Bank) (excluding those specified in paragraph (1), item (iii)), must promptly report to that effect to the Prime Minister and the Minister of Finance.

(4) The "Subsidiary Company of the Bridge Bank" set forth in paragraph (1), item (iv) means a company of which voting rights exceeding fifty hundredths of the voting rights held by all of its shareholders (excluding voting rights relating to shares held by shareholders who may not exercise their voting rights for all of the matters which may be resolved at a shareholders meeting but including voting rights relating to shares for which holders are deemed to have voting rights pursuant to the provisions of Article 879, paragraph (3) of the Companies Act; hereinafter the same applies in this paragraph and Article 120, paragraph (5)) are held by the Bridge Bank.

(Succession Agreement)

Article 97 (1) The DICJ is to conclude an agreement with the Bridge Bank, and the following will be included in the agreement (hereinafter referred to as "Succession Agreement" in this Chapter):

(i) that the Bridge Bank that has concluded the Succession Agreement (hereinafter referred to as "Contracted Bridge Bank") will carry out the actions specified in each item of Article 94, paragraph (1);

(ii) that the Contracted Bridge Bank may apply to have the DICJ purchase the assets of the Contracted Bridge Bank; and

(iii) that the Contracted Bridge Bank will, if it seeks to conclude a contract concerning the borrowing of funds subject to the guarantee of obligations prescribed in paragraph (1) of the following Article, obtain approval from the DICJ for the content of the contract.

(2) Upon concluding the Succession Agreement, the DICJ must immediately report the details thereof to the Prime Minister and the Minister of Finance.

(Guarantee of Loans of Funds and Obligations)

Article 98 (1) In the event that the DICJ has received an application from a Contracted Bridge Bank for a loan of funds necessary to ensure the smooth execution of its business or for a guarantee of obligations pertaining to the borrowing of the funds by the Contracted Bridge Bank, the DICJ may, when it finds it necessary, provide the relevant loan or guarantee of obligations, following a resolution by the Board.

(2) When the DICJ has concluded a contract with a Contracted Bridge Bank under the preceding paragraph for a loan or guarantee of obligations prescribed therein, the DICJ must immediately report the details of the contract to the Prime Minister and the Minister of Finance.

(Compensation for Loss)

Article 99 When any loss is caused to a Contracted Bridge Bank, the amount of which is calculated pursuant to the provisions of Cabinet Order, as a result of operations carried out under the Succession Agreement, the DICJ may, following a resolution by the Board, compensate the Contracted Bridge Bank for the relevant loss within the scope of the amount prescribed in the Cabinet Order.

(Requests for Report)

Article 100 The DICJ may, when it finds it necessary for carrying out the operations prescribed in this Chapter, request the Bridge Bank to report on the implementation of the Succession Agreement or financial conditions in connection therewith.

(Financial Assistance to Re-succeeding Financial Institutions)

Article 101 (1) A Financial Institution that is undertaking a re-succession to business and is not a Bridge Bank (hereinafter referred to as "Re-succeeding Financial Institution" in this Article), or a Bank Holding Company, etc. undertaking a re-succession to business (hereinafter referred to as a "Re-succeeding Bank Holding Company, etc." in this Article) may apply to have the DICJ provide Financial Assistance (limited to that specified in Article 59, paragraph (1), item (iii), (vi) or (vii)) to support the re-succession to business.

(2) The term "re-succession to business" as used in the preceding paragraph means the following:

(i) a merger in which a Financial Institution that merges with a Bridge Bank survives;

(ii) a merger in which a Financial Institution is established through the merger of a Bridge Bank and another Financial Institution;

(iii) a transfer by a Bridge Bank of all of its business (in the event that the DICJ purchases part of the assets of the relevant Bridge Bank, excluding the portion pertaining to the assets to be purchased) to another Financial Institution;

(iv) the acquisition of shares of a Bridge Bank by another Financial Institution or Bank Holding Company, etc. conducted to carry out matters specified by the Prime Minister and the Minister of Finance as the matters necessary to ensure sound and appropriate conducting of the business of the relevant Bridge Bank;

(v) an absorption-type company split to which a Bridge Bank is a party where another Financial Institution succeeds to all of the rights and obligations held by the Bridge Bank in relation to its business (in the event that the DICJ purchases part of the assets of the relevant Bridge Bank, excluding the portion pertaining to the assets to be purchased) through the relevant absorption-type company split; and

(vi) an incorporation-type company split to which a Bridge Bank is a party where the Financial Institution newly established through the relevant incorporation-type company split succeeds to all of the rights and obligations held by the Bridge Bank in relation to its business (in the event that the DICJ purchases part of the assets of the relevant Bridge Bank, excluding the portion pertaining to the assets to be purchased) through the relevant absorption-type company split.

(3) The purchase of assets prescribed in paragraph (1) will be conducted with respect to the assets prescribed in each of the following items according to the category of the re-succession of business specified in each respective item:

(i) a merger specified in item (i) of the preceding paragraph: the assets of the Financial Institution surviving through the merger (limited to those that were the assets of the Bridge Bank prior to the merger);

(ii) a merger specified in item (ii) of the preceding paragraph: the assets of the Financial Institution that will be established by the merger (limited to those that were the assets of the Bridge Bank prior to the merger);

(iii) the transfer of the business specified in item (iii) of the preceding paragraph: the assets of another Financial Institution prescribed in the same item that have been received through the transfer of the relevant business;

(iv) the acquisition of shares specified in item (iv) of the preceding paragraph: the assets of the bank whose shares have been acquired;

(v) the absorption-type company split specified in item (v) of the preceding paragraph: the assets of another Financial Institution set forth in the same item which the relevant Financial Institution has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in item (vi) of the preceding paragraph: the assets of the Financial Institution established through the incorporation-type company split (limited to those that were assets of the Bridge Bank prior to the incorporation-type company split).

(4) The Collateralization of Damage prescribed in paragraph (1) will be conducted with respect to loan claims that are the assets prescribed in each item of the preceding paragraph according to the category of the re-succession to business specified in each respective item of the preceding paragraph.

(5) The provisions of Article 59, paragraphs (3), (6) and (7) and Article 61, paragraph (1) apply mutatis mutandis to the application prescribed in paragraph (1), and the provisions of Article 61, paragraphs (2) through (4) and (6) through (8) apply mutatis mutandis to the authorization prescribed in Article 61, paragraph (1) as applied mutatis mutandis pursuant to this paragraph. In this case, the term "Assuming Financial Institution" in Article 59, paragraph (3) will be deemed to be replaced with "Re-succeeding Financial Institution," and the terms "merger, etc.," "Failed Financial Institution," "Assuming Financial Institution," and "Assuming Bank Holding Company, etc." in Article 61 will be deemed to be replaced with "re-succession to business," "Bridge Bank," "Re-succeeding Financial Institution," and "Re-succeeding Bank Holding Company, etc.," respectively.

(6) Even in cases where no application is made under Article 61, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, the Prime Minister may, when the minister finds that a Bridge Bank satisfies the requirements specified in paragraph (3), item (iii) as applied mutatis mutandis pursuant to the preceding paragraph, provide mediation in writing with regard to the re-succession to business (excluding the merger specified in paragraph (2), item (ii) and limited to those that contribute to the protection of Depositors, etc. and other creditors and for which Financial Assistance by the DICJ is indispensable) between the relevant Bridge Bank and another Financial Institution or the relevant Bridge Bank and a Bank Holding Company, etc.

(7) The provisions of Article 62, paragraphs (2) and (4) through (6) apply mutatis mutandis to the mediation prescribed in the preceding paragraph, the provisions of Article 64 (excluding paragraph (2)) and Article 64-2 apply mutatis mutandis to the application prescribed in paragraph (1), the provisions of Article 65 and Article 66 apply mutatis mutandis to the Financial Institution or Bank Holding Company, etc. that has received the authorization prescribed in Article 61, paragraph (1) as applied mutatis mutandis pursuant to paragraph (5) or that has received the mediation prescribed in the preceding paragraph, the provisions of Article 67 apply mutatis mutandis to the Re-succeeding Financial Institution, the provisions of Article 68 apply mutatis mutandis to the Financial Assistance provided by the DICJ for re-succession to business, and the provisions of Article 68-2 and Article 68-3 apply mutatis mutandis to the Re-succeeding Financial Institution that has received the relevant Financial Assistance (limited to those pertaining to the Subscription for Preferred Shares, etc.) (including the Financial Institutions established by the merger or incorporation-type company split pertaining to the relevant Subscription for Preferred Shares, etc.) or the Re-succeeding Bank Holding Company, etc. (including the company prescribed in Article 68-2, paragraph (2) as applied mutatis mutandis pursuant to this paragraph in the event that the approval prescribed in Article 68-2, paragraph (1) as applied mutatis mutandis pursuant to this paragraph is granted, and the bridge Financial Institution, etc. prescribed in Article 68-3, paragraph (4) as applied mutatis mutandis pursuant to this paragraph in the event that the approval prescribed in Article 68-3, paragraph (1) as applied mutatis mutandis pursuant to this paragraph is granted). In this case, the term "Article 59, paragraph (1) or Article 59-2, paragraph (1)" in Article 62, paragraph (2) will be deemed to be replaced with "Article 101, paragraph (1)," the term "paragraphs (4) through (7)" in Article 62, paragraph (4) will be deemed to be replaced with "paragraphs (4), (6) and (7)," the term "a Failed Financial Institution or a Financial Institution recognized as having a high probability of becoming a Failed Financial Institution" in Article 62, paragraph (5) will be deemed to be replaced with "Bridge Bank," the term "merger, etc." in Article 64, paragraph (3) and (5) will be deemed to be replaced with "re-succession to business," the term "Assuming Financial Institution" and "Assuming Bank Holding Company, etc." in Article 64-2, paragraphs (1) and (2) will be deemed to be replaced with "Re-succeeding Financial Institution" and "Re-succeeding Bank Holding Company, etc.," respectively, and the term "merger, etc." in the same paragraph will be deemed to be replaced with "re-succession to business," the terms "merger, etc. (limited to those specified in Article 59, paragraph (2), item (ii)" and "the relevant merger, etc." in Article 64-2, paragraph (4) will be deemed to be replaced with "re-succession to business (limited to those specified in Article 101, paragraph (2), item (ii))" and "the relevant re-succession to business," respectively, the terms "Assuming Financial Institution" and "Assuming Bank Holding Company, etc." in Article 64-2, paragraph (5) will be deemed to be replaced with "Re-succeeding Financial Institution" and "Re-succeeding Bank Holding Company, etc.," respectively, and the term "merger, etc." in Article 65 and Article 68 will be deemed to be replaced with "re-succession to business," and any other necessary technical replacement of terms will be specified by Cabinet Order.

Chapter VI-2 Purchase of Specified, Difficult-To-Collect Claims Held by Financial Institutions

Article 101-2 (1) In order to contribute to maintaining an orderly credit system through ensuring sound financial conditions of Financial Institutions, the DICJ may purchase loan claims or assets specified by Cabinet Office Order and Order of the Ministry of Finance as being equivalent thereto (hereinafter simply referred to as "Loan Claims" in this paragraph) which are held by a Financial Institution (excluding a Failed Financial Institution, a Bridge Bank, the Bank Under Special Crisis Management prescribed in Article 111, paragraph (2), the Financial Institution subject to Specified Confirmation prescribed in Article 126-2, paragraph (1), item (ii) pertaining to the Specified Measures Under Item (ii) prescribed in the paragraph, and a Specified Bridge Bank; hereinafter the same applies in this Article) and of which the obligor or guarantor is a Crime Syndicate Member (meaning the crime syndicate member prescribed in Article 2, item (vi) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991)) and for which there is a risk of non-compliance with the contract pertaining to the Loan Claims, a likelihood that an act that will cause hindrance to the participation in an auction of secured real assets pertaining to the Loan Claims will be conducted, or any other special circumstances that are likely to make it difficult for a Financial Institution to take necessary measures that should normally be implemented for collecting the Loan Claims (hereinafter referred to as "Specified, Difficult-To-Collect Claims").

(2) In cases where the DICJ is to purchase Specified, Difficult-To-Collect Claims under the preceding paragraph, it must comply with standards prescribed and publicly announced in advance by the Prime Minister and the Minister of Finance.

(3) Upon receiving an application for the purchase of Specified, Difficult-To-Collect Claims from a Financial Institution, the DICJ must, following a resolution of the Board, decide without delay whether or not to carry out the purchase of Specified, Difficult-To-Collect Claims pertaining to the relevant application.

(4) Upon making a decision under the preceding paragraph, the DICJ must immediately report particulars pertaining to the decision to the Prime Minister and the Minister of Finance.

(5) Upon making a decision to purchase Specified, Difficult-To-Collect Claims under paragraph (3), the DICJ must conclude a contract for the purchase of the Specified, Difficult-To-Collect Claims with the relevant Financial Institution.

Chapter VII Measures against a Financial Crisis

(Confirmation of Necessity for Measures against a Financial Crisis)

Article 102 (1) When the Prime Minister finds that, if the measures specified in each of the following items are not taken with respect to the Financial Institution specified in each respective item, it may extremely seriously hinder maintaining an orderly credit system in Japan or in a certain region where the relevant Financial Institution conducts its business, the minister may, following deliberation by a council for financial crises (hereinafter referred to as the "Council" in this Chapter through Chapter VIII), confirm the necessity to take the relevant measures (hereinafter referred to as a "Confirmation" in this Chapter):

(i) a Financial Institution (excluding the Financial Institution specified in the following item): the Subscription for Shares, etc. of the relevant Financial Institution by the DICJ for the purpose of enhancing the adequacy of equity capital of the relevant Financial Institution or subscription for shares issued by a Bank Holding Company, etc. (limited to those specified in Article 2, paragraph (5), item (i) or (iii); hereinafter the same applies through to Article 108-3) having the relevant Financial Institution as its subsidiary company (meaning the subsidiary company prescribed in Article 2, paragraph (8) of the Banking Act or the subsidiary company prescribed in Article 13-2, paragraph (2) of the Long-Term Credit Bank Act; hereinafter the same applies through to Article 108-3) (hereinafter referred to as the "Measures Under Item (i)" in this Chapter);

(ii) a Failed Financial Institution or a Financial Institution that is unable to satisfy its obligations in full with its assets: the Financial Assistance for an amount that is expected to exceed the expected costs for the payment of insurance proceeds with respect to an insured event of the relevant Financial Institution (hereinafter referred to as the "Measures Under Item (ii)" in this Chapter); and

(iii) a Bank, etc. falling under a Failed Financial Institution that is unable to satisfy its obligations in full with its assets: the measures prescribed in Articles 111 through 119 (hereinafter referred to as the "Measures Under Item (iii)" in this Chapter).

(2) If the Prime Minister intends to give Confirmation with respect to a labor bank or Rokinren banks, the minister must hear the opinion of the Minister of Health, Labour and Welfare in advance, and if the minister intend to give Confirmation with respect to The Shoko Chukin Bank, Ltd., the minister must hear the opinion of the Minister of Economy, Trade and Industry in advance.

(3) Where the Prime Minister intends to give Confirmation with respect to any of the Financial Institutions listed in the items of paragraph (1) which is specified by Cabinet Office Order and Order of the Ministry of Finance, if the Financial Institution subject to the Confirmation has issued bonds (limited to bonds with a special clause of subordinated contents with regard to the payment of principal and interest, where the obligations pertaining to the relevant bonds will be written down or will be acquired by the Financial Institution on condition that the Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as bonds that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations) or shares (limited to shares with preferred contents with regard to dividend of surplus and distribution of residual assets, which will be acquired by the Financial Institution on condition that the Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as shares that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations), or has concluded loans for consumption (limited to loans with a special clause of subordinated contents with regard to the payment of principal and interest, where the obligations pertaining to the relevant loans for consumption will be written down or the claims pertaining to the relevant loans for consumption will be acquired by the Financial Institution on condition that the Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as loans for consumption that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations), the minister is to decide on the treatment of the relevant bonds, the relevant shares, or the relevant loans for consumption in the equity capital of the Financial Institution.

(4) Confirmation pertaining to the Measures Under Item (iii) may not be given unless the Prime Minister finds that the Measures Under Item (ii) cannot prevent the hindrance prescribed in paragraph (1).

(5) When giving Confirmation pertaining to the Measures Under Item (i), the Prime Minister must specify a period of time within which an application under Article 105, paragraph (1) or (2) can be made by a Financial Institution subject to the relevant Confirmation or Bank Holding Company, etc. which has the relevant Financial Institution as its subsidiary company.

(6) Upon giving Confirmation, the Prime Minister must announce that fact and, if the Confirmation is in relation to the Measures Under Item (i), the period of time specified under the preceding paragraph, to the Financial Institution subject to the relevant Confirmation or Bank Holding Company, etc. which has the relevant Financial Institution as its subsidiary company and the DICJ, and give public notice thereof in the Official Gazette.

(7) Upon making a decision pursuant to paragraph (3), the Prime Minister must make the details thereof public.

(8) Upon giving Confirmation, the Prime Minister must report the details of the relevant Confirmation to the Diet.

(Rescission of Confirmation Pertaining to Measures Under Item (i))

Article 103 (1) If, between the time of Confirmation pertaining to the Measures Under Item (i) and the decision under Article 105, paragraph (4), a Financial Institution subject to the relevant Confirmation comes to fall under the Financial Institution specified in paragraph (1), item (ii) of the preceding Article, the Prime Minister must, following deliberation by the Council, rescind the relevant Confirmation.

(2) The provisions of paragraphs (2), (6), and (8) of the preceding Article apply mutatis mutandis to the rescission of the Confirmation under the preceding paragraph.

(Submission of Plans Specifying Measures to Enhance the Adequacy of Equity Capital)

Article 104 (1) A Financial Institution subject to Confirmation pertaining to the Measures Under Item (i) must, if the relevant Financial Institution and Bank Holding Company, etc. which has the relevant Financial Institution as its subsidiary company do not make an application prescribed in paragraph (1) or (2) of the following Article, submit a plan to the Prime Minister within the period prescribed in Article 102, paragraph (5), setting forth measures to enhance the adequacy of equity capital by means other than the Measures Under Item (i).

(2) When the Prime Minister finds that the plan submitted under the preceding paragraph by the Financial Institution prescribed in the same paragraph is appropriate, the minister must following deliberation by the Council, rescind the Confirmation pertaining to the relevant Financial Institution.

(3) The provisions of Article 102, paragraph (2), (6) and (8) apply mutatis mutandis to the rescission of Confirmation under the preceding paragraph.

(4) In the event that a Financial Institution subject to Confirmation pertaining to the Measures Under Item (i) and Bank Holding Company, etc. which has the relevant Financial Institution as its subsidiary company have not made an application prescribed in paragraph (1) or (2) of the following Article within the period prescribed in Article 102, paragraph (5), if the relevant Financial Institution does not submit the plan prescribed in paragraph (1) within the relevant period, the Prime Minister is to rescind the relevant Confirmation.

(5) When the Prime Minister finds that the plan submitted by a Financial Institution under paragraph (1) is not appropriate, the minister is to rescind the relevant Confirmation.

(6) If the Prime Minister intends to rescind the Confirmation pertaining to the Measures Under Item (i) under the provisions of the preceding two paragraphs, the Prime Minister must hear the opinion of the Minister of Finance in advance.

(7) The provisions of Article 102, paragraphs (2), (6) and (8) apply mutatis mutandis to the rescission of the Confirmation pertaining to the Measures Under Item (i) under paragraph (4) or (5).

(8) In the event that Confirmation pertaining to the Measures Under Item (i) has been rescinded under paragraph (4) or (5), when a situation is likely to arise in which the Financial Institution subject to the relevant rescission is unable to satisfy its obligations in full with its assets, the Prime Minister may, notwithstanding the provisions of Article 102, paragraph (1), give the Confirmation pertaining to the Measures Under Item (ii) with respect to the relevant Financial Institution, following deliberation by the Council.

(9) The provisions of Article 102, paragraphs (2), (3), and (6) through (8) apply mutatis mutandis to the Confirmation pertaining to the Measures Under Item (ii) prescribed in the preceding paragraph. In this case, the term "Financial Institution subject to the relevant Confirmation or Bank Holding Company, etc. which has the relevant Financial Institution as its subsidiary company" in Article 102, paragraph (6) will be deemed to be replaced with "Financial Institution subject to the relevant Confirmation," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Decision for the Subscription for Shares)

Article 105 (1) In the event that Confirmation pertaining to the Measures Under Item (i) has been given, when the DICJ has received an application pertaining to the Measures Under Item (i) (limited to the Subscription for Shares, etc. for the relevant Financial Institution; hereinafter the same applies in this paragraph) from the Financial Institution subject to the relevant Confirmation within the period prescribed in Article 102, paragraph (5), the DICJ must request a decision from the Prime Minister (in the event that the Financial Institution is a labor bank or Rokinren banks, from the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that the Financial Institution is The Shoko Chukin Bank, Ltd., from the Prime Minister, the Minister of Finance, and Minister of Economy, Trade and Industry; the same applies in paragraphs (3) through (6), Article 108, and Article 110, paragraph (1)) in joint names with the relevant Financial Institution as to whether or not to implement the Measures Under Item (i) pertaining to the relevant application.

(2) In the event that Confirmation pertaining to the Measures Under Item (i) has been given, when the DICJ has received an application pertaining to the Measures Under Item (i) from the Bank Holding Company, etc. which has as its subsidiary company the Financial Institution subject to the relevant Confirmation (limited to the subscription for shares issued by the relevant Bank Holding Company, etc.; hereinafter the same applies in this paragraph) within the period prescribed in Article 102, paragraph (5), the DICJ must request a decision from the Prime Minister in joint names with the relevant Bank Holding Company, etc. as to whether or not to implement the Measures Under Item (i) pertaining to the relevant application.

(3) A Financial Institution that has made an application prescribed in paragraph (1) or a Financial Institution subject to the Confirmation pertaining to the Measures Under Item (i) that is a subsidiary company of the Bank Holding Company, etc. and has made an application prescribed in the preceding paragraph (hereinafter referred to as "Subject Subsidiary Company" in this Chapter) must submit to the Prime Minister a Management Soundness Improvement Plan (meaning a plan to improve sound business management; hereinafter the same applies in this Chapter) setting forth measures to streamline the management and to establish a responsible management system (including, in the event that the Bank Holding Company, etc. has made an application prescribed in the same paragraph, the management system of the relevant Bank Holding Company, etc.) and other measures specified by Cabinet Order. In this case, the Subject Subsidiary Company of the Bank Holding Company, etc. that is to make an application prescribed in the same paragraph is to submit the plan in joint names with the relevant Bank Holding Company, etc.

(4) The Prime Minister is to decide to take the Measures Under Item (i) pertaining to an application prescribed in paragraph (1) or (2) only if all of the following requirements are satisfied:

(i) there are no serious difficulties associated with the disposition of the Shares, etc. (including the following) or loan claims acquired by the DICJ in connection with the Measures Under Item (i):

(a) in the event that the Shares, etc. are shares, the shares specified below:

1. in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class (meaning the delivery of shares of another class in exchange for the acquisition of the relevant shares by their issuing company; hereinafter the same applies in this Chapter) can be made, shares of another class into which the relevant shares are converted pursuant to the request;

2. in the event that the relevant shares are convertible upon the occurrence of certain events, shares of another class into which the relevant shares are converted as a result of the occurrence; and

3. shares split or consolidated with respect to the relevant shares or the shares of another class specified in 1 or 2;

(b) in the event that the relevant Shares, etc. are subordinated bonds, shares delivered through the exercise of share options attached to the relevant subordinated bonds and shares split or consolidated with respect thereto; and

(c) in the event that the relevant Shares, etc. are preferred equity investments, preferred equity investments split with respect to the relevant preferred equity investments;

(ii) when a Bank Holding Company, etc. has made an application prescribed in paragraph (2), the Bank Holding Company, etc. is not unable to satisfy its obligations in full with its assets; and

(iii) the Financial Institution is expected to implement the following measures through the reliable execution of the management soundness improvement plan, etc.:

(a) measures to ensure the rational management of business;

(b) measures to clarify management responsibilities; and

(c) measures to clarify shareholder responsibilities.

(5) The Prime Minister must obtain consent from the Minister of Finance when making a decision under the preceding paragraph; provided, however, that this does not apply if the relevant decision relates to The Shoko Chukin Bank, Ltd.

(6) Upon making a decision under paragraph (1) or (2), the Prime Minister must report the fact to the Financial Institution that has made the application prescribed in paragraph (1) or the Bank Holding Company, etc. that has made the application prescribed in paragraph (2) and the DICJ.

(7) When a decision is made to not implement the Measures Under Item (i) pertaining to an application prescribed in paragraph (1) or (2), the Prime Minister is to immediately rescind the Confirmation pertaining to the Measures Under Item (i) with respect to the Financial Institution that has made the application prescribed in paragraph (1) or the Subject Subsidiary Company of the Bank Holding Company, etc. that has made the application prescribed in paragraph (2).

(8) The provisions of Article 102, paragraphs (2), (6) and (8), and paragraphs (6) and (8) of the preceding Article apply mutatis mutandis to the rescission of Confirmation under the preceding paragraph pertaining to the Measures Under Item (i) and the provisions of paragraph (9) of the preceding Article apply mutatis mutandis to Confirmation pertaining to the Measures Under Item (ii) under paragraph (8) of the preceding Article as applied mutatis mutandis pursuant to the provisions of this paragraph.

(Special Provisions for Reduction in the Amount of Stated Capital)

Article 106 (1) In the event that an application prescribed in paragraph (1) or (2) of the preceding Article has been made (in the event that an application prescribed in paragraph (1) of the preceding Article has been made, limited to applications pertaining to subscription for shares), the Prime Minister may, when they find it necessary in making a decision under paragraph (4) of the preceding Article pertaining to the relevant application, require that the relevant subscription for shares be conditioned upon a reduction in the amount of stated capital of a Bank, etc., Bank Holding Company, etc., the Subject Subsidiary Company of the Bank Holding Company, etc., or The Shoko Chukin Bank, Ltd. that is subject to the relevant decision.

(2) The provisions of Article 89 apply mutatis mutandis to a reduction in the amount of stated capital in the event that a decision is made under paragraph (4) of the preceding Article whereby the subscription for shares is conditioned upon a reduction in the amount of stated capital being made pursuant to the provisions of the preceding paragraph.

(3) In the event that a decision is made under paragraph (4) of the preceding Article whereby the subscription for shares is conditioned upon a reduction in the amount of stated capital made pursuant to the provisions of paragraph (1), the Bank, etc. or Bank Holding Company, etc. or the Subject Subsidiary Company of the Bank Holding Company, etc. or The Shoko Chukin Bank, Ltd. that is subject to the relevant decision must, when it has obtained or failed to obtain a resolution of a shareholders meeting or class meeting with respect to the reduction in the amount of stated capital, immediately report the fact and submit the minutes of the shareholders meeting and other documents specified by Cabinet Order (including those prepared in the form of an electronic or magnetic record) to the Prime Minister, and must also notify the DICJ to that effect.

(4) In the case prescribed in the preceding paragraph, if a resolution by a shareholders meeting or class meeting is not obtained for the reduction in the amount of stated capital that is prescribed as the condition under the same paragraph, the Prime Minister is to rescind the Confirmation pertaining to the Measures Under Item (i) with respect to the Bank, etc., Subject Subsidiary Company, or The Shoko Chukin Bank, Ltd. and is to also rescind the decision under paragraph (4) of the preceding Article with respect to the Bank, etc., Bank Holding Company, etc., or The Shoko Chukin Bank, Ltd.

(5) The provisions of Article 102, paragraphs (6) and (8) and Article 104, paragraphs (6) and (8) apply mutatis mutandis to the rescission of Confirmation pertaining to the Measures Under Item (i) under the preceding paragraph, the provisions of Article 104, paragraph (9) (excluding the part pertaining to Article 102, paragraph (2)) apply mutatis mutandis to the Confirmation pertaining to the Measures Under Item (ii) under Article 104, paragraph (8) as applied mutatis mutandis pursuant to this paragraph, and the provisions of paragraph (6) of the preceding Article apply mutatis mutandis to the event that a decision under paragraph (4) of the preceding Article is rescinded pursuant to the provisions of the preceding paragraph.

(6) For the purpose of applying the provisions of paragraphs (1) and (3) in the event that a Financial Institution subject to a decision under paragraph (4) of the preceding Article is The Shoko Chukin Bank, Ltd., the term "the Prime Minister" in these provisions will be deemed to be "the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry."

(Subscription for Shares by the DICJ)

Article 107 (1) When a decision is made under Article 105, paragraph (4), the DICJ is to carry out Subscription for Shares, etc. in accordance with the relevant decision.

(2) The DICJ must, when it has carried out Subscription for Shares, etc. under the preceding paragraph, promptly report the details thereof to the Prime Minister and the Minister of Finance (in the event that the issuer of the Shares, etc. is a labor bank or Rokinren banks, the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that the issuer of the Shares, etc. is The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(3) In the case of a Bank Holding Company, etc. has made an application prescribed in Article 105, paragraph (2), if the DICJ has carried out subscription for shares issued by the Bank Holding Company, etc. in accordance with a decision under Article 105, paragraph (4), the relevant Bank Holding Company, etc. must carry out Subscription for Shares, etc. (limited to the cases where the amount of the relevant Subscription for Shares, etc. is not less than the amount of the relevant subscription for shares) without delay with respect to the Subject Subsidiary Company.

(Special Provisions for Restrictions on the Increase in Total Number of Shares Issued by a Company)

Article 107-2 (1) In the event that an application prescribed in Article 105, paragraph (1) or (2) is for subscription for shares or subordinated bonds (limited to those with share options; hereinafter the same applies in this Article), when the Prime Minister (in the event that the issuer of shares or subordinated bonds is The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) has made a decision under Article 105, paragraph (4) pertaining to the relevant application, if the total number of issued shares of the Financial Institution or Bank Holding Company, etc. that has made the relevant application, the number of shares to be increased as a result of conversion pursuant to a request for conversion pertaining to the relevant issued shares or conversion upon the occurrence of certain events, and the number of shares to be increased as a result of the delivery of shares following the exercise of share options which have already been issued, coupled with the number of shares pertaining to the relevant subscription, the number of shares to be increased as a result of the issuance of shares pursuant to a request for conversion pertaining to the relevant subscription, and the number of shares to be increased as a result of the issuance of shares following the exercise of share options attached to subordinated bonds pertaining to the relevant subscription (hereinafter referred to as the "Total Number of Shares after Subscription" in this paragraph) exceeds the number four times the total number of issued shares, the relevant Financial Institution or Bank Holding Company, etc. may, notwithstanding the provisions of Article 113, paragraph (3) of the Companies Act, increase the total number of shares issued by the relevant Financial Institution or Bank Holding Company, etc. to the number equal to four times the Total Number of Shares after Subscription, on condition that the subscription for shares or subordinated bonds is carried out in accordance with the decision under Article 105, paragraph (4).

(2) In the event that a Financial Institution or Bank Holding Company, etc. increases the total number of shares to be issued based on the provisions of the preceding paragraph, for the purpose of applying the provisions of Article 46, paragraph (2) of the Commercial Registration Act (Act No. 125 of 1963) concerning a written application for a registration of change due to the relevant increase, the term "the minutes" in Article 46, paragraph (2) of the same Act will be deemed to be "the minutes and documents evidencing the subscription for shares or subordinated bonds in accordance with a decision under Article 105, paragraph (4) of the Deposit Insurance Act (Act No. 34 of 1971)."

(Special Provisions for Issuance of Shares with Restricted Voting Rights)

Article 107-3 (1) For the purpose of applying the provisions of Article 115 of the Companies Act, it will be deemed that no shares with restricted voting rights (meaning the shares with restricted voting rights prescribed in Article 115 of the Act; hereinafter the same applies in this Article) have been issued in accordance with a decision under Article 105, paragraph (4) by a Financial Institution or Bank Holding Company, etc. that has the relevant Financial Institution as its Subject Subsidiary Company and is subject to the Confirmation pertaining to the Measures Under Item (i).

(2) In the event that shares with restricted voting rights are issued in accordance with a decision under Article 105, paragraph (4) by a Financial Institution or Bank Holding Company, etc. referred to in the preceding paragraph, registration to that effect must be made in registering a change resulting from the issuance of the relevant shares with restricted voting rights.

(3) For the purpose of applying the provisions of Article 56 of the Commercial Registration Act in the case referred to in the preceding paragraph, the term "the following documents" in the Article will be deemed to be "the following documents and documents evidencing the fact that the issuance of shares with restricted voting right is in accordance with a decision under Article 105, paragraph (4) of the Deposit Insurance Act (Act No. 34 of 1971)."

(Special Provisions for the Issuance of Preferred Equity Investments)

Article 107-4 (1) For the purpose of applying the provisions of Article 4, paragraph (2) of the Preferred Equity Investment Act, it will be deemed that no preferred equity investments have been issued in accordance with a decision under Article 105, paragraph (4) by a Financial Institution that is subject to the Confirmation pertaining to the Measures Under Item (i).

(2) In the event that preferred equity investments have been issued in accordance with a decision under Article 105, paragraph (4) by a Financial Institution referred to in the preceding paragraph, registration to that effect must be made pursuant to the provisions of Cabinet Order in registering a change resulting from the issuance of the relevant preferred equity investments.

(Publication of Plans)

Article 108 (1) The Prime Minister is to, upon making a decision under Article 105, paragraph (4), make public the Management Strengthening Plan submitted under Article 105, paragraph (3); provided, however, that this does not apply to matters for which disclosure is likely to harm an orderly financial system, divulge any secret of Depositors, etc. or business customers of a Financial Institution that has submitted the Management Strengthening Plan (including a Bank Holding Company, etc. and its subsidiary company, etc. (meaning a subsidiary company, etc. that is a Bank, etc. prescribed in Article 52-25 of the Banking Act (including the cases where it is applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act)) that have submitted the relevant Management Strengthening Plan in joint names; hereinafter the same applies in this paragraph), or bring undue disadvantage to the conduct of business by the relevant Financial Institution.

(2) Until the time when the DICJ makes a disposition or receives a redemption or repayment with respect to the whole of Acquired Shares, etc. or Acquired Loan Claims (meaning loan claims acquired by the DICJ pursuant to the Measures Under Item (i); hereinafter the same applies in this Chapter), the Prime Minister may request a Financial Institution subject to Confirmation pertaining to the relevant Measures Under Item (i) (including the Bank Holding Company, etc. that has submitted a Management Strengthening Plan under Article 105, paragraph (3) in joint names with the relevant Financial Institution) to report the status of implementation of the Management Strengthening Plan submitted under Article 105, paragraph (3) and make the report public.

(3) The term "Acquired Shares, etc." as used in the preceding paragraph means the following:

(i) the Shares, etc. (including the following) acquired by the DICJ pursuant to the Measures Under Item (i) and other Shares, etc. specified by Cabinet Order:

(a) in the event that the Shares, etc. are shares, the shares specified below:

1. in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class can be made, shares of the other class into which the relevant shares are converted pursuant to the request;

2. in the event that the relevant shares are convertible upon the occurrence of certain events, shares of the other class into which the shares are converted as a result of the occurrence; and

3. shares split or consolidated with respect to the shares or the shares of another class specified in 1 or 2;

(b) in the event that the relevant Shares, etc. are subordinated bonds, shares delivered through the exercise of share options attached to the relevant subordinated bonds and shares split or consolidated with respect thereto; and

(c) in the event that the relevant Shares, etc. are preferred equity investments, preferred equity investments split with respect to the relevant preferred equity investments; and

(ii) the shares (including the following) allotted to the DICJ by a company that has become a wholly owning parent stock company in a share exchange or wholly owning parent company incorporated through a share transfer of a Financial Institution or Bank Holding Company, etc. with respect to whom the DICJ has carried out the Subscription for Shares, etc. pursuant to the Measures Under Item (i) and other Shares, etc. specified by Cabinet Order:

(a) in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class can be made, shares of the other class into which the shares are converted pursuant to the request;

(b) in the event that the relevant shares are convertible upon the occurrence of certain events, shares of another class into which the shares are converted as a result of the occurrence; and

(c) the shares split or consolidated with respect to the relevant shares or the shares of another class specified in (a) or (b).

(Authorization for Share Exchanges Pertaining to Measures Under Item (i))

Article 108-2 (1) A Financial Institution or Bank Holding Company, etc. (including a company prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is given) with respect to which the DICJ has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4), which has issued Acquired Shares, etc. (meaning Acquired Shares, etc. prescribed in paragraph (3) of the preceding Article; hereinafter the same applies in this Chapter) actually held by the DICJ (hereinafter referred to as "Issuing Financial Institution, etc." in this Article and the following Article) must obtain authorization from the Prime Minister in advance if the Financial Institution or Bank Holding Company, etc. intends to effect a share exchange (limited to those through which the Issuing Financial Institution, etc. becomes a wholly owned subsidiary company in share exchange) or share transfer (hereinafter referred to as "Share Exchange, etc." in this Article).

(2) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a company that is to become, through the Share Exchange, etc., a wholly owning parent stock company in share exchange or wholly owning parent company incorporated through share transfer of the Issuing Financial Institution, etc. is a Bank Holding Company, etc. (including those that will be newly established);

(ii) the type of Acquired Shares, etc. to be allotted to the DICJ through the Share Exchange, etc. is found to be the same as the type of Acquired Shares, etc. actually held by the DICJ prior to the relevant Share Exchange, etc., and the ratio of voting rights pertaining to Acquired Shares, etc. actually held by the DICJ after the Share Exchange, etc. to voting rights of all shareholders of the company prescribed in the preceding item is not significantly lower than the ratio of voting rights pertaining to Acquired Shares, etc. held by the DICJ prior to the relevant Share Exchange, etc. to voting rights of all shareholders of the relevant Issuing Financial Institution, etc.; and

(iii) there will be no difficulty in making a disposition of the Acquired Shares, etc. following the Share Exchange, etc.

(3) When the Issuing Financial Institution, etc. has carried out a Share Exchange, etc. following the authorization set forth in paragraph (1), the Issuing Financial Institution, etc., a Financial Institution that is a subsidiary company of the relevant Issuing Financial Institution, etc. with respect to which the DICJ has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4), or the Subject Subsidiary Company (including the bridge subsidiary company prescribed in paragraph (4) of the following Article) of the Bank Holding Company, etc. with respect to which the DICJ has carried out the subscription for shares in accordance with a decision under Article 105, paragraph (4) must submit to the Prime Minister, in joint names with a company that has become, through the relevant Share Exchange, etc., a wholly owning parent stock company in a share exchange or wholly owning parent company incorporated through a share transfer of the relevant Issuing Financial Institution, etc., a new Management Strengthening Plan to replace the Management Strengthening Plan that has been implemented (meaning the plan submitted under Article 105, paragraph (3), this paragraph, or paragraph (3) of the following Article as applied mutatis mutandis pursuant to the provisions of paragraph (4) of the following Article), stating, beyond the measures stated in the Management Strengthening Plan (excluding the part pertaining to the management system of the Bank Holding Company, etc. in joint names with whom the Management Strengthening Plan was submitted), measures to establish a responsible management system in a company that has become, through the Share Exchange, etc., a wholly owning parent stock company in a share exchange or wholly owning parent company incorporated through a share transfer of the relevant Issuing Financial Institution, etc., and other measures specified by Cabinet Order.

(4) The provisions of the preceding Article apply mutatis mutandis to the Management Strengthening Plan submitted to the Prime Minister under the preceding paragraph. In this case, the term "Financial Institution ... (... that has submitted a Management Strengthening Plan under Article 105, paragraph (3)" in paragraph (2) of the preceding Article will be deemed to be replaced with "Financial Institution ... that has submitted a Management Strengthening Plan under Article 108-2, paragraph (3) (... that has submitted the relevant Management Strengthening Plan."

(Authorization for Corporate Reorganization Pertaining to Measures Under Item (i))

Article 108-3 (1) A Financial Institution (including a Bridge Financial Institution prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is given) with respect to which the DICJ has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4), which is an issuer of Acquired Shares, etc. or obligor of Acquired Loan Claims actually held by the DICJ (hereinafter referred to as "Subject Financial Institution" in this Article) must, if it intends to undertake the succession to business through a merger, company split, or Business Transfer, etc. (hereinafter referred to as "Corporate Reorganization" in this Article), obtain authorization from the Prime Minister (in the event that the Subject Financial Institution is a labor bank or Rokinren banks, the Prime Minister and the Minister of Health, Labour and Welfare, in the event that the Financial Institution is The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph) in advance.

(2) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a DICJ who is to become an issuer of Acquired Shares, etc. or obligor of Acquired Loan Claims held by the DICJ after the Corporate Reorganization is the Subject Financial Institution or is another Financial Institution (including those that will be newly established; hereinafter referred to as the "Bridge Financial Institution" in this Article) that succeeds to the whole of the business pertaining to the Management Strengthening Plan (meaning the plan submitted under Article 105, paragraph (3) or the following paragraph) that has been implemented by the relevant Subject Financial Institution (hereinafter referred to as "Management Strengthening Operations" in this paragraph);

(ii) the Management Strengthening Operations of the Subject Financial Institution (including the Bridge Financial Institution) is not hindered as a result of the Corporate Reorganization;

(iii) it can be expected with certainty that, when the Management Strengthening Operations to be succeeded to, the succession will be conducted smoothly and appropriately;

(iv) there will be no difficulty in making a disposition or receiving a redemption or repayment with respect to the relevant Acquired Shares, etc. or Acquired Loan Claims following the Corporate Reorganization; and

(v) other requirements specified by Cabinet Order.

(3) In the event that the Subject Financial Institution has conducted the Corporate Reorganization following the authorization set forth in paragraph (1), when there is any Bridge Financial Institution pertaining to the relevant Corporate Reorganization, the relevant Bridge Financial Institution must submit a Management Strengthening Plan, setting forth measures to achieve the rationalization of management, measures to establish a responsible management system, and other measures specified by Cabinet Order, to the Prime Minister (in the event that the relevant Bridge Financial Institution is a labor bank or Rokinren banks, the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that the Financial Institution is The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in paragraph (8)).

(4) The provisions of the preceding three paragraphs apply mutatis mutandis to the Subject Subsidiary Company of the Bank Holding Company, etc. with respect to which the DICJ has carried out the subscription for shares in accordance with a decision under Article 105, paragraph (4) or the Financial Institution (including the Bridge Financial Institution) with respect to which the DICJ has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4) that has ceased to be a Subject Financial Institution as a result of the share exchange or share transfer effected by the relevant Financial Institution (including a bridge subsidiary company (meaning another Financial Institution prescribed in paragraph (2), item (i) as applied mutatis mutandis pursuant to this paragraph; hereinafter the same applies in this Article; hereinafter referred to as "Subject Subsidiary Company, etc." in this Article) that has been implementing a Management Strengthening Plan (meaning a plan submitted under Article 105, paragraph (3), paragraph (3) of the preceding Article (including cases where it is applied mutatis mutandis pursuant to paragraph (8)), the preceding paragraph as applied mutatis mutandis pursuant to this paragraph, or paragraph (7))). In this case, the term "if it intends to undertake the succession to business through a merger, company split" in paragraph (1) will be deemed to be replaced with "until the time that the DICJ has made a disposition or received a redemption or repayment with respect to all of the Acquired Shares, etc. or Acquired Loan Claims pertaining to the Financial Institution or Bank Holding Company, etc. that has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4) pertaining to the relevant Management Strengthening Plan, if it intends to undertake the succession to business through a merger, company split," the terms "A corporation who is to become an issuer of Acquired Shares, etc. or obligor of Acquired Loan Claims held by the DICJ after the Corporate Reorganization is the Subject Financial Institution or", "business pertaining to the relevant Management Strengthening Plan (meaning the plan submitted under Article 105, paragraph (3) or the following paragraph) that has been implemented by the relevant Subject Financial Institution" and "including the Bridge Financial Institution" in paragraph (2) will be deemed to be replaced with "A Bank Holding Company, etc. that has submitted the relevant Management Strengthening Plan in joint names with the relevant Subject Subsidiary Company, etc.", "Subject Subsidiary Company, etc. or the business pertaining to the relevant Management Strengthening Plan after the Corporate Reorganization", and "including a bridge subsidiary company," respectively, and the terms "Bridge Financial Institution" and "setting forth measures to achieve the rationalization of management" in the preceding paragraph are to be deemed to be replaced with "bridge subsidiary company" and "in joint names with the Bank Holding Company, etc. prescribed in paragraph (2), item (i), setting forth measures to achieve the rationalization of management" respectively.

(5) The Issuing Financial Institution, etc. other than the Subject Financial Institution (including another Bank Holding Company, etc. prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is granted, or company prescribed in paragraph (2), item (i) of the preceding Article as applied mutatis mutandis pursuant to paragraph (8) in the event that the authorization set forth in paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to paragraph (8) is granted which is an issuer of Acquired Shares, etc. actually held by the DICJ (hereinafter referred to as "Issuing Bank Holding Company, etc. after Corporate Reorganization" in this Article); the same applies in the following paragraph) must, if it intends to conduct Corporate Reorganization, obtain authorization from the Prime Minister in advance.

(6) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a company that is to become an issuer of Acquired Shares, etc. held by the DICJ after the Corporate Reorganization is the Issuing Financial Institution, etc. or another Bank Holding Company, etc. (including those that will be newly established) having as its subsidiary the Subject Subsidiary Company, etc. pertaining to the relevant Issuing Financial Institution, etc.;

(ii) the business management by the Issuing Financial Institution, etc. (including another Bank Holding Company, etc. prescribed in the preceding item) of the Subject Financial Institution, etc. pertaining to the relevant Issuing Financial Institution, etc. is not hindered as a result of the Corporate Reorganization;

(iii) there will be no difficulty in making a disposition of the Acquired Shares, etc. following the Corporate Reorganization; and

(iv) other requirements specified by Cabinet Order.

(7) In the event that the Issuing Financial Institution, etc. other than the Subject Financial Institution or the Issuing Bank Holding Company, etc. after Corporate Reorganization has conducted Corporate Reorganization following the authorization set forth in paragraph (5), if there is another Bank Holding Company, etc. prescribed in item (i) of the preceding paragraph, the relevant Issuing Financial Institution, etc. or the Subject Subsidiary Company, etc. pertaining to the Issuing Bank Holding Company, etc. after Corporate Reorganization must submit to the Prime Minister, in joint names with that another Bank Holding Company, etc., a new Management Strengthening Plan to replace the Management Strengthening Plan that has been implemented (meaning the Management Strengthening Plan prescribed in paragraph (4)), stating, beyond the measures stated in the relevant Management Strengthening Plan (excluding the part pertaining to the management system of the Bank Holding Company, etc. in joint names with whom the relevant Management Strengthening Plan was submitted), measures to establish a responsible management system in that another Bank Holding Company, etc., and other measures specified by Cabinet Order.

(8) The provisions of Article 108, paragraph (1) apply mutatis mutandis to the Management Strengthening Plans submitted to the Prime Minister under paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to paragraph (4)) or the preceding paragraph, the provisions of Article 108, paragraph (2) apply mutatis mutandis to the Financial Institution (including the Bank Holding Company, etc. in joint names with whom these Management Strengthening Plans have been submitted) that has submitted these Management Strengthening Plans, and the provisions of Article 108-2 apply mutatis mutandis to a Bridge Financial Institution that is an issuer of Acquired Shares, etc. actually held by the DICJ or the Issuing Bank Holding Company, etc. after Corporate Reorganization. In this case, the terms "a Financial Institution that is a subsidiary company of the relevant Issuing Financial Institution, etc. with respect to which the DICJ has carried out the Subscription for Shares, etc. in accordance with a decision under Article 105, paragraph (4), or the Subject Subsidiary Company (including the bridge subsidiary company prescribed in paragraph (4) of the following Article)" and "the plan submitted under Article 105, paragraph (3), this paragraph, or paragraph (3) of the following Article as applied mutatis mutandis pursuant to the provisions of paragraph (4) of the following Article" in Article 108-2, paragraph (3) will be deemed to be replaced with "the Subject Subsidiary Company, etc.," and "the plan submitted under Article 108-3, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (4)), Article 108-3, paragraph (7), or Article 108-2, paragraph (3) as applied mutatis mutandis pursuant to Article 108-3, paragraph (8)" respectively.

(Disposition of Acquired Shares or Acquired Loan Claims)

Article 109 (1) The DICJ must, if it intends to transfer or make any other disposition of Acquired Shares, etc. or Acquired Loan Claims, obtain approval from the Prime Minister and the Minister of Finance (in the event that an issuer of the relevant Acquired Shares, etc. or obligor of Acquired Loan Claims is a labor bank or Rokinren banks, from the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that an issuer of the relevant Acquired Shares, etc. or obligor of Acquired Loan Claims is The Shoko Chukin Bank, Ltd., from the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph).

(2) Upon making a disposition prescribed in the preceding paragraph, the DICJ must promptly report the details thereof to the Prime Minister and the Minister of Finance.

(Special Provisions for Injunctions Ordering Management and Financial Assistance)

Article 110 (1) When Confirmation pertaining to the Measures Under Item (ii) is given under Article 102, paragraph (1) or Article 104, paragraph (8) (including the cases where it is applied mutatis mutandis pursuant to Article 105, paragraph (8) and Article 106, paragraph (5)), the Prime Minister must, notwithstanding the provisions of Article 74, paragraph (1) and (2), immediately issue an Injunction Ordering Management with respect to the Financial Institution subject to the relevant Confirmation.

(2) For the purpose of applying this Act in the event that an Injunction Ordering Management is issued under the preceding paragraph, the Financial Institution (excluding the Failed Financial Institution) subject to the relevant Injunction Ordering Management will be deemed to be the Failed Financial Institution.

(3) The provisions of Article 64, paragraph (2) do not apply to cases where a resolution by the Board prescribed in Article 64, paragraph (1) is to be deliberated with respect to the Financial Assistance for a merger, etc. in which a Financial Institution that is subject to an Injunction Ordering Management under paragraph (1) is deemed to be the Failed Financial Institution. In this case, the Board may, when it finds, in light of the financial conditions of the relevant Financial Institution, that the Financial Assistance does not exceed the scope necessary to carry out the merger, etc., adopt a resolution to provide Financial Assistance.

(Decisions on the Acquisition of Shares of a Bank Under Special Crisis Management)

Article 111 (1) The Prime Minister must, at the time of granting the Confirmation pertaining to the Measures Under Item (iii), decide that the DICJ will acquire shares of the Bank, etc. subject to the Confirmation (referred to as "Decision to Commence Special Crisis Management" in the following paragraph).

(2) Upon making the Decision to Commence Special Crisis Management, the Prime Minister must notify the DICJ and the Bank, etc. subject to the relevant Decision on Commencement of Special Crisis Management (hereinafter referred to as the "Bank Under Special Crisis Management") to that effect and give public notice thereof in the Official Gazette.

(Acquisition of Shares)

Article 112 (1) When public notice is given under paragraph (2) of the preceding Article, the shares of the Bank Under Special Crisis Management will be acquired by the DICJ at the time of the relevant public notice (hereinafter referred to as the "Time of Public Notice" in this Chapter).

(2) Share certificates for the shares acquired by the DICJ under the preceding paragraph will become invalid at the Time of Public Notice.

(3) The provisions of the main clause of Article 128, paragraph (1) and Article 130, paragraph (1) of the Companies Act do not apply to the acquisition of shares under paragraph (1).

(4) Any pledge and other security interest in the shares acquired by the DICJ under paragraph (1) will be extinguished at the Time of Public Notice.

(5) When the articles of incorporation of the Bank Under Special Crisis Management has provisions prescribed in Article 108, paragraph (2) of the Companies Act (limited to the part pertaining to item (ix)), the relevant provisions will be deemed to be abolished at the Time of Public Notice.

(Publication of Finances of Banks Under Special Crisis Management)

Article 113 Upon giving public notice under Article 111, paragraph (2), the Prime Minister is to make public the conditions of assets and liabilities of the Bank Under Special Crisis Management as of the Time of Public Notice pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance.

(Special Provisions for Appointment and Dismissal of Officers of Banks Under Special Crisis Management)

Article 114 (1) Notwithstanding the provisions of Article 329, paragraph (1) and Article 402, paragraph (2) of the Companies Act, the DICJ may, based on the designation of the Prime Minister, appoint a director, executive officer, accounting advisor, corporate auditor and accounting auditor of the Bank Under Special Crisis Management. In this case, documents evidencing the designation and appointment must be attached to a written application for a registration of a change of director, executive officer, accounting advisor, corporate auditor or accounting auditor of the Bank Under Special Crisis Management.

(2) Notwithstanding the provisions of Article 339, paragraph (1) and Article 403, paragraph (1) of the Companies Act, the DICJ may, with approval from the Prime Minister, dismiss a director, executive officer, accounting advisor, corporate auditor or accounting auditor of the Bank Under Special Crisis Management.

(3) When an appointment under paragraph (1) or dismissal under the preceding paragraph is made, it will be deemed that there has been a resolution by shareholders meeting prescribed in Article 329, paragraph (1) or Article 339, paragraph (1) of the Companies Act or resolution by the board of directors prescribed in Article 402, paragraph (2) or Article 403, paragraph (1) of the same Act.

(Submission of Reports or Materials)

Article 115 The Prime Minister may, when they find it necessary, request the Bank Under Special Crisis Management and a Financial Institution Agent having the relevant Bank Under Special Crisis Management as its Principal Financial Institution to submit reports or materials concerning the status of business and assets, etc. or order the preparation and submission of a management plan and other necessary measures.

(Measures for Ascertaining Liability of Management for Failure of a Bank Under Special Crisis Management)

Article 116 (1) The Bank Under Special Crisis Management must, in order to have its director, executive officer, accounting advisor, corporate auditor or accounting auditor or a person who previously held any of these positions perform civil liability based on a breach of obligations in the course of duties, file an action or take other necessary measures.

(2) When a director, executive officer, accounting advisor, corporate auditor and accounting auditor of the Bank Under Special Crisis Management, in the course of carrying out their duty, considers that an offense has been committed, they must take necessary measures toward filing an accusation.

(Special Provisions for Procedures for Protection of Creditors)

Article 117 The provisions of Article 89 apply mutatis mutandis to cases where the Bank Under Special Crisis Management has adopted a resolution for reduction in the amount of stated capital.

(Special Provisions for Financial Assistance Pertaining to a Bank Under Special Crisis Management)

Article 118 (1) An Assuming Financial Institution or Assuming Bank Holding Company, etc. undertaking a merger, etc. (limited to those specified in Article 59, paragraph (2), items (i), (ii) and (iv); the same applies in paragraph (5)) in which the Bank Under Special Crisis Management is the Failed Financial Institution may, notwithstanding the provisions of Article 59, paragraph (1), apply for the DICJ, in joint names with the relevant Bank Under Special Crisis Management, to provide Financial Assistance (limited to those specified in Article 59, paragraph (1), item (i); the same applies in paragraphs (3) through (5)) to the relevant Bank Under Special Crisis Management.

(2) The provisions of Article 59, paragraphs (6) and (7) and Article 61, paragraph (1) apply mutatis mutandis to an application under the preceding paragraph and the provisions of Article 61, paragraphs (2), (3) and (6) through (8) apply mutatis mutandis to the Confirmation prescribed in Article 61, paragraph (1) as applied mutatis mutandis pursuant to this paragraph. In this case, the term "Failed Financial Institution" in Article 61, paragraphs (1) through (3) and (8) will be deemed to be replaced with "Bank Under Special Crisis Management," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(3) Even in cases where no application is made under Article 61, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, the Prime Minister may, when they find that the Bank Under Special Crisis Management satisfies the requirements specified in Article 61, paragraph (3), item (iii) as applied mutatis mutandis pursuant to the preceding paragraph, provide mediation in writing with regard to a merger, etc. (limited to those specified in Article 59, paragraph (2), items (i) and (iv) and those that contribute to the protection of the Depositors, etc. and other creditors and for which the Financial Assistance by the DICJ is indispensable) between the relevant Bank Under Special Crisis Management and another Financial Institution or the Bank Under Special Crisis Management and Bank Holding Company, etc.

(4) The provisions of Article 62, paragraphs (2) and (4) through (6) apply mutatis mutandis to the mediation prescribed in the preceding paragraph, the provisions of Article 64 (excluding paragraphs (2) and (5)) apply mutatis mutandis to the application prescribed in paragraph (1), the provisions of Article 65 and Article 66 apply mutatis mutandis to the Financial Institution or Bank Holding Company, etc. that has received the Confirmation prescribed in Article 61, paragraph (1) as applied mutatis mutandis pursuant to paragraph (2) or that has received the mediation prescribed in the preceding paragraph, and the provisions of Article 68 apply mutatis mutandis to the Financial Assistance prescribed in paragraph (1). In this case, the term "Article 59, paragraph (1) or Article 59-2, paragraph (1)" in Article 62, paragraph (2) will be deemed to be replaced with "Article 118, paragraph (1)," the term "paragraph (1)" in Article 62, paragraphs (4) through (6) will be deemed to be replaced with "Article 118, paragraph (3)," the term "paragraphs (4) through (7)" in Article 62, paragraph (4) will be deemed to be replaced with "paragraphs (6) and (7)," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(5) In the event that a resolution by the Board prescribed in Article 64, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph is to be deliberated with respect to the Financial Assistance prescribed in paragraph (1), the Board may, when it finds that, in light of the financial conditions of the Bank Under Special Crisis Management, the Financial Assistance does not exceed the scope necessary to carry out the merger, etc., adopt a resolution to provide Financial Assistance.

Article 119 The provisions of Article 110, paragraph (3) apply mutatis mutandis to the Financial Assistance pertaining to an application under Article 59, paragraph (1) for a merger, etc. in which the Bank Under Special Crisis Management is the Failed Financial Institution.

(Conclusion of Measures Under Item (iii))

Article 120 (1) The Prime Minister is to conclude the Measures Under Item (iii) as promptly as possible by causing the DICJ or Bank Under Special Crisis Management to take the following measures:

(i) a merger in which a Financial Institution that merges with the Bank Under Special Crisis Management survives (limited to those in which a DICJ surviving after the merger is not a subsidiary of the DICJ);

(ii) a merger in which a Financial Institution is established through the merger of the Bank Under Special Crisis Management and another Financial Institution (limited to those in which a DICJ established by the merger is not a subsidiary of the DICJ);

(iii) a transfer of business of the Bank Under Special Crisis Management;

(iv) the transfer of shares of the Bank Under Special Crisis Management (limited to those through which the Bank Under Special Crisis Management ceases to be a subsidiary company of the DICJ);

(v) an absorption-type company split to which the Bank Under Special Crisis Management is a party where another Financial Institution succeeds to all or part of the rights and obligations held by the Bank Under Special Crisis Management in relation to its business through the relevant absorption-type company split (limited to an absorption-type company split where that other company is neither a subsidiary company of the DICJ nor a Subsidiary Company of the Bank Under Special Crisis Management); and

(vi) an incorporation-type company split to which the Bank Under Special Crisis Management is a party where the Financial Institution newly established through the relevant incorporation-type company split succeeds to all or part of the rights and obligations held by the Bank Under Special Crisis Management in relation to its business through the relevant incorporation-type company split (limited to an incorporation-type company split where the Financial Institution newly established through the incorporation-type company split is neither a subsidiary company of the DICJ nor a Subsidiary Company of the Bank Under Special Crisis Management).

(2) The Bank Under Special Crisis Management must, if it intends to take the measures specified in items (i) through (iii), (v), and (vi) of the preceding paragraph, report to that effect to the Prime Minister and must also notify the DICJ thereof.

(3) Upon receiving notice under the preceding paragraph, the DICJ must immediately make a report to that effect to the Minister of Finance.

(4) Upon taking the measures specified in paragraph (1), item (iv), the DICJ must promptly report to that effect to the Prime Minister and the Minister of Finance.

(5) The "Subsidiary Company of the Bank Under Special Crisis Management" set forth in paragraph (1), items (v) and (vi) means a company of which voting rights exceeding fifty hundredths of the voting rights held by all of its shareholders are held by the Bank Under Special Crisis Management.

(Crisis Management Accounts)

Article 121 (1) When Financial Assistance is provided pursuant to a resolution under Article 110, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 119) or Article 118, paragraph (5), the DICJ is to transfer from an account (hereinafter referred to as "Crisis Management Account") related to operations specified in Article 40-2, item (ii) (hereinafter referred to as "Crisis Management Operations") to a general account the amount remaining after deducting expected costs for the payment of insurance proceeds with respect to an insured event of the Financial Institution pertaining to the relevant Financial Assistance from the expected costs of the relevant Financial Assistance.

(2) Any transfer from the Crisis Management Account to the general account under the preceding paragraph will be deemed to be Crisis Management Operations.

(Payment of Contributions)

Article 122 (1) When public notice is given under paragraph (4) of the following Article (including the cases where it is applied mutatis mutandis pursuant to Article 124, paragraph (3)), a Financial Institution must, during the period specified in the relevant public notice, pay contributions to the DICJ to cover the costs incurred in carrying out the Crisis Management Operations (excluding those pertaining to the Financial Institution, etc. subject to Specified Confirmation prescribed in Article 126-2, paragraph (1) or the Specified Bridge Financial Institution, etc. prescribed in Article 126-34, paragraph (3), item (v)).

(2) When public notice is given under the preceding paragraph, a Financial Institution is to submit documents specified by Cabinet Office Order and Order of the Ministry of Finance and pay contributions to the DICJ by the last day of each business year included in the period specified in the relevant public notice.

(3) The amount of contributions prescribed in paragraph (1) will be calculated for each Financial Institution by dividing by twelve the total amount of its liabilities outstanding on the last day of the business year immediately preceding the business year that includes the due date for payment of the relevant contributions (excluding those specified by Cabinet Office Order and Order of the Ministry of Finance), multiplying the resulting amount by the number of months in the business year that includes the due date for payment of the relevant contributions, and multiplying the resulting amount by the contribution rate specified under paragraph (2) of the following Article.

(4) The provisions of Article 50, paragraph (2) and Article 52 apply mutatis mutandis to the contributions prescribed in paragraph (1). In this case, the term "authorization of eligibility, etc. prescribed in Article 65" in Article 50, paragraph (2), item (ii) will be deemed to be replaced with "authorization of eligibility, etc. prescribed in Article 65 or Specified Authorization of Eligibility, etc. prescribed in Article 126-31," the term "the Failed Financial Institution pertaining to the authorization of eligibility, etc." in the same item will be deemed to be replaced with "the Failed Financial Institution pertaining to the authorization of eligibility, etc. or the Specified Failed Financial Institution, etc. prescribed in Article 126-28, paragraph (1) pertaining to the Specified Authorization of Eligibility, etc. which is any of the persons listed in the items of Article 2, paragraph (1)," the term "an Injunction Ordering Management prescribed in Article 74, paragraph (1)" in item (iii) of the same paragraph will be deemed to be replaced with "an Injunction Ordering Management prescribed in Article 74, paragraph (1) or an Injunction Ordering Specified Management prescribed in Article 126-5, paragraph (1)," and the term "the Financial Institution under Management pertaining to the Injunction Ordering Management" in the same item will be deemed to be replaced with "the Financial Institution under Management pertaining to the Injunction Ordering Management or the Financial Institution, etc. prescribed in Article 126-2, paragraph (2) pertaining to the Injunction Ordering Specified Management which is any of the persons listed in the items of Article 2, paragraph (1)," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Decision on Contributions or Specified Contributions)

Article 123 (1) Within three months of the end of each business year, the DICJ must report the following to the Prime Minister and the Minister of Finance with regard to income and expenditure in the Crisis Management Account during the relevant business year:

(i) the amount transferred from the Crisis Management Account to the general account under Article 121, paragraph (1);

(ii) the amount of loss arising from the transfer of Acquired Shares, etc. or Acquired Loan Claims or of Acquired Specified Shares, etc. (meaning the Acquired Specified Shares, etc. prescribed in Article 126-24, paragraph (3); the same applies in the following item) or Acquired Specified Loan Claims (meaning the Acquired Specified Loan Claims prescribed in paragraph (2) of the same Article; the same applies in the same item) below their acquisition value or other causes;

(iii) the amount of profit arising from the transfer of Acquired Shares, etc. or Acquired Loan Claims or of Acquired Specified Shares, etc. or Acquired Specified Loan Claims above their acquisition value and other reasons;

(iv) the amount of contributions or the amount of Specified Contributions that has been received; and

(v) other matters specified by Cabinet Order.

(2) In the event that a report prescribed in the preceding paragraph is received, the Prime Minister and the Minister of Finance must, when they find it necessary, prescribe a contribution rate and payment period for contributions to be paid by a Financial Institution under paragraph (1) of the preceding Article (hereinafter referred to as "Contributions" except in Article 126-39, paragraph (1)) or Specified Contributions to be paid by a Financial Institution, etc. under Article 126-39, paragraph (1) in each business year following the business year that includes the time of receipt of the relevant report (hereinafter referred to as the "Time of Report" in this paragraph); provided, however, that in any business year preceding the business year in which the Time of Report falls, when a contribution rate and payment period for the Contributions or Specified Contributions in each business year after the business year in which the Time of Report falls are prescribed, the contribution rate and payment period for the Contributions or Specified Contributions in each business year after the business year in which the relevant Time of Report falls will be prescribed by changing the contribution rate and payment period.

(3) The contribution rate and payment period will be established by taking the following matters into consideration and in a manner that covers loss in the Crisis Management Account with the Contributions or Specified Contributions and does not subject any specific Financial Institution or Financial Institution, etc. to discriminatory treatment:

(i) matters specified in each item of paragraph (1) in the business year pertaining to the relevant report prescribed in paragraph (1); and

(ii) the financial conditions of a Financial Institution or Financial Institution, etc.

(4) Upon prescribing a contribution rate and payment period under paragraph (2), the Prime Minister and the Minister of Finance must give public notice thereof in the Official Gazette.

(5) The Prime Minister and the Minister of Finance may, when they find it necessary, request the DICJ to state its opinion or submit reports or materials in order to prescribe the contribution rate and payment period under paragraph (2).

(Change of the Contribution Rate)

Article 124 (1) When it becomes evident that there will be an excess or deficiency in the Contributions or Specified Contributions due to fluctuations in interest on the borrowings of the DICJ, government subsidies prescribed in paragraph (1) of the following Article, or other causes (excluding those pertaining to the particulars specified in each item of paragraph (1) of the preceding Article), the DICJ must report to that effect to the Prime Minister and the Minister of Finance.

(2) The Prime Minister and the Minister of Finance may change a contribution rate and payment period prescribed under paragraph (2) of the preceding Article to the extent necessary to make adjustments for any excess or deficiency in the Contributions or Specified Contributions pertaining to the report prescribed in the preceding paragraph.

(3) The provisions of paragraphs (4) and (5) of the preceding Article apply mutatis mutandis to cases where the Prime Minister and the Minister of Finance change a contribution rate and payment period under the preceding paragraph.

(Government Subsidies)

Article 125 (1) The government may provide subsidies to the DICJ for part of the costs required for the Crisis Management Operations within the limit specified in a budget, only when it is found that, if the costs of the operations are to be funded solely with the Contributions or Specified Contributions, the financial conditions of a Financial Institution or Financial Institution, etc. would deteriorate significantly and it may cause an extremely serious hindrance to maintaining an orderly credit system in Japan or cause severe disruption in the financial market or any other financial system in Japan.

(2) In any business year in which no Contributions or Specified Contributions are paid (limited to the business year following the business year that includes the day on which a government subsidy is received under the preceding paragraph), if there is any amount calculated as profit in the Crisis Management Account resulting from the settlement of profits and losses pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance, the DICJ must pay the relevant amount to the national treasury after deducting the amount already paid to the national treasury under this paragraph from the total amount of government subsidies already received under the preceding paragraph.

(3) Procedures for payment and other necessary matters concerning the amount prescribed in the preceding paragraph will be specified by Cabinet Order.

(Borrowing and DICJ Bonds)

Article 126 (1) The DICJ may, when it finds it necessary for carrying out the Crisis Management Operations, borrow funds (including refinancing) from the Bank of Japan, a Financial Institution, or any other person or issue the DICJ Bonds (including issuance for the purpose of refinancing the DICJ Bonds) up to the amount specified by Cabinet Order with authorization from the Prime Minister and the Minister of Finance.

(2) The provisions of Article 42, paragraph (4) and Article 42-2 apply mutatis mutandis to cases where the DICJ borrows funds or issues the DICJ Bonds under the preceding paragraph.

(3) The DICJ Bonds to be issued under paragraph (1) will be deemed to be the DICJ Bonds issued under Article 42, paragraph (1) for the purpose of applying the provisions of Article 42, paragraphs (5) through (9).

Chapter VII-2 Measures for Orderly Resolution of Assets and Liabilities of Financial Institutions for Ensuring Financial System Stability

(Confirmation of the Necessity of Measures for Orderly Resolution of Assets and Liabilities of Financial Institutions for Ensuring Financial System Stability)

Article 126-2 (1) When the Prime Minister finds that, if the measures specified in each of the following items are not taken with respect to the Financial Institutions, etc. specified in each respective item, it may cause severe disruption in Japan's financial market and any other financial systems, they may, following deliberation by the Council, confirm the necessity to take the relevant measures (hereinafter referred to as "Specified Confirmation" in this Chapter and the following Chapter):

(i) a Financial Institution, etc. (excluding one that is unable to satisfy its obligations in full with its assets): the Special Monitoring prescribed in paragraph (1) of the following Article and the Loan of Funds, etc. prescribed in Article 126-19, paragraph (1) or the Subscription for Specified Shares, etc. under Article 107, paragraph (1) as applied mutatis mutandis pursuant to Article 126-22, paragraph (7) conducted in light of the financial conditions of the Financial Institution, etc. (hereinafter referred to as the "Specified Measures Under Item (i)"); or

(ii) a Financial Institution, etc. that is unable to satisfy its obligations in full with its assets, a Financial Institution, etc. that is likely to face a situation where it is unable to satisfy its obligations in full with its assets, a Financial Institution, etc. that has suspended payment of obligations, or a Financial Institution, etc. that is likely to suspend payment of obligations: the Special Monitoring prescribed in paragraph (1) of the following Article and the Specified Financial Assistance (hereinafter referred to as the "Specified Measures Under Item (ii)").

(2) The term "Financial Institution, etc." as used in this Chapter to Chapter IX means the following:

(i) a Financial Institution, the Foreign Bank Branch prescribed in Article 47, paragraph (2) of the Banking Act (hereinafter referred to as a "Foreign Bank Branch"), the bank holding company prescribed in Article 2, paragraph (13) of the relevant Act (hereinafter referred to as a "Bank Holding Company"), the Long Term Credit Bank holding company prescribed in Article 16-4, paragraph (1) of the Long Term Credit Bank Act (hereinafter referred to as a "Long Term Credit Bank Holding Company"), the subsidiary, etc. prescribed in Article 24, paragraph (2) of the Banking Act of a bank (referred to as a "Subsidiary, etc. of a Bank" in paragraph (5)), the subsidiary, etc. prescribed in Article 24, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act of a long term credit bank (referred to as a "Subsidiary, etc. of a Long Term Credit Bank" in paragraph (5)), the subsidiary, etc. prescribed in Article 52-31, paragraph (2) of the Banking Act of a Bank Holding Company (referred to as a "Subsidiary, etc. of a Bank Holding Company" in paragraph (5)), the subsidiary, etc. prescribed in Article 52-31, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank of a Long Term Credit Bank Holding Company (referred to as a "Subsidiary, etc. of a Long Term Credit Bank Holding Company" in paragraph (5)), the subsidiary, etc. prescribed in Article 24, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 89, paragraph (1) of the Shinkin Bank Act of a Shinkin Bank or a federation of Shinkin Banks (referred to as a "Subsidiary, etc. of a Shinkin Bank, etc." in paragraph (5)), the subsidiary, etc. prescribed in Article 24, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 6, paragraph (1) of the Act on Financial Businesses by Cooperative of a credit cooperative or a federation of credit cooperatives (referred to as a "Subsidiary, etc. of a Credit Cooperative, etc." in paragraph (5)), the subsidiary, etc. prescribed in Article 24, paragraph (2) of the Banking Act as applied mutatis mutandis to Article 94, paragraph (1) of the Labor Bank Act of a labor bank or Rokinren banks (hereinafter referred to as a "Subsidiary, etc. of a Labor Bank, etc."), or the subsidiary, etc. prescribed in Article 57, paragraph (2) of the Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd. (hereinafter referred to as a "Subsidiary, etc. of The Shoko Chukin Bank");

(ii) the insurance company prescribed in Article 2, paragraph (2) of the Insurance Business Act (hereinafter referred to as an "Insurance Company"), the insurance holding company prescribed in paragraph (16) of the same Article (hereinafter referred to as an "Insurance Holding Company"), the subsidiary, etc. prescribed in Article 128, paragraph (2) of the same Act of an Insurance Company (referred to as a "Subsidiary, etc. of an Insurance Company" in paragraph (5)), the subsidiary, etc. prescribed in Article 271-27, paragraph (1) of the same Act of an Insurance Holding Company (referred to as a "Subsidiary, etc. of an Insurance Holding Company" in paragraph (5)), or the foreign insurance company, etc. prescribed in Article 2, paragraph (7) of the same Act (hereinafter referred to as a "Foreign Insurance Company, etc.");

(iii) the financial instruments business prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (limited to one that engaged in the type I financial instruments business prescribed in Article 28, paragraph (1) of the same Act which is categorized as the securities-related business prescribed in paragraph (8) of the same Article; hereinafter referred to as a "Financial Instruments Business" in this Chapter and Article 151, paragraph (4)), the designated parent company prescribed in Article 57-12, paragraph (3) of the same Act (hereinafter referred to as a "Designated Parent Company"), the subsidiary specified juridical person prescribed in Article 56-2, paragraph (1) of the same Act of a Financial Instruments Business (hereinafter referred to as a "Subsidiary Specified Juridical Person of Financial Instruments Business"), or the subsidiary company, etc. prescribed in Article 57-10, paragraph (2) of the same Act of a Designated Parent Company (hereinafter referred to as a "Subsidiary Company, etc. of a Designated Parent Company"); or

(iv) the securities finance company prescribed in Article 2, paragraph (30) of the Financial Instruments and Exchange Act (referred to as a "Securities Finance Company" in Article 139, paragraph (2), item (i) and Article 151, paragraph (4)) or any other person specified by Cabinet Order as a person that has an important position in Japan's financial system.

(3) When the Prime Minister intends to give Specified Confirmation with respect to a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., they must hear the opinion of the Minister of Health, Labour and Welfare in advance, and when the Prime Minister intends to give Specified Confirmation with respect to The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, they must hear the opinion of the Minister of Economy, Trade and Industry in advance.

(4) Where the Prime Minister intends to give the Specified Confirmation with respect to any of the Financial Institutions, etc. listed in the items of paragraph (1) which is specified by Cabinet Office Order and Order of the Ministry of Finance, if the Financial Institution, etc. subject to the Specified Confirmation has issued bonds (limited to bonds with a special clause of subordinated contents with regard to the payment of principal and interest, where the obligations pertaining to the relevant bonds will be written down or will be acquired by the Financial Institution, etc. on condition that the Specified Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as bonds that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations) or shares (limited to shares with preferred contents with regard to dividend of surplus and distribution of residual assets, which will be acquired by the Financial Institution, etc. on condition that the Specified Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as shares that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations), or has concluded loans for consumption (limited to loans with a special clause of subordinated contents with regard to the payment of principal and interest, where the obligations pertaining to the relevant loans for consumption will be written down or the claims pertaining to the relevant loans for consumption will be acquired by the Financial Institution, etc. on condition that the Specified Confirmation will be given, and which are specified by Cabinet Office Order and Order of the Ministry of Finance as loans for consumption that contribute to ensuring sound financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations), the minister is to decide on the treatment of the relevant bonds, the relevant shares, or the relevant loans for consumption in the equity capital of the Financial Institution, etc. or in any equivalents thereto.

(5) Where the Prime Minister has given the Specified Confirmation pertaining to the Specified Measures Under Item (i), if they find it necessary to enhance the adequacy of equity capital or otherwise improve the financial conditions of the Financial Institution, etc. pertaining to the Specified Confirmation, they must specify a period of time within which an application under Article 126-22, paragraph (1) or (3) may be made by the relevant Financial Institution, etc. or the Financial Institution, etc. which has the relevant Financial Institution, etc. as its Subsidiary, etc. of a Bank, Subsidiary, etc. of a Long Term Credit Bank, Subsidiary, etc. of a Bank Holding Company, Subsidiary, etc. of a Long Term Credit Bank Holding Company, Subsidiary, etc. of a Shinkin Bank, etc., Subsidiary, etc. of a Credit Cooperative, etc., Subsidiary, etc. of a Labor Bank, etc., Subsidiary, etc. of The Shoko Chukin Bank, Subsidiary, etc. of an Insurance Company, Subsidiary, etc. of an Insurance Holding Company, Subsidiary Specified Juridical Person of Financial Instruments Business, or Subsidiary Company, etc. of a Designated Parent Company (hereinafter referred to as a "Subsidiary, etc. of a Financial Institution, etc.").

(6) Specified Confirmation pertaining to the Specified Measures Under Item (ii) with respect to a Financial Institution will be deemed to be a Category One Insured event in applying the provisions of Chapter III (excluding Section 4) and Chapter IV (including penal provisions pertaining to these provisions); with regard to the business and obligations pertaining to Deposits, etc. of the Financial Institution subject to the Specified Confirmation that cannot be succeeded to, transferred, or assumed through the Specified Merger, etc. (meaning the Specified Merger, etc. prescribed in Article 126-28, paragraph (2); the same applies in Article 126-5, paragraph (1), item (ii) and Article 126-16) pertaining to the Specified Authorization of Eligibility, etc. prescribed in Article 126-31, the Financial Institution pertaining to the Specified Confirmation (excluding a Failed Financial Institution) will be deemed to be a Failed Financial Institution, and a company that has obtained the authorization under Article 52-17, paragraph (1) of the Banking Act to become a holding company which has as its subsidiary company the bank prescribed in the same paragraph through the acquisition of shares of a bank that falls under the Financial Institution or a company that has obtained the authorization under Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act to become a holding company which has the Long-Term Credit Bank prescribed in the same paragraph as its subsidiary company through the acquisition of shares of the Long-Term Credit Bank that falls under the Financial Institution will be deemed to be a Bank Holding Company, etc. in applying the provisions of Chapter III, Section 4, Chapter III-2 (including the cases where it is applied mutatis mutandis pursuant to Article 127, Article 127-3, and Article 128) and Article 131 to Article 132-2 (including penal provisions pertaining to these provisions); assumption of obligations pertaining to the Deposits, etc. of the Financial Institution by another Financial Institution when the obligations include obligations pertaining to the Deposits, etc. corresponding to amounts of insurance claims calculated under the Insurance Claim Calculation Provision (excluding those associated with a Business Transfer, etc.) will be deemed to be Transfer of Insured Deposits in applying the provisions of Article 56, Chapter III, Section 4, and Article 131 (including penal provisions pertaining to these provisions); and a Financial Institution subject to the Specified Certification will be deemed to be a Financial Institution under Management, a Specified Bridge Bank will be deemed to be a Bridge Bank, the DICJ will be deemed to be a financial administrator, and Specified Certification for a Financial Institution subject to the Specified Certification will be deemed to be an Injunction Ordering Management with respect to a Financial Institution under Management in applying the provisions of Chapter VI, Article 133, and Article 135 (including penal provisions pertaining to these provisions). In this case, the term "notice is received under Article 55, paragraph (1) or (2)" in Article 56, paragraph (1), item (i) and paragraph (3), item (i) of the same Article will be deemed to be replaced with "notice to the DICJ (limited to notice made in the event that the Specified Certification prescribed in Article 126-2, paragraph (1) pertaining to the Specified Measures Under Item (ii) prescribed in item (ii) of the same paragraph has been given) is received under paragraph (7) of the same Article."

(7) Upon giving the Specified Confirmation, the Prime Minister must announce the fact and, if the Specified Confirmation is in relation to the Specified Measures Under Item (i), the period of time specified under paragraph (5) to the Financial Institution, etc. subject to the relevant Specified Confirmation or the Financial Institution, etc. which has the relevant Financial Institutions, etc. as a Subsidiary, etc. of a Financial Institution, etc., and the DICJ, and give public notice thereof in the Official Gazette.

(8) Upon making a decision pursuant to paragraph (4), the Prime Minister must make the details thereof public.

(9) Upon giving the Specified Confirmation, the Prime Minister must report the details of the relevant Specified Confirmation to the Diet.

(10) An Insurance Company or Foreign Insurance Company, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (ii) will be deemed to be the Failed Insurance Company prescribed in Article 260, paragraph (2) of the Insurance Business Act or the Specified Insurance Company prescribed in Article 270-6-6, paragraph (1) of the same Act in applying the provisions of Part II, Chapter X and Article 311-3, paragraph (1) (including penal provisions pertaining to these provisions) of the same Act.

(11) Necessary matters for application of the provisions of paragraph (1) to a Foreign Bank Branch, Foreign Insurance Company, etc., or any other person specified by Cabinet Office Order and Order of the Ministry of Finance will be specified Cabinet Office Order and Order of the Ministry of Finance.

(12) Necessary matters for application of the provisions of paragraphs (6) and (10) will be specified by Cabinet Order.

(13) A person subject to Specified Confirmation will be deemed to be a Financial Institution, etc. with regard to application of the provisions of this Act even in cases where the license from the Prime Minister set forth in Article 4, paragraph (1) of the Banking Act for the relevant person has been rescinded, where the relevant license has lost its effect, or where any event specified by Cabinet Office Order and Order of the Ministry of Finance has occurred.

(Special Monitoring by the DICJ)

Article 126-3 (1) When Specified Confirmation has been given, the Prime Minister (in the event that the Financial Institution, etc. subject to the monitoring under this paragraph (hereinafter referred to as "Special Monitoring")) is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in paragraph (3), paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 126-11, paragraph (2)), and paragraph (5), paragraph (1) of the same Article, Article 126-12, paragraph (1), and Article 126-15)) is to immediately designate the Financial Institution, etc. subject to the relevant Specified Confirmation as the person whose execution of business, and management and disposition of assets will be placed under the monitoring of the DICJ.

(2) When the designation under the preceding paragraph (hereinafter referred to as "Designation of Special Monitoring") has been made, the DICJ may give necessary advice, instructions, or recommendations (hereinafter referred to as "Advice, etc." in this paragraph) for ensuring the implementation of the plan prepared pursuant to paragraph (5) and any other necessary advice, etc. to the Financial Institution, etc. subject to the relevant Designation of Special Monitoring (hereinafter referred to as the "Financial Institution, etc. under Special Monitoring") with regard to the execution of its business, and management and disposition of its assets.

(3) When the Prime Minister finds it necessary for avoiding the risk of severe disruption being caused to the financial system in Japan, they may order necessary measures to the Financial Institution, etc. under Special Monitoring with regard to execution of its business, and management and disposition of its assets while specifying the time limit by which the measures should be taken.

(4) Upon making Designation of Special Monitoring, the Prime Minister must notify the Financial Institution, etc. under Special Monitoring and the DICJ to that effect and give public notice thereof in the Official Gazette.

(5) The Prime Minister may, when they find it necessary, request a Financial Institution, etc. under Special Monitoring to submit reports or materials with regard to the status of business and assets, etc. of the Financial Institution, etc. under Special Monitoring or order a Financial Institution, etc. under Special Monitoring to prepare a plan for its management and submit it to the Prime Minister and the DICJ.

(Special Monitoring Agents)

Article 126-4 (1) In the event that Designation of Special Monitoring has been made, the DICJ may, when it finds necessary, entrust the whole or part of implementation of monitoring pertaining to the relevant Designation of Special Monitoring to a third party.

(2) With regard to entrustment under the preceding paragraph, the approval of the Prime Minister (in the event that the Financial Institution, etc. under Special Monitoring is a labor bank, a federation of labor banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph) will be obtained.

(3) A Special Monitoring Agent (meaning the third party to whom entrustment was made pursuant to paragraph (1); the same applies hereinafter) may receive advance payments of costs as well as remuneration determined by the Prime Minister.

(Injunctions Ordering Specified Management)

Article 126-5 (1) When the Prime Minister (in the event that the Financial Institution, etc. pertaining to the Injunction Ordering Specified Management prescribed in this paragraph is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in paragraph (3) (including cases where applied mutatis mutandis pursuant to Article 126-7, paragraph (2)), paragraph (2) and paragraph (3) of the following Article, Article 126-7, paragraph (1), Article 126-8, and Article 79, paragraphs (1) (including cases where applied mutatis mutandis pursuant to paragraph (3) of the same Article) and Article 84, paragraph (1) as applied mutatis mutandis pursuant to Article 126-9, and Article 126-10) finds that any of the following requirements is satisfied in a case where Specified Confirmation pertaining to Specified Measures Under Item (ii) has been given, they may issue an injunction ordering that the business and assets of the Financial Institution, etc. subject to the Specified Confirmation be placed under management of the DICJ (hereinafter referred to as an "Injunction Ordering Specified Management"). In this case, the provisions of Article 74, paragraph (1), paragraph (2), and paragraph (5) do not apply:

(i) the conducting of the relevant Financial Institution, etc.'s business is particularly inappropriate; or

(ii) if a Specified Merger, etc. is not carried out with regard to the business or obligations of the Financial Institution, etc. and the Financial Institution, etc. discontinues all its businesses or is dissolved, severe disruption is likely to be caused to the financial system in Japan by the discontinuation of business or default of obligations.

(2) When an Injunction Ordering Specified Management has been issued, the right to represent the Financial Institution, etc. subject to the Injunction Ordering Specified Management, execute its business, and manage and dispose of its assets will be vested exclusively in the DICJ. The same applies to the rights of a director and executive officer (in the event that the Financial Institution, etc. subject to the Injunction Ordering Specified Management is a Shinkin Bank, etc., a director) prescribed in Article 828, paragraphs (1) and (2) of the Companies Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 28 of the Shinkin Bank Act, Article 52-2 (including the cases where it is applied mutatis mutandis pursuant to Article 58, paragraph (7) of the same Act) and Article 61-7 of the same Act, Article 32 of the Small and Medium Sized Enterprises Cooperatives Act, Article 57 (including the cases where it is applied mutatis mutandis pursuant to Article 57-3, paragraph (6) of the same Act) and Article 67 of the same Act, Article 28 of the Labor Bank Act, Article 57-2 (including the cases where it is applied mutatis mutandis pursuant to Article 62, paragraph (7) of the same Act) and Article 65 of the same Act, and Article 30-15, Article 57, paragraph (6), Article 60-2, paragraph (5), and Article 171 of the Insurance Business Act), Article 831 of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 24, paragraph (10) and Article 48-8 of the Shinkin Bank Act, Article 27, paragraph (8), Article 54, Article 82, paragraph (4) and Article 82-10, paragraph (4) of the Small and Medium Sized Enterprises Cooperatives Act, Article 24, paragraph (11) and Article 54 of the Labor Bank Act, and Article 30-8, paragraph (6), Article 41, paragraph (2), and Article 49, paragraph (2) of the Insurance Business Act), and Article 84-2, paragraph (2) and Article 96-16, paragraph (2) of the Insurance Business Act.

(3) Upon issuing an Injunction Ordering Specified Management, the Prime Minister must notify the DICJ to that effect and give public notice thereof in the Official Gazette.

(4) The provisions of Article 80 and Article 81, paragraph (1) of the Corporate Reorganization Act applies mutatis mutandis to the DICJ in the event that an Injunction Ordering Specified Management has been issued, and the provisions of Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations applies mutatis mutandis to a Financial Institution, etc. subject to the Injunction Ordering Specified Management. In this case, the term "court" in Article 81, paragraph (1) of the Corporate Reorganization Act will be deemed to be replaced with "Prime Minister (in the event that the Financial Institution, etc. prescribed in Article 126-2, paragraph (2) of the Deposit Insurance Act subject to the Injunction Ordering Specified Management prescribed in Article 126-5, paragraph (1) of the same Act is a labor bank, Rokinren banks, or the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i) of the same Act, the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or the Subsidiary, etc. of The Shoko Chukin Bank prescribed in the same item, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry)" and the term "its representative director or other representatives" in Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations will be deemed to be replaced with "the Deposit Insurance DICJ in the event that the Injunction Ordering Specified Management prescribed in Article 126-5, paragraph (1) of the Deposit Insurance Act has been issued."

(5) A Financial Institution subject to an Injunction Ordering Specified Management will be deemed to be a Financial Institution subject to an Injunction Ordering Management under Article 74, paragraph (1) or paragraph (2) in applying the provisions of Article 69-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 127 and Article 128), and an Insurance Company or Foreign Insurance Company, etc. subject to an Injunction Ordering Specified Management will be deemed to be the Managed Company prescribed in Article 242, paragraph (1) of the Insurance Business Act, and the DICJ in the event that an Injunction Ordering Specified Management has been issued will be deemed to be an insurance administrator in applying the provisions of Article 247, Article 250, paragraph (1), Article 254, paragraph (1), and Article 255-2, paragraph (1) (including penal provisions pertaining to these provisions) of the same Act.

(6) When an Injunction Ordering Specified Management has been issued for a Financial Institution, etc., Special Monitoring pertaining to the relevant Financial Institution, etc. will be suspended until the Injunction Ordering Specified Management is concluded.

(DICJ Representatives)

Article 126-6 (1) When an Injunction Ordering Specified Management has been issued, the DICJ may appoint an agent (hereinafter referred to as a "DICJ Agent") who will conduct the whole or part of the business pertaining to the Injunction Ordering Specified Management.

(2) With regard to the appointment of a DICJ Agent set forth in the preceding paragraph, the approval of the Prime Minister must be obtained.

(3) A DICJ Agent may receive advance payment of costs and receive the consideration specified by the Prime Minister.

(Rescission of an Injunction Ordering Specified Management)

Article 126-7 (1) The Prime Minister must rescind the Injunction Ordering Specified Management, when they find that there is no longer any need for the relevant Injunction Ordering Specified Management.

(2) The provisions of Article 126-5, paragraph (3) applies mutatis mutandis to the case set forth in the preceding paragraph.

(Preparation and Submission of a Plan)

Article 126-8 In the event that an Injunction Ordering Specified Management has been issued, the Prime Minister may, when they find it necessary, request the DICJ to submit reports or materials with regard to the status of business and assets, etc. of the Financial Institution, etc. subject to the Injunction Ordering Specified Management or order a Financial Institution, etc. subject to the Injunction Ordering Specified Management to prepare and submit a plan for its management or to take other necessary measures.

(Application Mutatis Mutandis of Provisions Concerning Financial Administrators)

Article 126-9 The provisions of Article 79 applies mutatis mutandis to a Financial Institution, etc. subject to the Injunction Ordering Specified Management, the provisions of Article 82 applies mutatis mutandis to a DICJ Representative, and the provisions of Articles 83 and 84 applies mutatis mutandis to the DICJ in the event that an Injunction Ordering Specified Management has been issued. In this case, the term "issued an Injunction Ordering Management or rescinded an Injunction Ordering Management" in Article 79, paragraph (1) will be deemed to be replaced with "issued an Injunction Ordering Specified Management (meaning the Injunction Ordering Specified Management prescribed in Article 126-5, paragraph (1); the same applies hereinafter) or rescinded an Injunction Ordering Specified Management," the term "office" in the same paragraph will be deemed to be replaced with "office (in the event that the head office or principal office is in a foreign state, the principal business office or office in Japan)," the term "a financial administrator" in paragraph (2) of the same Article will be deemed to be replaced with "the DICJ," the term "director, accounting advisor, corporate auditor or accounting auditor of a Financial Institution under Management (in the event that the Financial Institution under Management is a company with committees, a director, executive officer, accounting advisor or accounting auditor, and in the event that the Financial Institution under Management is a Shinkin Bank, etc., a director, inspector or accounting auditor)" in Article 83, paragraph (1) will be deemed to be replaced with "director, executive officer, member who executes business, representative in Japan, accounting advisor, corporate auditor, or a person equivalent to any of these, or accounting auditor of the Financial Institution, etc. prescribed in Article 126-2, paragraph (2) subject to an Injunction Ordering Specified Management," and the term "Financial Institution under Management" in Article 84, paragraph (1) will be deemed to be replaced with "Financial Institution, etc. prescribed in Article 126-2, paragraph (2) subject to an Injunction Ordering Specified Management," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Conclusion of Specified Management)

Article 126-10 The DICJ is to conclude the management of a Financial Institution, etc. subject to an Injunction Ordering Specified Management by transferring its business or taking any other necessary measures for avoiding the risk of severe disruption being caused to the financial system in Japan and other related measures within one year from the date of the Injunction Ordering Specified Management; provided, however, that in cases where it is impossible to conclude the management within the relevant period due to unavoidable circumstances, the relevant period may be extended for a period not exceeding one year with the approval of the Prime Minister.

(Rescission of a Special Monitoring Designation)

Article 126-11 (1) The Prime Minister must rescind the Designation of Special Monitoring when they find that there is no longer any need for the relevant Designation of Special Monitoring.

(2) The provisions of Article 126-3, paragraph (4) apply mutatis mutandis to the case referred to in the preceding paragraph.

(Conclusion of Special Monitoring)

Article 126-12 (1) The DICJ is to conclude Special Monitoring of a Financial Institution, etc. pertaining to Designation of Special Monitoring by transferring its business or taking any other necessary measures for avoiding the risk of severe disruption being caused to the financial system in Japan and other related measures within one year from the date of the Designation of Special Monitoring; provided, however, that in cases where it is impossible to conclude the Special Monitoring within the relevant period due to unavoidable circumstances, the relevant period may be extended for a period not exceeding one year with the approval of the Prime Minister.

(2) Upon concluding Special Monitoring pursuant to the preceding paragraph, the DICJ must notify the Financial Institution, etc. under Special Monitoring to that effect and give public notice thereof.

(Permission in Lieu of an Extraordinary Resolution of a Shareholders Meeting)

Article 126-13 (1) In the event that a Financial Institution, etc. under Special Monitoring that is a stock company is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations, the relevant Financial Institution, etc. under Special Monitoring may, notwithstanding the provisions of Article 111, paragraph (2), Article 171, paragraph (1), Article 199, paragraph (2), Article 204, paragraph (2), Article 447, paragraph (1), Article 466, Article 467, paragraph (1), items (i) and (ii), Article 783, paragraph (1), and Article 804, paragraph (1) of the Companies Act and Article 136 of the Insurance Business Act, carry out the following matters with the permission of the court; in this case, with regard to application of the provisions of Article 172, paragraph (1) of the Companies Act in the case of carrying out the matters prescribed in item (i), the term "the following shareholders" in the same paragraph will be deemed to be replaced with "all shareholders," and the term "the day of the shareholders meeting under that paragraph" in the same paragraph will be deemed to be replaced with "the day on which the public notice set forth in Article 126-13, paragraph (11) of the Deposit Insurance Act (Act No. 34 of 1971) was given":

(i) amendment of the articles of incorporation necessary for the issuance of Class Shares Subject to Wholly Call, acquisition of all of the Class Shares Subject to Wholly Call or determination of the subscription requirements prescribed in Article 199, paragraph (2) of the Companies Act pertaining to the issuance of the shares for subscription prescribed in paragraph (1) of the same Article conducted together with the acquisition or determination of allotment of the shares for subscription prescribed in the same paragraph under Article 204, paragraph (2) of the same Act;

(ii) reduction in the amount of stated capital;

(iii) transfer of all or a material portion of its business;

(iv) company split; and

(v) transfer of insurance contracts.

(2) In the event that a Financial Institution, etc. under Special Monitoring that is a Shinkin Bank, etc. is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations, the relevant Financial Institution, etc. under Special Monitoring may, notwithstanding the provisions of Article 48-3 and Article 58, paragraph (1) of the Shinkin Bank Act, Article 53 and Article 57-3, paragraph (1) of the Small and Medium-Sized Enterprise Cooperatives Act, and Article 53 and Article 62, paragraph (1) of the Labor Bank Act, transfer its business with the permission of the court.

(3) In the event that a Financial Institution, etc. under Special Monitoring that is a Mutual Company (meaning the mutual company prescribed in Article 2, paragraph (5) of the Insurance Business Act; the same applies hereinafter) is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations, the relevant Financial Institution, etc. under Special Monitoring may, notwithstanding the provisions of Article 62-2, paragraph (1), items (i) and (ii) and Article 136 of the same Act, carry out the following with the permission of the court:

(i) transfer of all or a material portion of its business; and

(ii) transfer of insurance contracts.

(4) In the event that a Financial Institution, etc. under Special Monitoring is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations, when the DICJ finds it to be inappropriate to have the director, executive officer, accounting advisor, corporate auditor or accounting auditor (hereinafter referred to as the "Officer, etc." in this Article) of the Financial Institution, etc. under Special Monitoring continue to carry out their duties, the DICJ may, notwithstanding the provisions of Article 339, paragraph (1) of the Companies Act (including the cases where it is applied by replacing the terms pursuant to the provisions of Article 347, paragraph (1) of the same Act) and Article 403, paragraph (1) of the same Act, Article 35-8, paragraph (1), of the Shinkin Bank Act, Article 42, paragraph (1) of the Small and Medium-Sized Enterprises Cooperatives Act, Article 37-6, paragraph (1) of the Labor Bank Act, and Article 53-8, paragraph (1) and Article 53-27, paragraph (1) of the Insurance Business Act, dismiss the Officer, etc. of the Financial Institution, etc. under Special Monitoring with the permission of the court.

(5) In the event that the DICJ intends to dismiss any Officer, etc. of a Financial Institution, etc. under Special Monitoring under the preceding paragraph, when the number of Officers, etc. will fail to meet the number prescribed by an Act or by the articles of incorporation, the DICJ may, notwithstanding the provisions of Article 329, paragraph (1) and Article 402, paragraph (2) of the Companies Act, Article 32, paragraph (3) of the Shinkin Bank Act, Article 35, paragraph (3) of the Small and Medium-Sized Enterprises Cooperatives Act, Article 32, paragraph (3) of the Labor Bank Act, and Article 52, paragraph (1) and Article 53-26, paragraph (2) of the Insurance Business Act, appoint an Officer, etc. of the Financial Institution, etc. under Special Monitoring with the permission of the court.

(6) The Officer, etc. (excluding an executive officer; hereinafter the same applies in this paragraph) of a Financial Institution, etc. under Special Monitoring appointed under the preceding paragraph will resign at the conclusion of the first annual shareholders meeting, ordinary general meeting (in cases where a general meeting of representatives is established, at which it is possible to appoint Officers, etc., the ordinary general meeting of representatives), or annual general meeting of members (in cases where a general meeting of representatives is established, at which it is possible to appoint an executive officer, the annual general meeting of representatives) convened after the conclusion of the Special Monitoring, and an executive officer will resign at the completion of the first meeting of the board of directors held after the conclusion of the relevant shareholders meeting or annual general meeting of members (in cases where a general meeting of representatives is established, at which it is possible to appoint Officers, etc., the annual general meeting of representatives).

(7) When the permission prescribed in paragraphs (1) through (5) has been granted, it will be deemed that a resolution of a shareholders meeting, class meeting (in the case of the Shinkin Bank, etc., general meeting or general meeting of representatives, and in the case of a Mutual Company, general meeting of members or general meeting of representatives) or board of directors meeting has been adopted concerning matters pertaining to the relevant permission. With regard to application of the provisions of Article 16, paragraph (1), Article 136-2, paragraph (1), and Article 250, paragraphs (3) and (5) of the Insurance Business Act in this case, the term "two weeks before the date of the shareholders meeting related to the resolution on the reduction (or, the date of the board of directors meeting where Article 447, paragraph (3) (Reductions in Amount of Capital) or Article 448, paragraph (3) (Reductions in Amount of Reserves) of the Companies Act)" in Article 16, paragraph (1) of the same Act will be deemed to be "a day within two weeks after the grant of the permission set forth in Article 126-13, paragraph (1) of the Deposit Insurance Act (Act No. 34 of 1971) pertaining to the reduction," the term "two weeks before the date of the Shareholders' Meeting, etc. set forth in Article 136, paragraph (1) " in Article 136-2, paragraph (1) of the same Act will be deemed to be replaced with "a day within two weeks after the grant of the permission set forth in Article 126-13, paragraph (1) or paragraph (3) of the Deposit Insurance Act pertaining to transfer of insurance contracts," and the term "the following paragraph" in Article 250, paragraph (3), item (i) of the same Act and the term "the preceding paragraph" in paragraph (5) of the same Article will be deemed to be replaced with "Article 126-13, paragraph (11) of the Deposit insurance Act," and the provisions of paragraph (4) of the same Article do not apply.

(8) In the event that a Financial Institution, etc. under Special Monitoring is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations, when the DICJ finds it to be inappropriate to have the representative in Japan of the Financial Institution, etc. under Special Monitoring continue to carry out their duties, the DICJ may, notwithstanding the provisions of Article 817, paragraph (1) of the Companies Act and Article 193, paragraph (1) of the Insurance Business Act, specify the representative in Japan of the Financial Institution, etc. under Special Monitoring with the permission of the court.

(9) The representative in Japan of a Financial Institution, etc. under Special Monitoring specified pursuant to the preceding paragraph will resign at the conclusion of the Special Monitoring.

(10) The district court which has jurisdiction over the location of the head office or principal office of the Financial Institution, etc. under Special Monitoring (in the event that the head office or principal office is in a foreign state, the principal business office or office in Japan) has jurisdiction over cases pertaining to the permission prescribed in paragraphs (1) through (5) and paragraph (8) (hereinafter referred to as a "Substituted Permission" in this Article).

(11) The court must, when it has made a Substituted Permission, serve a written decision thereof on the Financial Institution, etc. under Special Monitoring and give a public notice of the outline of the decision.

(12) The public notice under the preceding paragraph will be published in the Official Gazette.

(13) A decision on the Substituted Permission takes effect as of the time of service thereof on the Financial Institution, etc. under Special Monitoring under paragraph (11).

(14) Shareholders, members or association members of Shinkin Banks, etc., members of Mutual Companies, or foreign companies or Foreign Insurance Company, etc. may make an immediate appeal against a decision on the Substituted Permission within an unextendable period of two weeks from the date of the public notice set forth in paragraph (11).

(15) The provisions of Article 5, Article 6, Article 7, paragraph (2), Article 40, Article 41, Article 56, paragraph (2), and Article 66, paragraphs (1) and (2) of the Non-Contentious Cases Procedures Act do not apply to cases pertaining to the Substituted Permission.

(16) The provisions of Article 88 applies mutatis mutandis to the case where Substituted Permission pertaining to matters specified in paragraph (1), item (i), (ii), or (iv) or matters prescribed in paragraph (4) or (5) has been granted.

(Request for Suspension of the Collection of Claims)

Article 126-14 When the DICJ finds that orderly resolution of assets and liabilities of the relevant Financial Institutions, etc. under Special Monitoring is likely to be hindered if a Financial Institution, etc. that is a creditor of a Financial Institution, etc. under Special Monitoring (in the event that the Financial Institution, etc. under Special Monitoring is a Foreign Bank Branch, a creditor of the foreign bank prescribed in Article 10, paragraph (2), item (viii) of the Banking Act (hereinafter referred to as a "Foreign Bank") pertaining to the relevant Foreign Bank Branch) collects claims from the Financial Institution, etc. under Special Monitoring or exercises any other right of a creditor specified by Cabinet Office Order and Order of the Ministry of Finance, the DICJ must request the relevant Financial Institution, etc. to refrain from exercising the relevant right until transfer of business is conducted or any other necessary measures for avoiding the risk of severe disruption being caused to the financial system in Japan are taken.

(Opinions of the Prime Minister Pertaining to a Petition for Commencement of Bankruptcy Proceedings)

Article 126-15 When a petition has been filed against a Financial Institution, etc. under Special Monitoring for commencement of bankruptcy proceedings (in the event that the Financial Institution, etc. under Special Monitoring is a Foreign Bank Branch, commencement of bankruptcy proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), commencement of rehabilitation proceedings (in the event that the Financial Institution, etc. under Special Monitoring is a Foreign Bank Branch, commencement of rehabilitation proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), commencement of reorganization proceedings (in the event that the Financial Institution, etc. under Special Monitoring is a Foreign Bank Branch, commencement of reorganization proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), commencement of special liquidation (in cases where the Financial Institution, etc. under Special Monitoring is a Foreign Company, Foreign Bank Branch, or Foreign Insurance Company, etc., commencement of liquidation under the provisions of Article 822, paragraph (1) of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 213 of the Insurance Business Act; the same applies hereinafter)) or recognition of foreign insolvency proceedings (in the event that the Financial Institution, etc. under Special Monitoring is a Foreign Bank Branch, recognition of foreign insolvency proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), the Prime Minister may, before a ruling or order is given on the relevant petition, state that measures for orderly resolution of assets and liabilities of the relevant Financial Institution, etc. under Special Monitoring have been taken, and state any other matters concerning the relevant Financial Institution, etc. under Special Monitoring, and express opinions on the timing of the relevant ruling or order and other matters to the court.

(Movables Prohibited from Seizure)

Article 126-16 A movable or claim pertaining to the business of a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (ii) which the Specified Assuming Financial Institution, etc. prescribed in Article 126-28, paragraph (1) or the Specified Assuming Holding Company, etc. prescribed in the same paragraph succeeds to or receives by transfer though Specified Merger, etc. (limited to those designated by the Prime Minister (in the event that the Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (ii) is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry)) may not be seized.

(Retention of Assets Within Japan)

Article 126-17 The Prime Minister (in the event that the Financial Institution, etc. subject to Specified Confirmation is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) may, when and to the extent that they find it necessary for smoothly implementing the orderly resolution of assets and liabilities of the Financial Institution, etc. subject to Specified Confirmation, order the relevant Financial Institution, etc. to retain part of its assets specified by Cabinet Order, within Japan, pursuant to the provisions of the Cabinet Order.

(Application Mutatis Mutandis of Provisions Concerning Financial Administrators)

Article 126-18 The provisions of Articles 76 and 86 applies mutatis mutandis to a Financial Institution, etc. under Special Monitoring (limited to a Financial Institution, etc. under Special Monitoring that is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations), the provisions of Article 82 applies mutatis mutandis to a Special Monitoring Agent, and the provisions of Article 89 applies mutatis mutandis to a Financial Institution, etc. under Special Monitoring. In this case, the term "a Bank, etc. or The Shoko Chukin Bank, Ltd." in Article 76, paragraph (1) will be deemed to be replaced with "a stock company"; the term "in the event that the Financial Institution under Management set forth in the same paragraph is The Shoko Chukin Bank, Ltd." in paragraph (2) of the same Article will be deemed to be replaced with "in the event that the Financial Institution under Management set forth in the same paragraph is the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i), the term 'the Prime Minister' in the previous paragraph will be deemed to be replaced with 'the Prime Minister and the Minister of Health, Labour and Welfare,' and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "a Financial Institution under Management" in Article 86, paragraph (1) will be deemed to be replaced with "a Financial Institution, etc. under Special Monitoring (limited to the Financial Institution, etc. under Special Monitoring prescribed in Article 126-3, paragraph (2) that is unable to satisfy its obligations in full with its assets or is likely to be unable to satisfy its obligations in full with its assets, or has suspended payment of obligations or is likely to suspend payment of obligations; hereinafter the same applies in this Article) and that is not the Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act"; the term "resolutions or decisions under Article 48-3 of the Shinkin Bank Act, Article 53 of the Small and Medium Sized Enterprises Cooperatives Act, or Article 53 of the Labor Bank Act, and" in the same paragraph will be deemed to be replaced with "resolutions or decisions under Article 48-3 of the Shinkin Bank Act, Article 53 of the Small and Medium Sized Enterprises Cooperatives Act, or Article 53 of the Labor Bank Act,"; the term "resolutions or decisions under Article 22, paragraph (2), Article 29, paragraph (4) or Article 35, paragraph (2) of the Act on Financial Institutions' Merger and Conversion" in the same paragraph will be deemed to be replaced with "resolutions or decisions under Article 22, paragraph (2), Article 29, paragraph (4) or Article 35, paragraph (2) of the Act on Financial Institutions' Merger and Conversion, and resolutions under Article 69, paragraph (2), Article 136, paragraph (2), Article 144, paragraph (3), Article 165-3, paragraph (2), or Article 165-10, paragraph (2) of the Insurance Business Act"; the term "a Financial Institution under Management" in paragraph (2) of the same Article will be deemed to be replaced with "a Financial Institution, etc. under Special Monitoring that is not the Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act"; the term "resolutions of a shareholders meeting or class meeting specified in each item of Article 309, paragraph (3) or Article 324, paragraph (3) of the Companies Act and" in the same paragraph will be deemed to be replaced with "resolutions of a shareholders meeting or class meeting specified in each item of Article 309, paragraph (3) or Article 324, paragraph (3) of the Companies Act,"; the term "resolutions under Article 22, paragraph (3) of the Act on Financial Institutions' Merger and Conversion" in the same paragraph will be deemed to be replaced with "resolutions under Article 22, paragraph (3) of the Act on Financial Institutions' Merger and Conversion, and resolutions under Article 165-3, paragraph (4) or (6) or Article 165-10, paragraph (6) of the Insurance Business Act"; the term "a Financial Institution under Management" in paragraph (3) of the same Article will be deemed to be replaced with "a Financial Institution, etc. under Special Monitoring that is not the Mutual Company prescribed in Article 2, paragraph (2) of the Insurance Business Act"; the term "may, notwithstanding the provisions of the same paragraph, be made provisionally by a majority of the shareholders present and three-quarters or more of the votes held by the shareholders present" in the same paragraph will be deemed to be replaced with "may, notwithstanding the provisions of the same paragraph, be made provisionally by a majority of the shareholders present and three-quarters or more of the votes held by the shareholders present, and in a Financial Institution, etc. under Special Monitoring that is the Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act, resolutions under Article 57, paragraph (2), Article 60, paragraph (2), Article 62, paragraph (2), Article 62-2, paragraph (2), Article 86, paragraph (2), Article 136, paragraph (2), Article 144, paragraph (3), Article 156, or Article 165-16, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 165-20 of the same Act) of the same Act, notwithstanding these provisions, be made provisionally by three-quarters or more of the votes held by the members (in cases where a general meeting of representatives is established, the representatives) present"; the term "the shareholders meeting, etc. prescribed in Article 66, paragraph (2)" in paragraph (4) of the same Article will be deemed to be replaced with "in the case of a stock company, a shareholders meeting or class meeting (in the case prescribed in Article 22, paragraph (6) of the Act on Financial Institutions' Merger and Conversion, a shareholders meeting and the shareholders meeting set forth in the same paragraph), and in the case of a Shinkin Bank, etc., a general meeting (in cases where a general meeting of representatives is established, the general meeting of representatives)"; the term "In this case" in paragraph (7) of the same Article will be deemed to be replaced with "In this case, the term 'its Shareholders, etc.' in paragraph (4) will be deemed to be replaced with 'its Shareholders, etc. or, in the case of the Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act, its members (in cases where a general meeting of representatives is established, its representatives)'; the term 'meaning the shareholders meeting, etc. prescribed in Article 66, paragraph (2)' in the same paragraph will be deemed to be replaced with 'meaning the shareholders meeting, etc. prescribed in Article 66, paragraph (2) and, in the case of the Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act, a general meeting of members (in cases where a general meeting of representatives is established, the general meeting of representative)'"; the term "the term 'a majority as prescribed in paragraph (1)'" in the same paragraph will be deemed to be replaced with "and the term 'a majority as prescribed in paragraph (1)'"; and the term "a Bank, etc. or The Shoko Chukin Bank, Ltd." in Article 89 will be deemed to be replaced with "a stock company"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Loan of Funds Necessary for Avoiding the Risk of Severe Disruption Being Caused to the Financial System)

Article 126-19 (1) In the event that the DICJ receives from a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) an application for Loan of Funds, etc. (meaning the loan of funds necessary for avoiding the risk of severe disruption being caused to the financial system in Japan or guarantee of obligations necessary for avoiding the risk of severe disruption being caused to the financial system in Japan), the DICJ may, when it finds it necessary, and following a resolution of the Board, decide to provide the loan or the guarantee of obligations pertaining to the relevant application within the limit necessary.

(2) When a loan under the preceding paragraph has been provided or when the obligations pertaining to guarantee of obligations under the same paragraph have been paid, the DICJ has the right to have its claims satisfied out of the assets of the Financial Institution, etc. pertaining to the right to reimbursement based on the relevant loan or the relevant guarantee of obligations in preference over other creditors.

(3) The order of the statutory lien under the preceding paragraph will be next to the general statutory lien under the provisions of the Civil Code.

(Rescission of the Specified Confirmation Pertaining to Specified Measures Under Item (i))

Article 126-20 (1) If a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) falls under the Financial Institution, etc. specified in Article 126-2, paragraph (1), item (ii), the Prime Minister may, following deliberation by the Council, rescind the relevant Specified Confirmation.

(2) The provisions of Article 126-2, paragraphs (3), (7) and (9) apply mutatis mutandis to rescission of the Specified Confirmation under the preceding paragraph.

(Submission of Plans Specifying Measures to Enhance Adequacy of Equity Capital or Otherwise Improve Financial Conditions)

Article 126-21 (1) A Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) must, when the relevant Financial Institution, etc. and a Financial Institution, etc. which has the relevant Financial Institution, etc. as a Subsidiary, etc. of a Financial Institution, etc. does not make an application prescribed in paragraph (1) or (3) of the following Article, submit a plan to the Prime Minister within the period prescribed in Article 126-2, paragraph (5), setting forth measures to enhance the adequacy of equity capital or otherwise improve the financial conditions by a means other than Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i).

(2) When the Prime Minister finds that the plan submitted under the preceding paragraph by a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) is appropriate, the minister may, following deliberation by the Council, rescind the Specified Confirmation pertaining to the relevant Financial Institution, etc.

(3) The provisions of Article 126-2, paragraphs (3), (7) and (9) apply mutatis mutandis to rescission of the Specified Confirmation under the preceding paragraph.

(4) In the event that a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) and a Financial Institution, etc. which has the Financial Institution, etc. as a Subsidiary, etc. of a Financial Institution, etc. has not made an application prescribed in paragraph (1) or (3) of the following Article within the period prescribed in Article 126-2, paragraph (5), when the relevant Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) does not submit the plan prescribed in paragraph (1) within the relevant period, the Prime Minister may rescind the relevant Specified Confirmation.

(5) When the Prime Minister finds that the plan submitted by a Financial Institution, etc. under paragraph (1) is not appropriate, they may rescind the Specified Confirmation.

(6) When the Prime Minister intends to rescind the Specified Confirmation pertaining to Specified Measures Under Item (i) under the provisions of the preceding two paragraphs, they must hear the opinion of the Minister of Finance in advance.

(7) The provisions of Article 126-2, paragraphs (3), (7) and (9) apply mutatis mutandis to rescission of the Specified Confirmation pertaining to Specified Measures Under Item (i) under paragraph (4) or (5).

(Decisions on Subscription for Specified Shares)

Article 126-22 (1) A Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) (excluding a Financial Institution, etc. which has suspended payment of obligations) may apply to the DICJ to carry out a Subscription for Specified Shares, etc. (meaning subscription for shares other than preferred shares or the Subscription for Specified Preferred Shares, etc. prescribed in Article 126-28, paragraph (3); the same applies hereinafter) of the relevant Financial Institution, etc. to enhance the adequacy of equity capital or otherwise improve the financial conditions of the relevant Financial Institution, etc.

(2) When the DICJ has received an application under the preceding paragraph, the DICJ must request a decision from the Prime Minister (in the event that the Financial Institution, etc. pertaining to the relevant application is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) in joint names with the relevant Financial Institution, etc. as to whether or not to carry out the Subscription for Specified Shares, etc. pertaining to the relevant application.

(3) A Financial Institution, etc. which has a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) (excluding a Financial Institution, etc. which has suspended payment of obligations) as a Subsidiary, etc. of a Financial Institution, etc. may apply to the DICJ to carry out the Subscription for Specified Shares, etc. of the relevant Financial Institution, etc. to enhance the adequacy of equity capital or otherwise improve the financial conditions of the relevant Subsidiary, etc. of a Financial Institution, etc. subject to Specified Confirmation.

(4) When the DICJ has received an application under the preceding paragraph, the DICJ must request a decision from the Prime Minister (in the event that the Subsidiary, etc. of a Financial Institution, etc. pertaining to the relevant application is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) in joint names with the Financial Institution, etc. that has made the application as to whether or not to carry out the Subscription for Specified Shares, etc. pertaining to the relevant application.

(5) A Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) that has made an application prescribed in paragraph (1) or a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) which is a Subsidiary, etc. of a Financial Institution, etc. of the Financial Institution, etc. that has made an application prescribed in paragraph (3) (hereinafter referred to as "Subject Subsidiary, etc." in this Chapter) must submit to the Prime Minister (in the event that the Financial Institution, etc. pertaining to the application set forth in paragraph (1) or the Subject Subsidiary, etc. pertaining to the application set forth in paragraph (3) is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph, Article 105, paragraphs (5) and (6) as applied mutatis mutandis pursuant to paragraph (7), and Article 126-24) a Management Strengthening Plan (meaning a plan to improve sound business management; hereinafter the same applies in this Chapter) setting forth measures to streamline the management and to establish a responsible management system (including, in the event that a Financial Institution, etc. has made an application prescribed in paragraph (3), the management system of the relevant Financial Institution, etc.) and other measures specified by Cabinet Order. In this case, the Subject Subsidiary, etc. of the Financial Institution, etc. that is to make an application prescribed in paragraph (3) must submit the relevant plan in joint names with the relevant Financial Institution, etc.

(6) The Prime Minister is to make a decision to carry out the Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i) pertaining to an application prescribed in paragraph (1) or (3) only if all of the following requirements are satisfied:

(i) there are no serious difficulties associated with the disposition of the Specified Shares, etc. (meaning Shares, etc., Specified Subordinated Bonds (meaning bonds with a special clause of subordinated contents with regard to the payment of principal and interest, which fall under bonds specified by Cabinet Order as contributing to the adequacy of equity capital or otherwise improving the financial conditions of those other than a Bank, etc., Bank Holding Company, etc. or The Shoko Chukin Bank, Ltd.; the same applies hereinafter), equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds) (including the following in the case of Shares, etc., and including equivalents of the following in the case of Specified Subordinated Bonds, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in the same paragraph, or claims pertaining to funds) or loan claims acquired by the DICJ in connection with the Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i);

(a) in the event that the Specified Shares, etc. are shares, the shares specified below:

1. in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class (meaning the delivery of shares of another class in exchange for the acquisition of the relevant shares by their issuing company; hereinafter the same applies in this Chapter) can be made, shares of another class into which the relevant shares are converted pursuant to the request;

2. in the event that the relevant shares are convertible upon the occurrence of certain events, shares of another class into which the relevant shares are converted as a result of the occurrence; and

3. shares split or consolidated with respect to the relevant shares or the shares of another class specified in 1 or 2;

(b) in the event that the relevant Specified Shares, etc. are subordinated bonds, shares delivered through the exercise of share options attached to the relevant subordinated bonds and shares split or consolidated with respect thereto; and

(c) in the event that the relevant Specified Shares, etc. are preferred equity investments, preferred equity investments split with respect to the relevant preferred equity investments.

(ii) when a Financial Institution, etc. has made an application prescribed in paragraph (3), the Financial Institution, etc. is not unable to satisfy its obligations in full with its assets; and

(iii) the Financial Institution, etc. pertaining to the application set forth in paragraph (1) or the Subject Subsidiary, etc. pertaining to the application set forth in paragraph (3) is expected to implement the following measures through the reliable execution of the Management Strengthening Plan, etc.:

(a) measures to streamline the management;

(b) measures to clarify management responsibilities; and

(c) measures to clarify shareholder responsibilities.

(7) The provisions of Article 105, paragraph (5) applies mutatis mutandis to the case of making a decision under the preceding paragraph; the provisions of paragraph (6) of the same Article applies mutatis mutandis to the case of having made a decision under paragraph (2) or (4), the provisions of paragraph (7) of the same Article applies mutatis mutandis to the case where a decision is made not to carry out Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i) pertaining to the application prescribed in paragraph (1) or (3); the provisions of paragraph (8) of the same Article applies mutatis mutandis to rescission of Specified Confirmation pertaining to Specified Measures Under Item (i) under paragraph (7) of the same Article as applied mutatis mutandis pursuant to this paragraph; the provisions of Article 106, in the event that the application prescribed in paragraph (1) or (3) has been made (in the event that an application prescribed in paragraph (1) has been made, limited to applications pertaining to subscription for shares), apply mutatis mutandis to the Financial Institution, etc. that has made the application prescribed in paragraph (1) and has received a decision under the preceding paragraph with regard to the relevant application and that is a stock company, or to the Financial Institution, etc. or its Subject Subsidiary, etc. that has made the application prescribed in paragraph (3) and that is a stock company; the provisions of Article 107 applies mutatis mutandis to the case where the DICJ carries out Subscription for Specified Shares, etc. in accordance with a decision under the preceding paragraph; the provisions of Article 107-2 applies mutatis mutandis to the case where the application prescribed in paragraph (1) or (3) is for subscription for shares or subordinated bonds (limited to those with share options) or Specified Subordinated Bonds (limited to those with share options) and a decision under the preceding paragraph has been made with regard to the relevant application; the provisions of Article 107-3 applies mutatis mutandis to shares with restricted voting right prescribed in Article 115 of the Companies Act that have been issued in accordance with a decision under the relevant paragraph by a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (i) or a Financial Institution, etc. having the relevant Financial Institution as its Subject Subsidiary, etc.; and the provisions of Article 107-4 applies mutatis mutandis to preferred equity investments that have been issued in accordance with a decision under the relevant paragraph by a Financial Institution that is subject to Specified Confirmation pertaining to Specified Measures Under Item (i). In this case, the term "The Shoko Chukin Bank, Ltd." in Article 105, paragraph (5) will be deemed to be replaced with "The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank (meaning the Subsidiary, etc. of The Shoko Chukin Bank prescribed in Article 126-2, paragraph (2), item (i); the same applies hereinafter)"; the term "the Financial Institution that has made the application prescribed in paragraph (1) or the Bank Holding Company, etc. that has made the application prescribed in paragraph (2)" in paragraph (6) of the same Article will be deemed to be replaced with "the Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); the same applies hereinafter) that has made the application prescribed in Article 126-22, paragraph (1) or (3)"; the term "the Confirmation pertaining to the Measures Under Item (i) with respect to the Financial Institution that has made the application prescribed in paragraph (1) or the Subject Subsidiary Company of the Bank Holding Company, etc." in paragraph (7) of the same Article will be deemed to be replaced with "the Specified Confirmation (meaning the Specified Confirmation prescribed in Article 126-2, paragraph (1); the same applies hereinafter) pertaining to Specified Measures Under Item (i) (meaning the Specified Measures Under Item (i) prescribed in item (i) of the same paragraph) with respect to a Subject Subsidiary, etc. (meaning the Subject Subsidiary, etc. prescribed in Article 126-22, paragraph (5); the same applies hereinafter); the term "the Prime Minister is to" in the same paragraph will be deemed to be replaced with "the Prime Minister may"; the term "the relevant subscription for shares be conditioned upon" in Article 106, paragraph (1) will be deemed to be replaced with "Subscription for Specified Shares, etc. (meaning the Subscription for Specified Shares, etc. prescribed in Article 126-22, paragraph (1); the same applies hereinafter) be conditioned upon"; the term "the Prime Minister is to" in paragraph (4) of the same Article will be deemed to be replaced with "the Prime Minister may"; the term "For the purpose of applying the provisions of paragraphs (1) and (3) in the event that a Financial Institution subject to a decision under paragraph (4) of the preceding Article is The Shoko Chukin Bank, Ltd." in paragraph (6) of the same Article will be deemed to be replaced with "For the purpose of applying the provisions of paragraph (1) or (3) in the event that a Financial Institution subject to a decision under paragraph (4) of the preceding Article is a Subsidiary, etc. of a Labor Bank, etc. (meaning the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i); the same applies hereinafter), the term 'the Prime Minister' in these provisions will be deemed to be replaced with 'the Prime Minister and the Minister of Health, Labour and Welfare,' and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "the issuer of the Shares, etc." in Article 107, paragraph (2) will be deemed to be replaced with "the issuer of the Specified Shares, etc. (meaning the Specified Shares, etc. prescribed in Article 126-22, paragraph (6), item (i))"; the term "or Rokinren banks" in the same paragraph will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "a Bank Holding Company, etc. has made an application prescribed in Article 105, paragraph (2)" in paragraph (3) of the same Article will be deemed to be replaced with "a Financial Institution, etc. has made an application prescribed in Article 126-22, paragraph (3)"; the term "issued by the Bank Holding Company, etc." in the same paragraph will be deemed to be replaced with "with respect to the Financial Institution, etc."; the term "Bank Holding Company, etc. is to" in the same paragraph will be deemed to be replaced with "Financial Institution, etc. (including a Subsidiary, etc. of a Financial Institution, etc. (meaning the Subsidiary, etc. of a Financial Institution, etc. prescribed in Article 126-2, paragraph (5) and excluding a Subject Subsidiary, etc.; hereinafter the same applies in this paragraph) with respect to whom the relevant Financial Institution, etc. or its Subsidiary, etc. of a Financial Institution, etc. has carried out Subscription for Specified Shares, etc. pursuant to the provisions of this paragraph) "; the term "the Subject Subsidiary Company" in the same paragraph will be deemed to be replaced with "the Subject Subsidiary, etc. or the Subsidiary, etc. of a Financial Institution, etc."; the term "the Subscription for Shares, etc." in the same paragraph will be deemed to be replaced with "the Subscription for Specified Shares, etc."; the term "the amount of the relevant subscription for shares" in the same paragraph will be deemed to be replaced with "the amount of the relevant subscription for Specified Shares, etc. of the Financial Institution, etc."; the term "is The Shoko Chukin Bank, Ltd.," in Article 107-2, paragraph (1) will be deemed to be replaced with "is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that the issuer is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank,"; and the term "the Minister of Economy, Trade and Industry" in the same paragraph will be deemed to be replaced with "the Minister of Economy, Trade and Industry"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Special Provisions of the Insurance Business Act Concerning Decisions on Subscription for Specified Shares)

Article 126-23 (1) In the event that a decision under paragraph (6) of the preceding Article has been made, a Mutual Company that is to solicit funds pertaining to the relevant decision may, notwithstanding the provisions of Article 60, paragraph (1) of the Insurance Business Act, decide on the amount of funds to be newly solicited by a resolution of the board of directors meeting and solicit the relevant funds.

(2) In the care prescribed in the preceding paragraph, the Mutual Company that is to solicit the funds set forth in the same paragraph may, notwithstanding the provisions of Article 62, paragraph (1) of the Insurance Business Act, amend the articles of incorporation concerning the solicitation of funds by a resolution of the board of directors meeting.

(Publication of Plans Pertaining to the Subscription for Specified Shares)

Article 126-24 (1) The Prime Minister is to, upon making a decision under Article 126-22, paragraph (6), make public the Management Strengthening Plan submitted under paragraph (5) of the same Article; provided, however, that this does not apply to information whose disclosure is likely to cause disruption to the financial system, matters which are likely to lead to the divulgence of any secret of creditors or any other business customers of a Financial Institution, etc. that has submitted the Management Strengthening Plan (including a Financial Institution, etc. and a Subsidiary, etc. of the Financial Institution, etc. that have submitted the relevant Management Strengthening Plan in joint names; hereinafter the same applies in this paragraph), or matters which are likely to bring undue disadvantage to the conduct of business by the relevant Financial Institution, etc. that has submitted the Management Strengthening Plan.

(2) Until the time when the DICJ makes a disposition or receives redemption or repayment with respect to the whole of Acquired Specified Shares, etc. or Acquired Specified Loan Claims (meaning loan claims acquired by the DICJ pursuant to Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i); hereinafter the same applies in this Chapter), the Prime Minister may request a Financial Institution, etc. subject to Specified Confirmation pertaining to the Specified Measures Under Item (i) (including a Financial Institution, etc. that has submitted a Management Strengthening Plan under Article 126-22, paragraph (5) in joint names with the relevant Financial Institution, etc.) to report the status of implementation of the Management Strengthening Plan submitted under the same paragraph and make the report public.

(3) The term "Acquired Specified Shares, etc." as used in the preceding paragraph means the following:

(i) the Specified Shares, etc. (meaning Shares, etc., Specified Subordinated Bonds, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds; the same applies in the following item) acquired by the DICJ pursuant to Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i) (including the following in the case of Shares, etc., and including equivalents of the following in the case of Specified Subordinated Bonds, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in the same paragraph, or claims pertaining to funds):

(a) in the event that the Specified Shares, etc. are shares, the shares specified below:

1. in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class can be made, shares of another class into which the relevant shares are converted pursuant to the request;

2. in the event that the relevant shares are convertible upon the occurrence of certain events, shares of another class into which the relevant shares are converted as a result of the occurrence; and

3. shares split or consolidated with respect to the relevant shares or the shares of another class specified in 1 or 2;

(b) in the event that the relevant Specified Shares, etc. are subordinated bonds, shares delivered through the exercise of share options attached to the relevant subordinated bonds and shares split or consolidated with respect thereto; and

(c) in the event that the relevant Specified Shares, etc. are preferred equity investments, preferred equity investments split with respect to the relevant preferred equity investments; and

(ii) the shares (including the following) allotted to the DICJ by a company that has become a wholly owning parent stock company in share exchange or wholly owning parent company incorporated through share transfer of a Financial Institution, etc. with respect to whom the DICJ has carried out the Subscription for Specified Shares, etc. pertaining to Specified Measures Under Item (i) and other Specified Shares, etc. specified by Cabinet Order:

(a) in the event that the relevant shares are those for which a request for Conversion into Shares of Another Class can be made, shares of another class into which the relevant shares are converted pursuant to the request;

(b) in the event that the relevant shares are convertible upon the occurrence of certain events, shares of another class into which the relevant shares are converted as a result of the occurrence; and

(c) shares split or consolidated with respect to the relevant shares or the shares of another class specified in (a) or (b).

(Authorization for Share Exchange Pertaining to Specified Measures Under Item (i))

Article 126-25 (1) A Financial Institution, etc. (including a company prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is given) with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6), which has issued Acquired Specified Shares, etc. (meaning the Acquired Specified Shares, etc. prescribed in paragraph (3) of the preceding Article; hereinafter the same applies in this Chapter) actually held by the DICJ (hereinafter referred to as "Issuing Financial Institution, etc." in this Article) must obtain the authorization of the Prime Minister (in the event that the Issuing Financial Institution, etc. is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph) in advance when the relevant Financial Institution, etc. intends to effect a share exchange (limited to those through which the Issuing Financial Institution, etc. becomes a wholly owned subsidiary company in share exchange) or share transfer (hereinafter referred to as "Share Exchange, etc." in this Article).

(2) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a company that is to become, through the Share Exchange, etc., a wholly owning parent stock company in a share exchange or a wholly owning parent company incorporated through a share transfer of the Issuing Financial Institution, etc. is a Financial Institution, etc. which has a Financial Institution, etc. as a Subsidiary, etc. of a Financial Institution, etc. (including those that will be newly established);

(ii) the type of Acquired Specified Shares, etc. to be allotted to the DICJ through the Share Exchange, etc. is found to be the same as the type of Acquired Specified Shares, etc. actually held by the DICJ prior to the relevant Share Exchange, etc., and the ratio of voting rights pertaining to Acquired Specified Shares, etc. actually held by the DICJ after the relevant Share Exchange, etc. to voting rights of all shareholders of the company prescribed in the preceding item is not significantly lower than the ratio of voting rights pertaining to Acquired Specified Shares, etc. held by the DICJ prior to the relevant Share Exchange, etc. to voting rights of all shareholders of the relevant Issuing Financial Institution, etc.; and

(iii) there will be no difficulty in making a disposition of shares which are the acquired Shares, etc. following the Share Exchange, etc.

(3) When the Issuing Financial Institution, etc. has carried out the Share Exchange, etc. following the authorization set forth in paragraph (1), the relevant Issuing Financial Institution, etc. or a Subsidiary, etc., that is the Subject Subsidiary, etc. (including the Bridge Subsidiary, etc. prescribed in paragraph (4) of the following Article) of the Financial Institution, etc., with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (1) of the same Article), or with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (3) of the same Article)must submit to the Prime Minister, in joint names with a company that has become, through the relevant Share Exchange, etc., a wholly owning parent stock company in share exchange or wholly owning parent company incorporated through share transfer of the relevant Issuing Financial Institution, etc., replacing the Management Strengthening Plan (meaning the plan submitted under Article 126-22, paragraph (5), this paragraph, or paragraph (3) of the following Article as applied mutatis mutandis pursuant to the provisions of paragraph (4) of the following Article) that has been implemented, a new Management Strengthening Plan stating, beyond the measures stated in the relevant Management Strengthening Plan (excluding the part pertaining to the management system of the Financial Institution, etc. in joint names with whom the relevant Management Strengthening Plan was submitted), measures to establish a responsible management system in a company that has become, through the Share Exchange, etc., a wholly owning parent stock company in share exchange or wholly owning parent company incorporated through share transfer of the relevant Issuing Financial Institution, etc., and other measures specified by Cabinet Order (in the event that the Financial Institution, etc. submitting the Management Strengthening Plan is a Subsidiary, etc. of a Labor Bank, etc., the Management Strengthening Plan will be submitted to the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is a Subsidiary, etc. of The Shoko Chukin Bank, the Management Strengthening Plan will be submitted to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph).

(4) The provisions of the preceding Article apply mutatis mutandis to the Management Strengthening Plan submitted to the Prime Minister under the preceding paragraph. In this case, the term "Financial Institution, etc. ... (... that has submitted a Management Strengthening Plan under Article 126-22, paragraph (5)" in paragraph (2) of the preceding Article will be deemed to be replaced with "Financial Institution, etc. ... that has submitted a Management Strengthening Plan under paragraph (3) of the following paragraph (... that has submitted the relevant Management Strengthening Plan.", and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Authorization for Corporate Reorganization Pertaining to Specified Measures Under Item (i))

Article 126-26 (1) A Financial Institution, etc. (including a Bridge Financial Institution, etc. prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is given) with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (1) of the same Article), and which is an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims actually held by the DICJ (hereinafter referred to as "Subject Financial Institution, etc." in this Article) must, when the Financial Institution, etc. intends to implement a merger, company split, takeover of all or part of rights and obligations concerning business through a company split, or Business Transfer, etc. (hereinafter referred to as "Corporate Reorganization" in this Article), obtain the authorization of the Prime Minister (in the event that the Subject Financial Institution, etc. is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph) in advance.

(2) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a DICJ that is to become an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims held by the DICJ after the Corporate Reorganization is the Subject Financial Institution, etc. or is another Financial Institution, etc. (including those that will be newly established; hereinafter referred to as "Bridge Financial Institution, etc." in this Article) that succeeds to the whole of the business pertaining to the relevant Management Strengthening Plan (meaning the plan submitted under Article 126-22, paragraph (5) or the following paragraph) that has been implemented by the relevant Subject Financial Institution, etc. (hereinafter referred to as "Management Srengthening Operations" in this paragraph);

(ii) the strengthening of management of the Subject Financial Institution, etc. (including the Bridge Financial Institution, etc.) is not hindered as a result of the Corporate Reorganization;

(iii) it can be expected with certainty that, when the Management Strengthening Operations are to be succeeded to, the succession will be conducted smoothly and appropriately;

(iv) there will be no difficulty in making a disposition or receiving redemption or repayment with respect to the relevant Acquired Specified Shares, etc. or Acquired Specified Loan Claims following the Corporate Reorganization; and

(v) other requirements specified by Cabinet Order.

(3) In the event that the Subject Financial Institution, etc. has conducted the Corporate Reorganization following the authorization set forth in paragraph (1), when there is any Bridge Financial Institution, etc. pertaining to the relevant Corporate Reorganization, the relevant Bridge Financial Institution, etc. must submit a Management Strengthening Plan, setting forth measures to streamline the management, measures to establish a responsible management system, and other measures specified by Cabinet Order, to the Prime Minister (in the event that the relevant Bridge Financial Institution, etc. is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(4) The provisions of the preceding three paragraphs applies mutatis mutandis to the Subject Subsidiary, etc. of the Financial Institution, etc. with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (3) of the same Article) or the Financial Institution, etc. (including the Bridge Financial Institution, etc.) with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under paragraph (6) of the same Article (limited to a decision pertaining to an application under paragraph (1) of the same Article) that has ceased to be a Subject Financial Institution, etc. as a result of the relevant share exchange or share transfer effected by the relevant Financial Institution, etc. (including a Bridge Subsidiary, etc. (meaning another Financial Institution, etc. as prescribed in paragraph (2), item (i) as applied mutatis mutandis pursuant to this paragraph; hereinafter the same applies in this Article); hereinafter referred to as "Specified Subject Subsidiary, etc." in this Article) that has been implementing a Management Strengthening Plan (meaning a plan submitted under Article 126-22, paragraph (5), paragraph (3) of the preceding Article (including the cases where it is applied mutatis mutandis pursuant to paragraph (8)), the preceding paragraph as applied mutatis mutandis pursuant to this paragraph, or paragraph (7)). In this case, the term "merger" in paragraph (1) will be deemed to be replaced with "until the time that the DICJ has made a disposition or received redemption or repayment with respect to the whole of Acquired Specified Shares, etc. or Acquired Specified Loan Claims pertaining to the Financial Institution, etc. that has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) pertaining to the relevant Management Strengthening Plan, merger"; the term "the Subject Financial Institution, etc. is a labor bank, a federation of labor banks, or" in the same paragraph will be deemed to be replaced with "a Specified Subject Subsidiary, etc. (meaning the Specified Subject Subsidiary, etc. prescribed in paragraph (4); the same applies in the following paragraph and paragraph (3)) which has been implementing a Management Strengthening Plan is"; the term "A corporation that is to become an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims held by the DICJ after the Corporate Reorganization is the Subject Financial Institution, etc. or is another Financial Institution, etc. (including those that will be newly established; hereinafter referred to as 'Bridge Financial Institution, etc.' in this Article) that succeeds to the whole of the business pertaining to the relevant Management Strengthening Plan (meaning the plan submitted under Article 126-22, paragraph (5) or the following paragraph) that has been implemented by the relevant Subject Financial Institution, etc." in paragraph (2), item (i) will be deemed to be replaced with "A Financial Institution, etc. that has submitted the relevant Management Strengthening Plan in joint names with the relevant Specified Subject Subsidiary, etc. is a Financial Institution, etc. which has, as a Financial Institution Subsidiary, etc. the relevant Specified Subject Subsidiary, etc. or another Financial Institution, etc. (including those that will be newly established; hereinafter referred to as 'Bridge Financial Institution, etc.' in this Article) that succeeds to the whole of the business pertaining to the relevant Management Strengthening Plan after the Corporate Reorganization"; the term "the Subject Financial Institution, etc. (including the Bridge Financial Institution, etc.)" in item (ii) of the same paragraph will be deemed to be replaced with "a Specified Subject Subsidiary, etc. that has been implementing a Management Strengthening Plan (including the Bridge Subsidiary, etc.)"; and the term "setting forth measures to achieve the rationalization of management" in the preceding paragraph will be deemed to be replaced with "in joint names with the Financial Institution, etc. in joint names with whom the Management Strengthening Plan set forth in item (i) of the preceding paragraph was submitted, setting forth measures to achieve the rationalization of management"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(5) A Specified Financial Institution, etc. (meaning the Financial Institution, etc. set forth in paragraph (1) of the preceding Article which is an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims actually held by the DICJ, and including another Financial Institution, etc. as prescribed in item (i) of the following paragraph in the event that the authorization set forth in this paragraph is given or the company prescribed in paragraph (2), item (i) of the preceding Article as applied mutatis mutandis in paragraph (8) in the event that the authorization set forth in paragraph (1) of the preceding Article as applied mutatis mutandis in paragraph (8) is given which is an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims actually held by the DICJ (hereinafter referred to as a "Financial Institution, etc. after Corporate Reorganization" in this Article); the same applies in the following paragraph ) other than a Subject Financial Institution, etc. must, when the Specified Financial Institution, etc. intends to conduct Corporate Reorganization, obtain the authorization of the Prime Minister (in the event that the relevant Specified Financial Institution, etc. is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph) in advance.

(6) The Prime Minister is to give the authorization set forth in the preceding paragraph only if all of the following requirements are satisfied:

(i) a corporation that is to become an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims held by the DICJ after the Corporate Reorganization is the Specified Financial Institution, etc. or is another Financial Institution, etc. (including those that will be newly established) which has the Subject Subsidiary, etc. pertaining to the relevant Specified Financial Institutions, etc. as a Subsidiary, etc. of a Financial Institution, etc.;

(ii) the business management by the Specified Financial Institution, etc. (including another Financial Institution, etc. prescribed in the preceding item) of the Subject Subsidiary, etc. pertaining to the relevant Specified Financial Institution, etc. is not hindered as a result of the Corporate Reorganization;

(iii) there will be no difficulty in making a disposition or receiving redemption or repayment with respect to the relevant Acquired Specified Shares, etc. or Acquired Specified Loan Claims following the Corporate Reorganization; and

(iv) other requirements specified by Cabinet Order.

(7) In the event that a Specified Financial Institution, etc. (meaning the Financial Institution, etc. set forth in paragraph (1) of the preceding Article which is an issuer of Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims actually held by the DICJ) other than the Subject Financial Institution, etc. or the Financial Institution, etc. after Corporate Reorganization has conducted Corporate Reorganization following the authorization set forth in paragraph (5), if there is another Financial Institution, etc. prescribed in item (i) of the preceding paragraph, the relevant Specified Financial Institution, etc. or the Specified Subject Subsidiary, etc. pertaining to the Financial Institution, etc. after Corporate Reorganization must submit to the Prime Minister (in the event that the relevant Specified Subject Subsidiary, etc. is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry), in joint names with that other Financial Institution, etc., a new Management Strengthening Plan to replace the Management Strengthening Plan that has been implemented (meaning the Management Strengthening Plan prescribed in paragraph (4)), stating, beyond the measures stated in the relevant Management Strengthening Plan (excluding the part pertaining to the management system of the Financial Institution, etc. in joint names with whom the relevant Management Strengthening Plan was submitted), measures to establish a responsible management system in that other Financial Institution, etc., and other measures specified by Cabinet Order.

(8) The provisions of Article 126-24, paragraph (1) applies mutatis mutandis to the Management Strengthening Plans submitted to the Prime Minister (in the event that the Financial Institution, etc. that has submitted the Management Strengthening Plan is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the event that it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) under paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to paragraph (4)) or the preceding paragraph, the provisions of Article 126-24, paragraph (2) applies mutatis mutandis to the Financial Institution, etc. (including the Financial Institution, etc. in joint names with whom these Management Strengthening Plans have been submitted) that has submitted these Management Strengthening Plans, and the provisions of the preceding Article applies mutatis mutandis to a Bridge Financial Institution, etc. that is an issuer of Acquired Specified Shares, etc. actually held by the DICJ or the Financial Institution, etc. after Corporate Reorganization that is an issuer of Acquired Specified Shares, etc. actually held by the DICJ. In this case, the terms "the Subject Subsidiary, etc. (including the Bridge Subsidiary, etc. prescribed in paragraph (4) of the following Article) of the Financial Institution, etc. with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (1) of the same Article), or with respect to which the DICJ has carried out the Subscription for Specified Shares, etc. in accordance with a decision under Article 126-22, paragraph (6) (limited to a decision pertaining to the application set forth in paragraph (3) of the same Article)" in Article 126-22, paragraph (3) will be deemed to be replaced with "the Specified Subject Subsidiary, etc. prescribed in paragraph (4) of the following Article," and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Disposition of Acquired Specified Shares or Acquired Specified Loan Claims)

Article 126-27 (1) The DICJ must, if it intends to transfer or make any other disposition of Acquired Specified Shares, etc. or Acquired Specified Loan Claims, obtain approval from the Prime Minister and the Minister of Finance (in the event that an issuer of the relevant Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., from the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that an issuer of the relevant Acquired Specified Shares, etc. or obligor of Acquired Specified Loan Claims is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, from the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph).

(2) Upon making a disposition prescribed in the preceding paragraph, the DICJ must promptly report the details thereof to the Prime Minister and the Minister of Finance.

(Application for Specified Financial Assistance)

Article 126-28 (1) A Financial Institution, etc. undertaking a Specified Merger, etc. that is not a Financial Institution, etc. subject to Specified Confirmation pertaining to Specified Measures Under Item (ii) (the Financial Institution, etc. subject to Specified Confirmation will be hereinafter referred to as a "Specified Failed Financial Institution, etc.," and the Financial Institution, etc. undertaking a Specified Merger, etc. will be hereinafter referred to as a "Specified Assuming Financial Institution, etc.") or a Specified Holding Company, etc. (meaning a Bank Holding Company, etc., an Insurance Holding Company, etc. prescribed in Article 241, paragraph (2) of the Insurance Business Act (excluding those set forth in items (ii) and (iv) of the same paragraph) or a Designated Parent Company; the same applies hereinafter) undertaking a Specified Merger, etc. that is not a Specified Failed Financial Institution, etc. (hereinafter referred to as a "Specified Assuming Holding Company, etc.") may apply to have the DICJ take the following measures to support the Specified Merger, etc. (hereinafter referred to as "Specified Financial Assistance"):

(i) donation of money;

(ii) loan or deposit of funds;

(iii) purchase of assets;

(iv) guarantee of obligations;

(v) assumption of obligations;

(vi) Subscription for Specified Preferred Shares, etc.; and

(vii) Collateralization of Damage.

(2) The term "Specified Merger, etc." as used in the preceding paragraph means the following:

(i) a merger in which a Financial Institution, etc. that merges with a Specified Failed Financial Institution, etc. survives;

(ii) a merger in which a Financial Institution, etc. is established through the merger of a Specified Failed Financial Institution, etc. and another Financial Institution, etc.;

(iii) a Business Transfer, etc. in which a Specified Failed Financial Institution, etc. transfers its business to another Financial Institution, etc.;

(iv) assumption of all or part of obligations of a Specified Failed Financial Institution, etc. by another Financial Institution, etc. (excluding those associated with a Business Transfer, etc.; hereinafter referred to as "Specified Assumption of Obligations");

(v) an acquisition of shares of a Specified Failed Financial Institution, etc. that is a stock company by another Financial Institution, etc. or Specified Holding Company, etc. to implement matters specified by the Prime Minister and the Minister of Finance as being necessary for ensuring sound and appropriate operation of the relevant Specified Failed Financial Institution, etc.;

(vi) an absorption-type company split to which a Specified Failed Financial Institution, etc. is a party where another Financial Institution, etc. succeeds to all or part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business through the relevant absorption-type company split; and

(vii) an incorporation-type company split to which a Specified Failed Financial Institution, etc. is a party where the Financial Institution, etc. newly established through the relevant incorporation-type company split succeeds to all or part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business through the relevant incorporation-type company split.

(3) The term "Subscription for Specified Preferred Shares, etc." as used in paragraph (1), item (vi) means Subscription for Preferred Shares, etc., subscription for Specified Subordinated Bonds, loans for consumption made pursuant to Specified Subordinated Loan Agreements (meaning loans for consumption falling under those with a special clause of subordinated contents with regard to the payment of principal and interest, and which are specified by Cabinet Order as contributing to the adequacy of equity capital or otherwise improving the financial conditions of those other than a Financial Institution or Bank Holding Company, etc.), subscription for equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or contribution of funds.

(4) The Specified Financial Assistance provided to support a merger specified in paragraph (2), item (ii) or an incorporation-type company split specified in item (vii) of the same paragraph will be provided to the Specified Assuming Financial Institution, etc. or Financial Institution, etc. that will be established by the merger or the incorporation-type company split, and if there are two or more Specified Assuming Financial Institutions, etc. involved in the merger or the incorporation-type company split, the application prescribed in paragraph (1) will be made in the joint names of the relevant Specified Assuming Financial Institutions, etc.

(5) The purchase of assets specified in paragraph (1), item (iii) will be conducted with respect to the assets of a Specified Failed Financial Institution, etc. pertaining to a Specified Merger, etc. (meaning the Specified Merger, etc. prescribed in paragraph (2); the same applies hereinafter) or assets specified in each of the following items according to the category of Specified Merger, etc. specified in the item, and if the Specified Financial Assistance pertaining to the application prescribed in paragraph (1) includes the purchase of assets of a Specified Failed Financial Institution, etc. pertaining to a Specified Merger, etc., the Specified Assuming Financial Institution, etc. or Specified Assuming Holding Company, etc. pertaining to the Specified Merger, etc. applies to the DICJ in joint names with the relevant Specified Failed Financial Institution, etc. for the DICJ to purchase the relevant assets:

(i) a merger specified in paragraph (2), item (i): the assets of the Financial Institution, etc. surviving through the merger (limited to those that were the assets of the Specified Failed Financial Institution, etc. prior to the merger);

(ii) a merger specified in paragraph (2), item (ii): the assets of the Financial Institution, etc. that will be established by the merger (limited to those that were the assets of the Specified Failed Financial Institution, etc. prior to the merger);

(iii) a Business Transfer, etc. specified in paragraph (2), item (iii): the assets of another Financial Institution, etc. prescribed in the same item that have been received through the relevant Business Transfer, etc.;

(iv) the acquisition of shares specified in paragraph (2), item (v): the assets of a Financial Institution, etc. whose shares have been so acquired;

(v) the absorption-type company split specified in paragraph (2), item (vi): the assets of another Financial Institution, etc. set forth in the same item which the Financial Institution, etc. has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in paragraph (2), item (vii): the assets of the Financial Institution, etc. established through the incorporation-type company split (limited to those that were assets of the Specified Failed Financial Institution, etc. prior to the incorporation-type company split).

(6) The Collateralization of Damage specified in paragraph (1), item (vii) will be performed with respect to the loan claims that are the assets prescribed in each of the preceding items according to the category of Specified Merger, etc. specified in the items.

(7) A Financial Institution, etc. or Specified Holding Company, etc. that has made an application under paragraph (1) or (5) must promptly report to that effect to the Prime Minister (in the case of a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., to the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, to the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry).

(8) Upon receiving an application under paragraph (1) or (5), the DICJ must promptly report to that effect to the Minister of Finance; provided, however, that this does not apply to cases where the Financial Institution, etc. that has made the relevant application is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank.

(9) In the event that a resolution by the Board prescribed in Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 is to be deliberated with respect to Specified Financial Assistance pertaining to the application prescribed in paragraph (1) or (5) or Article 59-2, paragraph (1) or Article 60, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31, the Board may, when it finds that, in light of the financial conditions of the Specified Failed Financial Institution, etc., the Specified Financial Assistance does not exceed the scope necessary to carry out the Specified Merger, etc. pertaining to the relevant Specified Financial Assistance, adopt a resolution to provide the Specified Financial Assistance.

(Specified Authorization of Eligibility)

Article 126-29 (1) With regard to a Specified Merger, etc. pertaining to an application prescribed in paragraph (1) of the preceding Article or Article 59-2, paragraph (1) or Article 60, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31, a Specified Failed Financial Institution, etc. and Specified Assuming Financial Institution, etc. or Specified Failed Financial Institution, etc. and Specified Assuming Holding Company, etc. pertaining to the relevant Specified Merger, etc. must obtain the authorization of the Prime Minister by the time the application under these provisions is made.

(2) An application for the authorization under the preceding paragraph will be made in the joint names of the Specified Failed Financial Institution, etc. and Specified Assuming Financial Institution, etc. or Specified Failed Financial Institution, etc. and Specified Assuming Holding Company, etc. prescribed in the preceding paragraph.

(3) The Prime Minister may not grant authorization under paragraph (1) unless all of the following requirements are satisfied:

(i) the Specified Merger, etc. contributes to the orderly resolution of assets and liabilities of the Specified Failed Financial Institution, etc. pertaining to the relevant Specified Merger, etc.;

(ii) the Specified Financial Assistance by the DICJ is indispensable for carrying out the Specified Merger, etc.; and

(iii) if the Specified Merger, etc. is not carried out for a Specified Assuming Financial Institution, etc., or a Specified Assuming Holding Company, etc. pertaining thereto or with regard to the business or obligations which are to be succeeded to or assumed through the Specified Merger, etc. from the Specified Failed Financial Institution, etc. pertaining to the Specified Merger, etc. (in the event that the Specified Merger, etc. is the acquisition of shares prescribed in paragraph (2), item (v) of the preceding Article, the business or obligations of the Specified Failed Financial Institution, etc. pertaining to the Specified Merger, etc.), and the Specified Failed Financial Institution, etc. discontinues all its business or is dissolved, severe disruption is likely to be caused to the financial system in Japan by the discontinuation of business or default of obligations.

(4) The Prime Minister must, when granting authorization under paragraph (1) to a labor bank, Rokinren labor banks, or a Subsidiary, etc. of a Labor Bank, etc., obtain consent from the Minister of Health, Labour and Welfare, and when granting authorization under paragraph (1) to The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, obtain consent from the Minister of Finance and the Minister of Economy, Trade and Industry.

(5) The Prime Minister must, when granting authorization under paragraph (1), make clear which Financial Institution, etc. pertaining to the relevant authorization is a Specified Failed Financial Institution, etc.

(6) Upon granting the authorization under paragraph (1), the Prime Minister must notify the DICJ to that effect.

(7) Upon receiving notice under the preceding paragraph, the DICJ must promptly report to that effect to the Minister of Finance.

(8) In the event that a company seeking to acquire the shares of a Specified Failed Financial Institution, etc. will become a Holding Company which has a bank as its subsidiary company prescribed in Article 52-17, paragraph (1) of the Banking Act, a Holding Company which has a long-term credit bank as its subsidiary company prescribed in Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act, or a Holding Company which has an insurance company as its subsidiary company prescribed in Article 271-18, paragraph (1) of the Insurance Business Act through the acquisition of the relevant shares, the Prime Minister may not grant authorization under paragraph (1) until after they has granted the authorization set forth in Article 52-17, paragraph (1) of the Banking Act, Article 16-2-4, paragraph (1) of the Long-Term Credit Bank Act, or Article 271-18, paragraph (1) of the Insurance Business Act to the relevant company.

(Mediation of Specified Merger)

Article 126-30 Even in cases where no application is being made under paragraph (2) of the preceding Article, if the Prime Minister finds that the business or obligations of a Specified Failed Financial Institution, etc. satisfies the requirements specified in paragraph (3), item (iii) of the preceding Article, they may provide mediation in writing with regard to the Specified Merger, etc. (excluding the merger specified in Article 126-28, paragraph (2), item (ii) and limited to those that contribute to the orderly resolution of assets and liabilities of the Specified Failed Financial Institution, etc. pertaining to the relevant Specified Merger, etc. and for which the Specified Financial Assistance by the DICJ is indispensable) between the relevant Specified Failed Financial Institution, etc. and another Financial Institution, etc. or that Specified Failed Financial Institution, etc. and a Specified Holding Company, etc.

(Application Mutatis Mutandis of Provisions Concerning Financial Assistance)

Article 126-31 The provisions of Article 59-2 applies mutatis mutandis to a Specified Assuming Financial Institution, etc. undertaking a Specified Merger, etc. (limited to the Business Transfer, etc. specified in Article 126-28, paragraph (2), item (iii) whereby a Specified Failed Financial Institution, etc. transfers part of its business to another Financial Institution, etc., the Specified Assumption of Obligations, the absorption-type company split specified in item (vi) of the same paragraph where another Financial Institution, etc. succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business, or the incorporation-type company split specified in item (vii) of the same paragraph where the newly established Financial Institution, etc. succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business; the provisions of Article 60 applies mutatis mutandis to a Financial Institution, etc. designated by the Prime Minister of which Specified Merger, etc. is to be supported; the provisions of Article 62 (excluding paragraph (1)) applies mutatis mutandis to the mediation set forth in the preceding Article; the provisions of Article 64 (excluding paragraph (2)) applies mutatis mutandis to an application under Article 126-28, paragraph (1) or (5) or under Article 59-2, paragraph (1) or Article 60, paragraph (1) as applied mutatis mutandis pursuant to this Article; the provisions of Article 64-2 applies mutatis mutandis to an application under Article 126-28, paragraph (1); the provisions of Articles 65 and 66 applies mutatis mutandis to a Financial Institution, etc. or Specified Holding Company, etc. which has received the authorization set forth in Article 126-29, paragraph (1) or the mediation set forth in the preceding Article (hereinafter referred to as "Specified Authorization of Eligibility, etc."); the provisions of Article 67 applies mutatis mutandis to a Specified Assuming Financial Institution, etc. which has received Specified Authorization of Eligibility, etc.; the provisions of Article 68 applies mutatis mutandis to the Specified Financial Assistance provided by the DICJ for a Specified Merger, etc. pertaining to Specified Authorization of Eligibility, etc.; the provisions of Articles 68-2 and 68-3 applies mutatis mutandis to a Specified Assuming Financial Institution, etc. or Specified Assuming Holding Company, etc. (including a company prescribed in Article 68-2, paragraph (2) as applied mutatis mutandis pursuant to this Article in the event that the authorization set forth in Article 68-2, paragraph (1) as applied mutatis mutandis pursuant to this Article is given, and a Bridge Financial Institution, etc. prescribed in Article 68-3, paragraph (4) as applied mutatis mutandis pursuant to this Article in the event that the authorization set forth in Article 68-3, paragraph (1) as applied mutatis mutandis pursuant to this Article is given) with respect to which the DICJ has carried out the Subscription for Specified Preferred Shares, etc. (meaning the Subscription for Specified Preferred Shares, etc. prescribed in Article 126-28, paragraph (3); the same applies hereinafter)). In this case, the term "equity between creditors of the Failed Financial Institution" in Article 59-2, paragraph (1) will be deemed to be replaced with "equity between creditors and any other interested persons of the Specified Failed Financial Institution, etc. (meaning the Specified Failed Financial Institution, etc. prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "paragraph (6) of the preceding Article" in paragraph (3) of the same Article will be deemed to be replaced with "Article 126-28, paragraph (7)"; the term "Failed Financial Institution that have made an application under the provisions of the preceding two paragraphs, and the provisions of paragraph (7)" in the same paragraph will be deemed to be replaced with "Specified Failed Financial Institution, etc. that have made an application under the provisions of the preceding two paragraphs, and the provisions of paragraph (8)"; the term "a Financial Institution pertaining to the merger, etc. (excluding the Failed Financial Institution) or to a Bank Holding Company, etc. pertaining to the merger, etc." in Article 60, paragraph (1) will be deemed to be replaced with "a Financial Institution, etc. prescribed in Article 126-2, paragraph (2) pertaining to the Specified Merger, etc. (meaning the Specified Merger, etc. prescribed in Article 126-28, paragraph (2); the same applies hereinafter) (the Financial Institution, etc. excludes the Specified Failed Financial Institution, etc.) or to a Specified Holding Company, etc. prescribed in Article 126-28, paragraph (1) pertaining to the Specified Merger, etc. (excluding the Specified Failed Financial Institution, etc.)"; the term "Financial Institution" in paragraph (2) of the same Article will be deemed to be replaced with "Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); the same applies hereinafter)"; the term "Bank Holding Company, etc." in Article 62, paragraph (2) will be deemed to be replaced with "Specified Holding Company, etc. (meaning the Specified Holding Company, etc. prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "paragraphs (4) through (7) of the preceding Article" in paragraph (4) of the same Article will be deemed to be replaced with "Article 126-29, paragraphs (4), (6), and (7)"; the term "Financial Assistance" in Article 64, paragraph (1) will be deemed to be replaced with "Specified Financial Assistance (meaning the Specified Financial Assistance prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "or federation of labor banks" in paragraph (3) of the same Article will be deemed to be replaced with ", a federation of labor banks, or a Subsidiary, etc. of a Labor Bank, etc. (meaning the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i); the same applies hereinafter)"; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank (meaning the Subsidiary, etc. of The Shoko Chukin Bank prescribed in the same item; the same applies hereinafter)"; the term "Subscription for Preferred Shares, etc." in Article 64-2, paragraph (1) will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc. (meaning the Subscription for Specified Preferred Shares, etc. prescribed in Article 126-28, paragraph (3); the same applies hereinafter"; the term "Assuming Financial Institution or Assuming Bank Holding Company, etc. (excluding the companies specified in Article 2, paragraph (5), item (v)" in the same paragraph will be deemed to be replaced with "Specified Assuming Financial Institution, etc. (meaning the Specified Assuming Financial Institution, etc. prescribed in paragraph (1) of the same Article; the same applies hereinafter) or Specified Assuming Holding Company, etc. (meaning the Specified Assuming Holding Company, etc. prescribed in the same paragraph"; the term "adequacy of equity capital" in paragraph (2) of the same Article will be deemed to be replaced with "adequacy of equity capital or otherwise improve the financial conditions"; the term "or Rokinren banks" in paragraph (3) of the same Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Acquired Preferred Shares, etc. or Acquired Loan Claims" in paragraph (5) of the same Article will be deemed to be replaced with "Acquired Specified Preferred Shares, etc. or Acquired Specified Loan Claims"; the term "Subscription for Preferred Shares, etc." in the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term "Acquired Preferred Shares, etc." in paragraph (6) of the same Article will be deemed to be replaced with "Acquired Specified Preferred Shares, etc."; the term "Subscription for Preferred Shares, etc." in item (i) of the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term "Preferred Shares, etc. (including the following) and other Shares, etc. specified by Cabinet Order" in the same item will be deemed to be replaced with "Specified Preferred Shares, etc. (meaning Preferred Shares, etc., Specified Subordinated Bonds prescribed in Article 126-22, paragraph (6), item (i), equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds) (including the following in the case of Preferred Shares, etc., and including equivalents of the following in the case of Specified Subordinated Bonds prescribed in the same item, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds)"; the term "or Rokinren banks" in Article 65 will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same Article will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "a merger, Business Transfer, etc., Transfer of Insured Deposits" in Article 66, paragraph (1) will be deemed to be replaced with "a merger, Business Transfer, etc., Specified Assumption of Obligations (meaning the Specified Assumption of Obligations prescribed in Article 126-28, paragraph (2), item (iv); the same applies hereinafter)"; the term "a merger, Business Transfer, etc., Transfer of Insured Deposits" in the same paragraph will be deemed to be replaced with "a merger, Business Transfer, etc., Specified Assumption of Obligations"; the term "or Rokinren banks" in the same paragraph will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "to that effect. The same applies when, in the event that a resolution of shareholders meeting, etc. or consent of all shareholders or all class shareholders is required for share exchange under the provisions of this Act, the Companies Act, or the articles of incorporation, a Bank Holding Company, etc. that has received the Authorization of Eligibility, etc. has obtained or failed to obtain the resolution or consent for share exchange pertaining to the relevant Authorization of Eligibility, etc." in the same paragraph will be deemed to be replaced with "to that effect."; the term "a Bank, etc., Bank Holding Company, etc., or The Shoko Chukin Bank, Ltd." in paragraph (2) of the same Article will be deemed to be replaced with "a Financial Institution, etc. that is a stock company, or Specified Holding Company, etc."; the term "a general meeting or general meeting of representatives" in the same paragraph will be deemed to be replaced with "a general meeting or general meeting of representatives, in the case of a Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act, a general meeting of members or general meeting of representatives, and in the case of a Financial Institution, etc. other than these or Specified Holding Company, etc., a body that decides its financial and operational or business policies"; the term "or federation of labor banks" in paragraph (3) of the same Article will be deemed to be replaced with", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "paragraph (1) of the Act on Financial Institutions' Merger and Conversion" in the same item will be deemed to be replaced with "paragraph (1) of the Act on Financial Institutions' Merger and Conversion, or the principal sentence of Article 165-11, paragraph (1) of the Insurance Business Act"; the term "paragraph (2) of the Act on Financial Institutions' Merger and Conversion" in the same item will be deemed to be replaced with "paragraph (2) of the Act on Financial Institutions' Merger and Conversion, or Article 165-11, paragraph (2) of the Insurance Business Act"; the term "The Shoko Chukin Bank, Ltd." in paragraph (4) of the same Article will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Transfer of Insured Deposits" in Article 67 will be deemed to be replaced with "Specified Assumption of Obligations"; the term "or Rokinren banks" in paragraph (2) of the same Article will be deemed to be replaced with", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "including those that will be newly established and, in the case of a Bank Holding Company, etc., limited to those specified in Article 2, paragraph (5), item (i) or (iii)" in Article 68-2, paragraph (2) will be deemed to be replaced with "including those that will be newly established"; the term "Minister of Finance" in the same paragraph will be deemed to be replaced with "Minister of Finance, and the Minister of Health, Labour and Welfare and the Minister of Economy, Trade and Industry"; the term "Minister of Finance" in paragraph (3) of the same Article will be deemed to be replaced with "Minister of Finance (in the event that the Issuing Assuming Financial Institution, etc. is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that the Issuing Assuming Financial Institution, etc. is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry)"; the term "Financial Institution or Bank Holding Company, etc. (limited to those specified in Article 2, paragraph (5), items (i) and (iii))" in Article 68-3, paragraph (2) will be deemed to be replaced with "Financial Institution, etc. or Specified Holding Company, etc."; the term "or Rokinren banks" in paragraph (3) of the Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Additional Specified Financial Assistance)

Article 126-32 (1) In the event that, subsequent to a Specified Merger, etc. pertaining to Specified Financial Assistance, a Specified Assuming Financial Institution, etc. or Specified Assuming Holding Company, etc. pertaining to the Specified Financial Assistance or a Financial Institution, etc. established by the merger or incorporation-type company split pertaining to that Specified Financial Assistance applies for additional Specified Financial Assistance (referred to as "Additional Specified Financial Assistance" in paragraphs (4) and (5)), the DICJ may, when it finds it necessary, provide the Additional Specified Financial Assistance to the Financial Institution, etc. or Specified Holding Company, etc. that has made the application.

(2) The purchase of assets pertaining to the application under the preceding paragraph will be conducted with respect to the assets of the Specified Failed Financial Institution, etc. pertaining to a Specified Merger, etc. (limited to the Business Transfer, etc. specified in Article 126-28, paragraph (2), item (iii) in which a Specified Failed Financial Institution, etc. transfers part of its business to another Financial Institution, etc., the Specified Assumption of Obligations, the absorption-type company split specified in item (vi) of the same paragraph where another Financial Institution, etc. succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business, or the incorporation-type company split specified in item (vii) of the same paragraph where the Financial Institution, etc. newly established through the incorporation-type company split succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business) or assets prescribed in each of the following items according to the category of Specified Merger, etc. specified in each respective item, and if the Specified Financial Assistance pertaining to the application under the preceding paragraph includes the purchase of assets of the Specified Failed Financial Institution, etc. pertaining to a Specified Merger, etc. (limited to the Business Transfer, etc. specified in Article 126-28, paragraph (2), item (iii) in which a Specified Failed Financial Institution, etc. transfers part of its business to another Financial Institution, etc., the Specified Assumption of Obligations, the absorption-type company split specified in item (vi) of the same paragraph where another Financial Institution, etc. succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business, or the incorporation-type company split specified in item (vii) of the same paragraph where the Financial Institution, etc. newly established through the incorporation-type company split succeeds to part of the rights and obligations held by the Specified Failed Financial Institution, etc. in relation to its business; hereinafter the same applies in this paragraph and paragraph (4)), a Specified Assuming Financial Institution, etc. pertaining to the relevant Specified Merger, etc. applies to the DICJ for the purchase of the relevant assets in joint names with the relevant Specified Failed Financial Institution, etc.:

(i) a merger specified in Article 126-28, paragraph (2), item (i): the assets of the Financial Institution, etc. surviving through the merger (limited to those that were the assets of the Specified Failed Financial Institution, etc. prior to the merger);

(ii) a merger specified in Article 126-28, paragraph (2), item (ii): the assets of the Financial Institution, etc. established by the merger (limited to those that were the assets of the Specified Failed Financial Institution, etc. prior to the merger);

(iii) a Business Transfer, etc. specified in Article 126-28, paragraph (2), item (iii): the assets of another Financial Institution, etc. prescribed in the same item that have been received through the Business Transfer, etc.;

(iv) the acquisition of shares specified in Article 126-28, paragraph (2), item (v): the assets of a Financial Institution, etc. whose shares have been so acquired;

(v) the absorption-type company split specified in Article 126-28, paragraph (2), item (vi): the assets of another Financial Institution, etc. set forth in the same item which the relevant Financial Institution, etc. has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in Article 126-28, paragraph (2), item (vii): the assets of the Financial Institution, etc. established through the incorporation-type company split (limited to those that were assets of the Specified Failed Financial Institution, etc. prior to the incorporation-type company split).

(3) The Collateralization of Damage pertaining to an application under paragraph (1) will be performed with respect to the loan claims that are the assets prescribed in each of the preceding items according to the category of Specified Merger, etc. specified in the same item.

(4) The provisions of Article 59-2 applies mutatis mutandis to a Specified Assuming Financial Institution, etc. that has undertaken a Specified Merger, etc. pertaining to Specified Financial Assistance; the provisions of Article 64 (excluding paragraph (2)), Article 64-2, and Article 126-28, paragraphs (7) and (8) applies mutatis mutandis to an application under paragraph (1) or (2); the provisions of Articles 67 and 68 applies mutatis mutandis to Additional Specified Financial Assistance; and the provisions of Articles 68-2 and 68-3 applies mutatis mutandis to a Specified Assuming Financial Institution, etc., a Specified Assuming Holding Company, etc., or a Financial Institution, etc. established by the merger or incorporation-type company split pertaining to Specified Financial Assistance (excluding a Financial Institution, etc. for which the DICJ has provided Specified Financial Assistance pertaining to Subscription for Specified Preferred Shares, etc. and which actually holds Acquired Specified Preferred Shares, etc. (meaning the Acquired Specified Preferred Shares, etc. prescribed in Article 64-2, paragraph (6) as applied mutatis mutandis pursuant to this paragraph) pertaining to the relevant Specified Financial Assistance, and including the company prescribed in Article 68-2, paragraph (2) as applied mutatis mutandis pursuant to this paragraph in the event that the approval set forth in paragraph (1) of the same Article as applied mutatis mutandis pursuant to this paragraph has been obtained and the Bridge Financial Institution, etc. prescribed in Article 68, paragraph (4) as applied mutatis mutandis pursuant to this paragraph in the event that the approval set forth in Article 68-3, paragraph (1) as applied mutatis mutandis pursuant to this paragraph has been obtained), for which the DICJ has provided Additional Specified Financial Assistance (limited to those pertaining to Subscription for Specified Preferred Shares, etc.). In this case, the term "equity between creditors of the Failed Financial Institution" in Article 59-2, paragraph (1) will be deemed to be replaced with "equity between creditors and any other interested persons of the Specified Failed Financial Institution, etc. (meaning the Specified Failed Financial Institution, etc. prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "paragraph (6) of the preceding Article" in paragraph (3) of the same Article will be deemed to be replaced with "Article 126-28, paragraph (7)"; the term "Failed Financial Institution that have made an application under the provisions of the preceding two paragraphs, and the provisions of paragraph (7)" in the same paragraph will be deemed to be replaced with "Specified Failed Financial Institution, etc. that have made an application under the provisions of the preceding two paragraphs, and the provisions of paragraph (8)"; the term "Financial Assistance" in Article 64, paragraph (1) will be deemed to be replaced with "Additional Specified Financial Assistance (meaning the Additional Specified Financial Assistance prescribed in Article 126-32, paragraph (1); the same applies hereinafter)"; the term "a merger, etc. to which a labor bank or federation of labor banks is a party" in paragraph (3) of the same Article will be deemed to be replaced with "a Specified Merger, etc. (meaning the Specified Merger, etc. prescribed in Article 126-28, paragraph (2); the same applies hereinafter) to which a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc. (meaning the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i); the same applies hereinafter) is a party"; the term "a merger, etc. to which The Shoko Chukin Bank, Ltd. is a party" in the same paragraph will be deemed to be replaced with "a Specified Merger, etc. to which The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank (the Subsidiary, etc. of The Shoko Chukin Bank prescribed in the same item; the same applies hereinafter) is a party"; the term "Financial Institution or Bank Holding Company, etc." in paragraph (4) of the same Article will be deemed to be replaced with "Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); the same applies hereinafter) or Specified Holding Company, etc. (meaning the Specified Holding Company, etc. prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "Subscription for Preferred Shares, etc." in Article 64-2, paragraph (1) will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc. (meaning the Subscription for Specified Preferred Shares, etc. prescribed in Article 126-28, paragraph (3); the same applies hereinafter"; the term "Assuming Financial Institution or Assuming Bank Holding Company, etc. (excluding the companies specified in Article 2, paragraph (5), item (v); hereinafter the same applies in this Article)" in the same paragraph will be deemed to be replaced with "Financial Institution, etc. or Specified Holding Company, etc. prescribed in the same paragraph"; the term "adequacy of equity capital" in paragraph (2) of the same Article will be deemed to be replaced with "adequacy of equity capital or otherwise improve the financial conditions"; the term "or federation of labor banks" in paragraph (3) of the same Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Acquired Preferred Shares, etc. or Acquired Loan Claims" in paragraph (5) of the same Article will be deemed to be replaced with "Acquired Specified Preferred Shares, etc. or Acquired Specified Loan Claims"; the term "Subscription for Preferred Shares, etc." in the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term "Acquired Preferred Shares, etc." in paragraph (6) of the Article will be deemed to be "Acquired Specified Preferred Shares, etc."; the term "Subscription for Preferred Shares, etc." in item (i) of the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term " Preferred Shares, etc. (including the following) and other Shares, etc. specified by Cabinet Order" in the same item will be deemed to be replaced with "Specified Preferred Shares, etc. (meaning Preferred Shares, etc., Specified Subordinated Bonds prescribed in Article 126-22, paragraph (6), item (i), equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds) (including the following in the case of Preferred Shares, etc., and including equivalents of the following in the case of Specified Subordinated Bonds prescribed in the item, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds)"; the term "Transfer of Insured Deposits" in Article 67 will be deemed to be replaced with "Specified Assumption of Obligations prescribed in Article 126-28, paragraph (2), item (iv)"; the term "or Rokinren banks" in paragraph (2) of the Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "if the DICJ is to provide Financial Assistance for a merger, etc. pertaining to the Authorization of Eligibility, etc." in Article 68 will be deemed to be replaced with "if Additional Specified Financial Assistance is to be provided"; the term "including those that will be newly established and, in the case of a Bank Holding Company, etc., limited to those specified in Article 2, paragraph (5), item (i) or (iii)" in Article 68-2, paragraph (2) will be deemed to be replaced with "including those that will be newly established"; the term "Minister of Finance" in the same paragraph will be deemed to be replaced with "Minister of Finance, and the Minister of Health, Labour and Welfare and the Minister of Economy, Trade and Industry"; the term "Minister of Finance" in paragraph (3) of the Article will be deemed to be replaced with "Minister of Finance (in the event that the Issuing Assuming Financial Institution, etc. is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that the Issuing Assuming Financial Institution, etc. is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry)"; the term "Financial Institution or Bank Holding Company, etc. (limited to those specified in Article 2, paragraph (5), items (i) and (iii))" in Article 68-3, paragraph (2) will be deemed to be replaced with "Financial Institution, etc. or Specified Holding Company, etc."; the term "or Rokinren banks" in paragraph (3) of the same Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(5) In the event that a resolution by the Board prescribed in Article 64, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph is to be deliberated with respect to Additional Specified Financial Assistance pertaining to the application prescribed in paragraph (1) or (2) or Article 59-2, paragraph (1) as applied mutatis mutandis pursuant to the preceding paragraph, when the Board finds that, in light of the financial conditions of the Specified Failed Financial Institution, etc., the Additional Specified Financial Assistance does not exceed the scope necessary to carry out the Specified Merger, etc. pertaining to the relevant Additional Specified Financial Assistance, it may adopt a resolution to provide the Additional Specified Financial Assistance.

(Application of the Provisions of the Bankruptcy Act to Specified Mergers Pertaining to Specified Authorization of Eligibility)

Article 126-33 The provisions of Article 78 and Article 93 of the Bankruptcy Act, Article 41, Article 42, Article 54, paragraphs (2) and (4), Article 66, and Article 81 of the Civil Rehabilitation Act, Article 32, Article 35, paragraphs (2) and (3), Article 45, Article 46, and Article 72 of the Corporate Reorganization Act, Article 23, Article 25 (excluding paragraph (1)), Article 32, Article 33, Article 45, Article 188, Article 190 (excluding paragraph (1)), Article 197, Article 198, and Article 211 of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions, Article 527, paragraph (1), Article 535, Article 536, and Article 896 of the Companies Act, and Article 31, Article 34, Article 35, Article 53, and Article 55, paragraph (1) of the Act on Recognition of and Assistance for Foreign Insolvency Proceedings do not apply to a Specified Merger, etc. pertaining to Specified Authorization of Eligibility, etc.

(Decisions to Establish a Specified Bridge Financial Institution)

Article 126-34 (1) The Prime Minister may, when they find it necessary to use a Specified Bridge Financial Institution, etc. for the Succession of Obligations, etc. (meaning succession of Obligations, etc. (meaning the business or obligations pertaining to Specified Assumption of Business, etc.; the same applies hereinafter) by a Specified Bridge Financial Institution, etc. through assumption of business, assumption of obligations, a merger, or a company split (hereinafter referred to as "Specified Assumption of Business, etc."), and smooth implementation of Payment, etc, of Obligations, etc. (meaning the provisional maintaining and continuation of the business or payment of the obligations; the same applies hereinafter)) of a Financial Institution, etc. under Special Monitoring, make the following decisions:

(i) that a Specified Bridge Financial Institution, etc. be established by the DICJ as a subsidiary company to carry out the Specified Assumption of Business, etc. in order to succeed to the business of a Financial Institution, etc. under Special Monitoring; and

(ii) that a Specified Bridge Financial Institution, etc. should carry out the Specified Assumption of Business, etc. in order to succeed to the business of a Financial Institution, etc. under Special Monitoring.

(2) The Prime Minister may, when they find it necessary, rescind or modify a decision under the preceding paragraph.

(3) In this Chapter, the terms set forth in the following items have the meanings specified respectively in those items:

(i) Specified Bridge Bank: a bank that has succeeded to the Obligations, etc. of a Financial Institution, etc. under Special Monitoring through the Specified Assumption of Business, etc., whose primary purpose is to smoothly implement the Payment, etc. of the relevant Obligations, etc., and that has been established as a subsidiary company of the DICJ;

(ii) Specified Bridge Insurance Company: an Insurance Company that has succeeded to the Obligations, etc. of a Financial Institution, etc. under Special Monitoring (limited to an Insurance Company or Foreign Insurance Company, etc.) through the Specified Assumption of Business, etc., whose primary purpose is to smoothly implement the Payment, etc. of the relevant Obligations, etc., and that has been established as a subsidiary company of the DICJ;

(iii) Specified Bridge Financial Instruments Business: a Financial Instruments Business that has succeeded to the Obligations, etc. of a Financial Institution, etc. under Special Monitoring (limited to a Financial Instruments Business) through the Specified Assumption of Business, etc., whose primary purpose is to smoothly implement the Payment, etc. of the Obligations, etc., and that has been established as a subsidiary company of the DICJ;

(iv) Specified Bridge Company: a stock company that has succeeded to the Obligations, etc. of a Financial Institution, etc. under Special Monitoring through the Specified Assumption of Business, etc., whose primary purpose is to smoothly implement the Payment, etc. of the relevant Obligations, etc., and that has been established as a subsidiary company of the DICJ (excluding a Specified Bridge Bank, Specified Bridge Insurance Company, and Specified Bridge Financial Instruments Business); and

(v) Specified Bridge Financial Institution, etc.: a Specified Bridge Bank, Specified Bridge Insurance Company, Specified Bridge Financial Instruments Business, or Specified Bridge Company.

(4) A Specified Bridge Company will be deemed to be a Financial Institution, etc. with regard to application of the provisions of Article 126-28, Article 126-30, and Article 59-2, Article 60, Article 62 (excluding paragraph (1)), and Article 64 (excluding paragraph (2)) through Article 68-3 as applied mutatis mutandis pursuant to Article 126-31, Article 126-32 (excluding paragraph (4)), and Article 59-2, Article 64 (excluding paragraph (2)), Article 64-2, and Articles 67 through 68-3 as applied mutatis mutandis pursuant to Article 126-32, paragraph (4), and Article 126-28, paragraphs (7) and (8), and Article 133-2 (including the penal provisions pertaining to these provisions).

(Establishment of a Specified Bridge Financial Institution)

Article 126-35 (1) When a decision prescribed in paragraph (1), item (i) of the preceding Article is made under paragraph (1) or (2) of the preceding Article, the DICJ must, following a resolution by the Board on the details of contribution pertaining to the relevant decision, become the incorporator of a stock company that is to become a Specified Bridge Financial Institution, etc., and provide contribution for the incorporation of the stock company as a subsidiary company of the DICJ.

(2) Beyond the case prescribed in the preceding paragraph, any contribution by the DICJ to the Specified Bridge Financial Institution, etc. must require a resolution by the Board.

(3) Upon providing the contribution prescribed in the preceding two paragraphs, the DICJ must promptly report the details thereof to the Prime Minister and the Minister of Finance.

(Management of Specified Bridge Financial Institutions)

Article 126-36 (1) The DICJ must manage the Specified Bridge Financial Institution, etc. to ensure the proper performance of the following:

(i) to carry out Specified Assumption of Business, etc. in order to succeed to the obligations, etc. of the Financial Institution, etc. under Special Monitoring that is subject to the relevant decision, when a decision specified in Article 126-34, paragraph (1), item (ii) is made under Article 126-34, paragraph (1) or (2); and

(ii) to comply with the guidelines prescribed in the following paragraph in implementing the Payment, etc. of Obligations, etc. and carrying out other operations (including administration of the receipt and payment of the Deposits, etc., loan of funds, and the management and disposition of insurance contracts prescribed in Article 260, paragraph (10) of the Insurance Business Act; the same applies in item (ii) of the following paragraph).

(2) The DICJ must prepare guidelines for the Payment, etc. of Obligations, etc. of a Specified Bridge Financial Institution, etc. in accordance with the following and, following approval from the Prime Minister, make the guidelines public:

(i) the guidelines will be prepared, taking into account that the purpose of a Specified Bridge Financial Institution, etc. is to smoothly implement the Payment, etc. of Obligations, etc., and with a view to ensuring the smooth Payment, etc. of Obligations, etc. by a Specified Bridge Financial Institution, etc. while avoiding the risk of severe disruption being caused to the financial system in Japan; and

(ii) the guidelines will include a provisions that transactions designated by the DICJ among the Payment, etc. of Obligations, etc. and other operations should be carried out by a Specified Bridge Financial Institution, etc. following the approval by the DICJ.

(3) The DICJ may give instructions and advice to a Specified Bridge Financial Institution, etc., which are necessary for its management.

(Application Mutatis Mutandis of Provisions Concerning Bridge Banks)

Article 126-37 The provisions of Articles 95 through 100 and Article 135 (excluding paragraph (1)) applies mutatis mutandis to a Specified Bridge Financial Institution, etc. In this case, the term "for which confirmation has been rendered under Article 93, paragraph (2)" in Article 95 will be deemed to be replaced with "pertaining to the Specified Assumption of Business, etc. prescribed in Article 126-34, paragraph (1)"; the term "business" in Article 96, paragraph (1) will be deemed to be replaced with "Obligations, etc. (meaning the Obligations, etc. prescribed in Article 126-34, paragraph (1))"; the term "Injunction Ordering Management of the first Financial Institution under Management" in the same paragraph will be deemed to be replaced with "Designation of Special Monitoring (meaning the Designation of Special Monitoring prescribed in Article 126-3, paragraph (2)) for the first Financial Institution, etc. under Special Monitoring (meaning the Financial Institution, etc. under Special Monitoring prescribed in the same paragraph)"; the term "Contracted Bridge Bank" in Article 97, paragraph (1) will be deemed to be replaced with "Contracted Specified Bridge Financial Institution, etc."; the term "any right ... in the following paragraph) (limited to those that have been confirmed as appropriate assets to be held by the Bridge Bank under Article 93, paragraph (2))" in Article 135, paragraph (2) will be deemed to be replaced with "any right ... in the following paragraph)"; the term "any right on land acquired through the Assumption of Business, etc. Based on Decision (limited to those that have been confirmed as appropriate assets to be held by the Bridge Bank under Article 93, paragraph (2))" in Article 135, paragraph (3) will be deemed to be replaced with "any right on land acquired through the Assumption of Business, etc. Based on Decision"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Specified Financial Assistance to Specified Re-assuming Financial Institutions)

Article 126-38 (1) A Financial Institution, etc. that is undertaking a Specified Re-succession and is not a Specified Bridge Financial Institution, etc. (hereinafter referred to as "Specified Re-succeeding Financial Institution, etc." in this Article), or a Specified Holding Company, etc. undertaking a Specified Re-succession and is not a Specified Bridge Financial Institution, etc. (hereinafter referred to as a "Specified Re-succeeding Specified Holding Company, etc." in this Article) may apply to have the DICJ provide Specified Financial Assistance (limited to that specified in Article 126-28, paragraph (1), item (iii), (vi) or (vii)) to support the Specified Re-succession.

(2) The term "Specified Re-succession" as used in the preceding paragraph means the following:

(i) a merger in which a Financial Institution, etc. that merges with a Specified Bridge Financial Institution, etc. survives;

(ii) a merger in which a Financial Institution, etc. is established through the merger of a Specified Bridge Financial Institution, etc. and another Financial Institution, etc.;

(iii) a transfer by a Specified Bridge Financial Institution, etc. of all of its business (in the event that the DICJ purchases part of the assets of the Specified Bridge Financial Institution, etc., excluding the portion pertaining to the assets to be purchased) to another Financial Institution, etc.;

(iv) the acquisition of shares of a Specified Bridge Financial Institution, etc. by another Financial Institution, etc. or Specified Holding Company, etc. to implement matters specified by the Prime Minister and the Minister of Finance as being necessary for ensuring sound and appropriate operation of the Specified Bridge Financial Institution, etc.;

(v) an absorption-type company split to which a Specified Bridge Financial Institution, etc. is a party where another Financial Institution, etc. succeeds to all of the rights and obligations held by the Specified Bridge Financial Institution, etc. in relation to its business (in the event that the DICJ purchases part of the assets of the relevant Specified Bridge Financial Institution, etc., excluding the portion pertaining to the assets to be purchased) through the relevant absorption-type company split; and

(vi) an incorporation-type company split to which a Specified Bridge Financial Institution, etc. is a party where the Financial Institution, etc. newly established through the relevant incorporation-type company split succeeds to all of the rights and obligations held by the Specified Bridge Financial Institution, etc. in relation to its business (in the event that the DICJ purchases part of the assets of the relevant Specified Bridge Financial Institution, etc., excluding the portion pertaining to the assets to be purchased) through then relevant absorption-type company split.

(3) The purchase of assets prescribed in paragraph (1) will be conducted with respect to the assets prescribed in each of the following items according to the category of the Specified Re-succession specified in each respective item:

(i) a merger specified in item (i) of the preceding paragraph: the assets of the Financial Institution, etc. surviving through the merger (limited to those that were the assets of the Specified Bridge Financial Institution, etc. prior to the merger);

(ii) a merger specified in item (ii) of the preceding paragraph: the assets of the Financial Institution, etc. that will be established by the merger (limited to those that were the assets of the Specified Bridge Financial Institution, etc. prior to the merger);

(iii) transfer of the business specified in item (iii) of the preceding paragraph: the assets of another Financial Institution, etc. prescribed in the same item that have been received through the transfer of the relevant business;

(iv) the acquisition of shares specified in item (iv) of the preceding paragraph: the assets of a Financial Institution, etc. whose shares have been acquired;

(v) the absorption-type company split specified in item (v) of the preceding paragraph: the assets of another Financial Institution, etc. set forth in the same item which the relevant Financial Institution, etc. has succeeded to through the absorption-type company split; and

(vi) the incorporation-type company split specified in item (vi) of the preceding paragraph: the assets of the Financial Institution, etc. established through the incorporation-type company split (limited to those that were assets of the Specified Bridge Financial Institution, etc. prior to the incorporation-type company split).

(4) The Collateralization of Damage prescribed in paragraph (1) will be conducted with respect to loan claims that are the assets prescribed in each item of the preceding paragraph according to the category of the Specified Re-succession specified in each respective item of the preceding paragraph.

(5) The provisions of Article 126-28, paragraphs (4), (7), and (8), and Article 126-29, paragraph (1) applies mutatis mutandis to an application under paragraph (1); and the provisions of paragraphs (2) through (4) and paragraphs (6) through (8) of the Article applies mutatis mutandis to the authorization set forth in paragraph (1) of the Article as applied mutatis mutandis pursuant to this paragraph. In this case, the term "provided to the Specified Assuming Financial Institution, etc." in Article 126-28, paragraph (4) will be deemed to be replaced with "provided to the Specified Re-succeeding Financial Institution, etc. (meaning the Specified Re-succeeding Financial Institution, etc. prescribed in Article 126-38, paragraph (1); the same applies hereinafter)"; the term "Specified Holding Company, etc." in paragraph (7) of the same Article will be deemed to be replaced with "Specified Re-succeeding Specified Holding Company, etc. (meaning the Specified Re-succeeding Specified Holding Company, etc. prescribed in Article 126-38, paragraph (1); the same applies hereinafter); the term "a Specified Merger, etc. pertaining to" in Article 126-29, paragraph (1) will be deemed to be replaced with "a Specified Re-succession (meaning the Specified Re-succession prescribed in Article 126-38, paragraph (2); the same applies hereinafter) pertaining to"; the term "Article 126-31, a Specified Failed Financial Institution, etc." in the paragraph will be deemed to be replaced with "Article 126-31, a Specified Bridge Financial Institution, etc. (meaning the Specified Bridge Financial Institution, etc. prescribed in Article 126-34, paragraph (3), item (v); the same applies hereinafter)"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(6) Even in cases where no application is made under Article 126-29, paragraph (2) as applied mutatis mutandis pursuant to the preceding paragraph, the Prime Minister may, when they find that the business or obligations of a Specified Bridge Financial Institution, etc. satisfy the requirements specified in paragraph (3), item (iii) of the Article as applied mutatis mutandis pursuant to the preceding paragraph, provide mediation in writing with regard to the Specified Re-succession (excluding the merger specified in paragraph (2), item (ii) and limited to those that contribute to the orderly resolution of assets and liabilities of a Financial Institution, etc. under Special Monitoring which the relevant Specified Bridge Financial Institution, etc. has succeeded to and for which Specified Financial Assistance by the DICJ is indispensable) between the relevant Specified Bridge Financial Institution, etc. and another Financial Institution, etc. or the Specified Bridge Financial Institution, etc. and a Specified Holding Company, etc.

(7) The provisions of Article 62, paragraphs (2) and (4) through (6) applies mutatis mutandis to the mediation prescribed in the preceding paragraph; the provisions of Article 64 (excluding paragraph (2)) and Article 64-2 applies mutatis mutandis to the application prescribed in paragraph (1); the provisions of Article 65 and Article 66 applies mutatis mutandis to the Financial Institution, etc. or Specified Holding Company, etc. that has received the authorization prescribed in Article 126-29, paragraph (1) as applied mutatis mutandis pursuant to paragraph (5) or that has received the mediation prescribed in the preceding paragraph; the provisions of Article 67 applies mutatis mutandis to the Specified Re-succeeding Financial Institution, etc.; the provisions of Article 68 applies mutatis mutandis to the Specified Financial Assistance provided by the DICJ for Specified Re-succession ; and the provisions of Article 68-2 and Article 68-3 applies mutatis mutandis to the Specified Re-succeeding Financial Institution, etc. that has received the relevant Specified Financial Assistance (limited to those pertaining to the Subscription for Specified Preferred Shares, etc.) (including a Financial Institution, etc. established by the merger or incorporation-type company split pertaining to the relevant Subscription for Specified Preferred Shares, etc.) or the Specified Re-succeeding Specified Holding Company, etc. (including the company prescribed in Article 68-2, paragraph (2) as applied mutatis mutandis pursuant to this paragraph in the event that the approval prescribed in Article 68-2, paragraph (1) as applied mutatis mutandis pursuant to this paragraph is granted, and the Bridge Financial Institution, etc. prescribed in Article 68-3, paragraph (4) as applied mutatis mutandis pursuant to this paragraph in the event that the approval prescribed in Article 68-3, paragraph (1) as applied mutatis mutandis pursuant to this paragraph is granted). In this case, the term "Financial Institution or Bank Holding Company, etc." in Article 62, paragraph (2) will be deemed to be replaced with "Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); the same applies hereinafter) or Specified Holding Company, etc. (meaning the Specified Holding Company, etc. prescribed in Article 126-28, paragraph (1); the same applies hereinafter)"; the term "paragraphs (4) through (7) of the preceding Article" in paragraph (4) of the Article will be deemed to be replaced with "Article 126-29, paragraphs (4), (6), and (7) as applied mutatis mutandis pursuant to Article 126-38, paragraph (5)"; the term "Failed Financial Institution or a Financial Institution recognized as having a high probability of becoming a Failed Financial Institution" in paragraph (5) of the same Article will be deemed to be replaced with "Specified Bridge Financial Institution, etc. (meaning the Specified Bridge Financial Institution, etc. prescribed in Article 126-34, paragraph (3), item (v))"; the term "Financial Assistance" in Article 64, paragraph (1) will be deemed to be replaced with "Specified Financial Assistance (meaning those set forth in Article 126-28, paragraph (1), item (iii), (vi), or (vii); the same applies hereinafter)"; the term "a merger, etc. to which a labor bank or Rokinren banks is a party" in paragraph (3) of the Article will be deemed to be replaced with "Specified Re-succession (meaning the Specified Re-succession prescribed in Article 126-38, paragraph (2); the same applies hereinafter) to which a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc. (meaning the Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i); the same applies hereinafter) is a party"; the term "a merger, etc. to which The Shoko Chukin Bank, Ltd. is a party" in the paragraph will be deemed to be replaced with "Specified Re-succession to which The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank (the Subsidiary, etc. of The Shoko Chukin Bank prescribed in the item; the same applies hereinafter) is a party"; the term "Subscription for Preferred Shares, etc." in Article 64-2, paragraph (1) will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc. (meaning the Subscription for Specified Preferred Shares, etc. prescribed in Article 126-28, paragraph (3); the same applies hereinafter"; the term "Assuming Financial Institution or Assuming Bank Holding Company, etc. (excluding the companies specified in Article 2, paragraph (5), item (v)" in the paragraph will be deemed to be replaced with "Specified Re-succeeding Financial Institution, etc. (meaning the Specified Re-succeeding Financial Institution, etc. prescribed in Article 126-38, paragraph (1); the same applies hereinafter) or Specified Re-succeeding Specified Holding Company, etc. (meaning the Specified Re-succeeding Specified Holding Company, etc. prescribed in the paragraph"; the term "adequacy of equity capital" in paragraph (2) of the same Article will be deemed to be replaced with "adequacy of equity capital or otherwise improve the financial conditions"; the term "or federation of labor banks" in paragraph (3) of the Article will be deemed to be replaced with ", a federation of labor banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Acquired Preferred Shares, etc. or Acquired Loan Claims" in paragraph (5) of the Article will be deemed to be replaced with "Acquired Specified Preferred Shares, etc. or Acquired Specified Loan Claims"; the term "Subscription for Preferred Shares, etc." in the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term "Acquired Preferred Shares, etc." in paragraph (6) of the same Article will be deemed to be "Acquired Specified Preferred Shares, etc."; the term "Subscription for Preferred Shares, etc." in item (i) of the same paragraph will be deemed to be replaced with "Subscription for Specified Preferred Shares, etc."; the term " Preferred Shares, etc. (including the following) and other Shares, etc. specified by Cabinet Order" in the same item will be deemed to be replaced with "Specified Preferred Shares, etc. (meaning Preferred Shares, etc., Specified Subordinated Bonds prescribed in Article 126-22, paragraph (6), item (i), equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds) (including the following in the case of Preferred Shares, etc., and including equivalents of the following in the case of Specified Subordinated Bonds prescribed in the same item, equity investments of those other than stock companies and the cooperative structured financial institutions prescribed in Article 2, paragraph (1) of the Preferred Equity Investment Act, or claims pertaining to funds)"; the term "or Rokinren banks" in Article 65 will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same Article will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "a merger, Business Transfer, etc., Transfer of Insured Deposits" in Article 66, paragraph (1) will be deemed to be replaced with "a merger, Business Transfer, etc., Specified Assumption of Obligations (meaning the Specified Assumption of Obligations prescribed in Article 126-28, paragraph (2), item (iv); the same applies hereinafter)"; the term "a merger, Business Transfer, etc., Transfer of Insured Deposits" in the same paragraph will be deemed to be replaced with "a merger, Business Transfer, etc., Specified Assumption of Obligations"; the term "or Rokinren banks" in the same paragraph will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "to that effect. The same applies when, in the event that a resolution of shareholders meeting, etc. or consent of all shareholders or all class shareholders is required for share exchange under the provisions of this Act, the Companies Act, or the articles of incorporation, a Bank Holding Company, etc. that has received the Authorization of Eligibility, etc. has obtained or failed to obtain the resolution or consent for share exchange pertaining to the relevant Authorization of Eligibility, etc." in the same paragraph will be deemed to be replaced with "to that effect."; the term "a Bank, etc., Bank Holding Company, etc., or The Shoko Chukin Bank, Ltd." in paragraph (2) of the same Article will be deemed to be replaced with "a Financial Institution, etc. that is a stock company, or Specified Holding Company, etc."; the term "a general meeting or general meeting of representatives" in the same paragraph will be deemed to be replaced with "a general meeting or general meeting of representatives, in the case of a Mutual Company prescribed in Article 2, paragraph (5) of the Insurance Business Act, a general meeting of members or general meeting of representatives, and in the case of a Financial Institution, etc. other than these or Specified Holding Company, etc., a body that decides its financial and operational or business policies"; the term "or federation of labor banks" in paragraph (3) of the same Article will be deemed to be replaced with ", a federation of labor banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "paragraph (1) of the Act on Financial Institutions' Merger and Conversion" in the same item will be deemed to be replaced with "paragraph (1) of the Act on Financial Institutions' Merger and Conversion, or the principal sentence of Article 165-11, paragraph (1) of the Insurance Business Act"; the term "paragraph (2) of the Act on Financial Institutions' Merger and Conversion" in the same item will be deemed to be replaced with "paragraph (2) of the Act on Financial Institutions' Merger and Conversion, or Article 165-11, paragraph (2) of the Insurance Business Act"; the term "The Shoko Chukin Bank, Ltd." in paragraph (4) of the same Article will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Transfer of Insured Deposits" in Article 67 will be deemed to be replaced with "Specified Assumption of Obligations"; the term "or federation of labor banks" in paragraph (2) of the same Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; the term "Issuing Assuming Financial Institution, etc." in Article 68-2 will be deemed to be replaced with "Issuing Specified Re-succeeding Financial Institution, etc."; the term "including those that will be newly established and, in the case of a Bank Holding Company, etc., limited to those specified in Article 2, paragraph (5), item (i) or (iii)" in Article 68-2, paragraph (2) will be deemed to be replaced with "including those that will be newly established"; the term "Minister of Finance" in the same paragraph will be deemed to be replaced with "Minister of Finance, and the Minister of Health, Labour and Welfare and the Minister of Economy, Trade and Industry"; the term "Minister of Finance" in paragraph (3) of the same Article will be deemed to be replaced with "Minister of Finance (in the event that the Issuing Specified Re-succeeding Financial Institution, etc. is a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister, the Minister of Finance, and the Minister of Health, Labour and Welfare, and in the event that the Issuing Specified Re-succeeding Financial Institution, etc. is a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry)"; the term "Financial Institution or Bank Holding Company, etc. (limited to those specified in Article 2, paragraph (5), items (i) and (iii))" in Article 68-3, paragraph (2) will be deemed to be replaced with "Financial Institution, etc. or Specified Holding Company, etc."; the term "or Rokinren banks" in paragraph (3) of the same Article will be deemed to be replaced with ", Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc."; the term "The Shoko Chukin Bank, Ltd." in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd or a Subsidiary, etc. of The Shoko Chukin Bank"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Payment of Specified Contributions)

Article 126-39 (1) When public notice is given under Article 123, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 124, paragraph (3)), a Financial Institution, etc. must, during the period specified in the relevant public notice, pay contributions (hereinafter referred to as "Specified Contributions") to the DICJ to cover the costs incurred in carrying out the Crisis Management Operations (limited to those pertaining to a Financial Institution, etc. subject to Specified Confirmation or a Specified Bridge Financial Institution, etc.).

(2) When public notice is given under the preceding paragraph, a Financial Institution, etc. is to submit documents specified by Cabinet Office Order and Order of the Ministry of Finance and pay Specified Contributions to the DICJ by the last day of each business year included in the period specified in the relevant public notice. In this case, in the event that there is a Bank Holding Company, Long Term Credit Bank Holding Company, Insurance Holding Company, or Designated Parent Company which has the relevant Financial Institution, etc. as a Subsidiary, etc. of the Financial Institution, etc., the relevant Financial Institution, etc. is to submit the relevant documents and pay the Specified Contributions through the person, and in the event that there is no Bank Holding Company, Long Term Credit Bank Holding Company, Insurance Holding Company, or Designated Parent Company which has the relevant Financial Institution, etc. as a Subsidiary, etc. of the Financial Institution, etc. but there is a Financial Institution, etc. that has the relevant Financial Institution, etc. as a Subsidiary, etc. of the Financial Institution, etc., the relevant Financial Institution, etc. is to submit the relevant documents and pay the Specified Contributions through the Financial Institution, etc. that has the relevant Financial Institution, etc. as a Subsidiary, etc. of the Financial Institution, etc. which is specified by Cabinet Office Order and Order of the Ministry of Finance.

(3) The amount of Specified Contributions prescribed in paragraph (1) will be calculated for each Financial Institution, etc. by dividing by twelve the total amount of its liabilities outstanding on the last day of the business year immediately preceding the business year that includes the due date for payment of the relevant Specified Contributions (excluding those specified by Cabinet Office Order and Order of the Ministry of Finance), multiplying the resulting amount by the number of months in the business year that includes the due date for payment of the relevant Specified Contributions, and multiplying the resulting amount by the contribution rate specified under Article 123, paragraph (2).

(4) Notwithstanding the provisions of the preceding paragraph, the amount of Specified Contributions prescribed in paragraph (1) with regard to a Paying Financial Institution (meaning a Bank Holding Company, Long Term Credit Bank Holding Company, Insurance Holding Company, or Designated Parent Company, or a Financial Institution, etc. which has a Financial Institution, etc. as a Subsidiary, etc. of the Financial Institution, etc. that is specified by Cabinet Office Order and Order of the Ministry of Finance as set forth in paragraph (2); hereinafter the same applies in this paragraph) and a subsidiary company of the relevant Paying Financial Institution, and any other entity specified by Cabinet Office Order and Order of the Ministry of Finance as a DICJ of which management is controlled by the Paying Financial Institution (hereinafter referred to as the "Paying Financial Institution, etc.") will be calculated for each Financial Institution, etc. that is a Paying Financial Institution by dividing by twelve the amount obtained by multiplying the total amount of its liabilities outstanding on the balance sheet prepared with regard to the relevant Paying Financial Institution, etc. on a consolidated basis pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance on the last day of the business year immediately preceding the business year that includes the due date for payment of the relevant Specified Contributions (excluding the liabilities specified by Cabinet Office Order and Order of the Ministry of Finance) (hereinafter referred to as the "Consolidated Total Amount of Liabilities" in this paragraph) by the rate specified by Cabinet Office Order and Order of the Ministry of Finance as the rate of the amount of liabilities of each the relevant Financial Institution, etc. to the Consolidated Total Amount of Liabilities, multiplying the resulting amount by the number of months in the business year that includes the due date for payment of the relevant Specified Contributions, and multiplying the resulting amount by the contribution rate specified under Article 123, paragraph (2).

(5) The provisions of Article 50, paragraph (2) and Article 52 applies mutatis mutandis to the Specified Contributions set forth in paragraph (1). In this case, the term "exempt a Financial Institution" in Article 50, paragraph (2) will be deemed to be replaced with "exempt a Financial Institution, etc. (meaning the Financial Institution, etc. prescribed in Article 126-2, paragraph (2); the same applies hereinafter); the term "authorization of eligibility, etc. prescribed in Article 65" in item (ii) of the same paragraph will be deemed to be replaced with "authorization of eligibility, etc. prescribed in Article 65 or Specified Authorization of Eligibility, etc. prescribed in Article 126-31"; the term "Failed Financial Institution" in the same item will be deemed to be replaced with "Failed Financial Institution or the Specified Failed Financial Institution, etc. prescribed in Article 126-28, paragraph (1) pertaining to the relevant Specified Authorization of Eligibility, etc."; the term "a Injunction Ordering Management prescribed in Article 74, paragraph (1)" in item (iii) of the same paragraph will be deemed to be replaced with "an Injunction Ordering Management prescribed in Article 74, paragraph (1) or an Injunction Ordering Specified Management prescribed in Article 126-5, paragraph (1),"; the term "Financial Institution under Management pertaining to the Injunction Ordering Management" in the same item will be deemed to be replaced with "Financial Institution under Management pertaining to the Injunction Ordering Management or the Financial Institution, etc. pertaining to the relevant Injunction Ordering Specified Management"; and the term "Financial Institution" in Article 52, paragraph (1) will be deemed to be "Financial Institution, etc."; and any other necessary technical replacement of terms will be specified by Cabinet Order.

Chapter VIII Miscellaneous Provisions

(Loan of Funds for Refund of Deposits)

Article 127 The provisions of Article 69-3 applies mutatis mutandis to cases where an application is received from a person specified in each item of Article 69-3, paragraph (1) for the loan of funds necessary for the refund of the covered Deposits, etc. (limited to the repayment for the covered Deposits, etc. corresponding to the amount of insurance proceeds calculated under the Insurance Claim Calculation Provisions). In this case, the term "pertaining to the relevant Settlement Obligations calculated under Article 54-2, paragraph (1) and Article 54, paragraph (3) as applied mutatis mutandis pursuant to Article 54-2, paragraph (2)" in Article 69-3, paragraph (1) will be deemed to be replaced with "pertaining to the relevant Covered Deposits, etc. calculated under the Insurance Claim Calculation Provisions."

(Loan of Funds Necessary for the Repayment of Types of Obligations Likely to Cause Severe Disruption to the Financial System)

Article 127-2 (1) In the event that the DICJ receives from any of the following persons an application for a loan of funds necessary for the repayment of the types of obligations that are found likely to cause severe disruption to the financial system in Japan due to their default, the DICJ may, when it finds it necessary, and following a resolution of the Board, decide to provide the loan pertaining to the relevant application to the extent necessary:

(i) a Financial Institution, etc. subject to an Injunction Ordering Specified Management;

(ii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to a ruling for the commencement of bankruptcy proceedings or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) pertaining to a Foreign Bank that has become subject to the ruling;

(iii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 91, paragraph (1) of the Bankruptcy Act or a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) pertaining to a Foreign Bank that has become subject to the injunction;

(iv) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to a ruling for the commencement of reorganization proceedings or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the ruling;

(v) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 30, paragraph (1) of the Corporate Reorganization Act or Article 22, paragraph (1) or Article 187, paragraph (1) of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction;

(vi) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 64, paragraph (1) of the Civil Rehabilitation Act or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction;

(vii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 79, paragraph (1) of the Civil Rehabilitation Act or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction; and

(viii) a Specified Failed Financial Institution, etc. (excluding a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc.) that has become subject to an order for commencement of special liquidation, a Specified Failed Financial Institution, etc. (limited to a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc.) that has become subject to an order for commencement of liquidation under Article 822, paragraph (1) of the Companies Act, a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) for which liquidation has been commenced pursuant to Article 51, paragraph (1) of the Banking Act, or a Specified Failed Financial Institution, etc. (limited to a Foreign Insurance Company, etc.) for which liquidation has been commenced pursuant to Article 212, paragraph (1) of the Insurance Business Act.

(2) The provisions of Article 64, paragraph (3) applies mutatis mutandis to the cases where a decision is made under the preceding paragraph, and the provisions of Article 64, paragraph (4) applies mutatis mutandis to the cases where a decision to provide a loan is made under the preceding paragraph. In this case, the term "a merger, etc. to which a labor bank or Rokinren banks is a party" in paragraph (3) of the same Article will be deemed to be replaced with "a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i)"; the term "a merger, etc. to which The Shoko Chukin Bank, Ltd. is a party" in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank prescribed in the same item"; and the term "a Financial Institution or Bank Holding Company, etc." in paragraph (4) of the same Article will be deemed to be replaced with "a Financial Institution, etc. prescribed in Article 126-2, paragraph (2)."

(3) The loan provided under paragraph (1) to a person specified in each of the following items will, in relation to creditors other than the DICJ in bankruptcy proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, bankruptcy proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), reorganization proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, reorganization proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), rehabilitation proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, rehabilitation proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch; the same applies in item (iii)) or special liquidation proceedings (in the event that the Financial Institution, etc. is a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc., liquidation proceedings under Article 822 of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 213 of the Insurance Business Act), Article 51 of the Banking Act, or Article 212 of the Insurance Business Act) pertaining to the relevant Financial Institution, etc. be deemed to be provided prior to the act prescribed in each respective item:

(i) the Specified Failed Financial Institution, etc. specified in paragraph (1), item (ii): the relevant ruling for the commencement of bankruptcy proceedings;

(ii) the Specified Failed Financial Institution, etc. specified in paragraph (1), item (iv): the relevant ruling for the commencement of reorganization proceedings;

(iii) a Specified Failed Financial Institution, etc. that has become subject to a ruling for the commencement of rehabilitation proceedings: the relevant ruling for the commencement of rehabilitation proceedings; and

(iv) the Specified Failed Financial Institution, etc. specified in paragraph (1), item (viii): the relevant order for commencement of special liquidation (in the event that the Financial Institution, etc. is a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc., the order for commencement of liquidation proceedings under Article 822, paragraph (1) of the Companies Act or commencement of liquidation under Article 51, paragraph (1) of the Banking Act or Article 212, paragraph (1) of the Insurance Business Act).

(Special Provisions of the Companies Act Concerning Refund of Deposits)

Article 127-3 The provisions of Article 69-4, paragraphs (3) through (5) applies mutatis mutandis to cases where a decision has been made to make the loan of funds under Article 69-3, paragraph (1) as applied mutatis mutandis pursuant to Article 127. In this case, the term "the repayment of the Settlement Obligations prescribed in paragraph (1) of the preceding Article" in Article 69-4, paragraph (3) will be deemed to be replaced with "the refund of the Deposits, etc. prescribed in paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to Article 127," the terms "the types of the Settlement Obligations to be repaid", "repayment" and "repaid" in Article 69-4, paragraphs (4) and (5) will be deemed to be replaced with "the types of the Deposits, etc. to be returned," "refund" and "refunded", respectively.

(Special Provisions of the Bankruptcy Act Concerning Repayment of the Types of Obligations Likely to Cause Severe Disruption to the Financial System)

Article 127-4 (1) In the event that a decision has been made to loan funds under Article 127-2, paragraph (1) to a Financial Institution, etc. for which a ruling for the commencement of bankruptcy proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, bankruptcy proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), a ruling for the commencement of reorganization proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, reorganization proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), or a ruling for the commencement of rehabilitation proceedings (in the event that the Financial Institution, etc. is a Foreign Bank Branch, rehabilitation proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch) has been given, the court may, notwithstanding the provisions of Article 100, paragraph (1) of the Bankruptcy Act, Article 47, paragraph (1) of the Corporate Reorganization Act (including the cases where it is applied mutatis mutandis pursuant to Articles 34 and 199 of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions), and Article 85, paragraph (1) of the Civil Rehabilitation Act, in response to a petition filed by a bankruptcy trustee, a trustee in reorganization proceedings, or a rehabilitation debtor, etc. prescribed in Article 2, item (ii) of the same Act, grant permission for the repayment of the types of obligations that are found likely to cause severe disruption to the financial system in Japan by their default under Article 127-2, paragraph (1) or any other act for extinguishing the relevant obligations (hereinafter referred to as "Repayment" in this Article).

(2) The court must, upon granting the permission under the preceding paragraph, specify the types of obligations subject to the Repayment, limit of the amount of Repayment, and period of Repayment (the last day of the relevant period must precede the last date of the period for filing proofs of claims).

(3) When specifying the types of obligations subject to the Repayment, limit of the amount of Repayment, and period of Repayment under the preceding paragraph, the court must hear the opinion of the DICJ in advance.

(Special Provisions of the Companies Act Concerning Repayment of the Types of Obligations Likely to Cause Severe Disruption to the Financial System)

Article 127-5 The provisions of Article 69-4, paragraphs (3) through (5) applies mutatis mutandis to the cases where a decision has been made to loan funds under Article 127-2, paragraph (1) to a Specified Failed Financial Institution, etc. that has become subject to an order for commencement of special liquidation or an order for commencement of liquidation under Article 822, paragraph (1) of the Companies Act or to a Specified Failed Financial Institution, etc. for which liquidation has been commenced pursuant to Article 51, paragraph (1) of the Banking Act or Article 212, paragraph (1) of the Insurance Business Act. In this case, the term "the Settlement Obligations prescribed in paragraph (1) of the preceding Article" in Article 69-4, paragraph (3) will be deemed to be replaced with "the types of obligations that are found likely to cause severe disruption to the financial system in Japan by their default under Article 127-2, paragraph (1)"; the term "to be repaid" in paragraph (4) of the same Article will be deemed to be replaced with "subject to the Repayment or any other act for extinguishing the relevant obligations (hereinafter referred to as "Repayment" in this Article"); and the term "the Settlement Obligations" in the same paragraph and paragraph (5) of the same Article will be deemed to be replaced with "the obligations"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Loan of Funds to Prevent a Decline in Asset Value)

Article 128 The provisions of Article 69-3 (excluding paragraphs (3) and (4)) applies mutatis mutandis to cases where an application is received from a person specified in each item of Article 69-3, paragraph (1) (in the case of any person specified in Article 69-3, paragraph (1), item (i), limited to the time after a petition is filed for the commencement of bankruptcy proceedings, commencement of reorganization proceedings or commencement of rehabilitation proceedings or after an order for commencement of special liquidation is issued, and in the case of any person specified items (ii) through (viii) of the same paragraph, excluding a Financial Institution, etc. subject to Specified Confirmation) for the loan of funds necessary to prevent a decline in the value of loan claims or other assets held by the person. In this case, the term "up to the total amount of insurance proceeds pertaining to the relevant Settlement Obligations calculated under Article 54-2, paragraph (1) and Article 54, paragraph (3) as applied mutatis mutandis pursuant to Article 54-2, paragraph (2)" in Article 69-3, paragraph (1) will be deemed to be replaced with "within the limit necessary."

Article 128-2 (1) In the event that an application is received from any of the following persons (in the case of any person specified in item (i), limited to the time after a petition is filed for the commencement of bankruptcy proceedings (in the event that the person specified in the same item is a Foreign Bank Branch, commencement of bankruptcy proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), commencement of reorganization proceedings (in the event that the person specified in the same item is a Foreign Bank Branch, commencement of reorganization proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch), or commencement of rehabilitation proceedings (in the event that the person specified in the same item is a Foreign Bank Branch, commencement of rehabilitation proceedings of the Foreign Bank pertaining to the relevant Foreign Bank Branch) or after an order for commencement of special liquidation (in the event that the person specified in the same item is a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc., the order for commencement of liquidation proceedings under Article 822, paragraph (1) of the Companies Act or commencement of liquidation under Article 51, paragraph (1) of the Banking Act or Article 212, paragraph (1) of the Insurance Business Act) is issued) for the loan of funds necessary to prevent a decline in the value of loan claims or other assets held by the person, the DICJ may, when it finds it necessary, and following a resolution of the Board, decide to provide the loan pertaining to the relevant application to the extent necessary:

(i) a Financial Institution, etc. subject to an Injunction Ordering Specified Management;

(ii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to a ruling for the commencement of bankruptcy proceedings or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) pertaining to a Foreign Bank that has become subject to the ruling;

(iii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 91, paragraph (1) of the Bankruptcy Act or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction;

(iv) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to a ruling for the commencement of reorganization proceedings or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the ruling;

(v) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 30, paragraph (1) of the Corporate Reorganization Act or Article 22, paragraph (1) or Article 187, paragraph (1) of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction;

(vi) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 64, paragraph (1) of the Civil Rehabilitation Act or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction;

(vii) a Specified Failed Financial Institution, etc. (excluding a Foreign Bank Branch) that has become subject to an injunction ordering management by a provisional administrator under Article 79, paragraph (1) of the Civil Rehabilitation Act or a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) of a Foreign Bank that has become subject to the injunction; and

(viii) a Specified Failed Financial Institution, etc. (excluding a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc.) that has become subject to an order for commencement of special liquidation, a Specified Failed Financial Institution, etc. (limited to a foreign company, a Foreign Bank Branch, or a Foreign Insurance Company, etc.) that has become subject to an order for commencement of liquidation under Article 822, paragraph (1) of the Companies Act, a Specified Failed Financial Institution, etc. (limited to a Foreign Bank Branch) for which liquidation has been commenced pursuant to Article 51, paragraph (1) of the Banking Act, or a Specified Failed Financial Institution, etc. (limited to a Foreign Insurance Company, etc.) for which liquidation has been commenced pursuant to Article 212, paragraph (1) of the Insurance Business Act.

(2) The provisions of Article 64, paragraph (3) applies mutatis mutandis to the cases where a decision is made under the preceding paragraph, and the provisions of Article 64, paragraph (4) applies mutatis mutandis to the cases where a decision to provide a loan is made under the preceding paragraph. In this case, the term "a merger, etc. to which a labor bank or Rokinren banks is a party" in paragraph (3) of the same Article will be deemed to be replaced with "a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc. prescribed in Article 126-2, paragraph (2), item (i)"; and the term "a merger, etc. to which The Shoko Chukin Bank, Ltd. is a party" in the same paragraph will be deemed to be replaced with "The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank prescribed in the same item"; and any other necessary technical replacement of terms will be specified by Cabinet Order.

(Purchase of Assets)

Article 129 (1) Beyond cases prescribed in Section 4 of Chapter III and the preceding Chapter, the DICJ may purchase assets held by a Contracted Bridge Bank, Bank Under Special Crisis Management, Financial Institution, etc. under Special Monitoring, or Contracted Specified Bridge Financial Institution, etc.

(2) In cases where the DICJ is to purchase assets under the preceding paragraph, it must comply with standards prescribed and publicly announced in advance by the Prime Minister and the Minister of Finance.

(3) Upon receiving an application under paragraph (1) for the purchase of assets from a Contracted Bridge Bank, Bank Under Special Crisis Management, Financial Institution, etc. under Special Monitoring, or Contracted Specified Bridge Financial Institution, etc., the DICJ must, following a resolution of the Board, decide without delay whether or not to carry out the purchase of assets pertaining to the relevant application.

(4) Upon making a decision under the preceding paragraph, the DICJ must immediately report matters pertaining to the decision to the Prime Minister and the Minister of Finance.

(5) Upon making a decision to purchase assets under paragraph (3), the DICJ is to conclude a contract for the purchase of assets with the relevant Contracted Bridge Bank, Bank Under Special Crisis Management, Financial Institution, etc. under Special Monitoring, or Contracted Specified Bridge Financial Institution, etc.

(Special Provisions for Convocation Procedures for Shinkin Bank General Meetings)

Article 130 (1) Notwithstanding the provisions of Article 45 of the Shinkin Bank Act, Article 49 of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 49 of the Labor Bank Act, a general meeting of a Shinkin Bank, etc. that has received the Authorization of Eligibility, etc. or Specified Authorization of Eligibility, etc. may be held without the procedures of calling if all members (in the case of a labor bank, excluding individual members prescribed in Article 13, paragraph (1) of the Labor Bank Act) or all association members consent, for the purpose of deliberating a resolution to approve a Business Transfer, etc. and any amendment to the articles of incorporation necessary to carry out the Business Transfer, etc.

(2) The provisions of the preceding paragraph apply mutatis mutandis to a general meeting of representatives for the purpose of deliberating a resolution to approve the matters prescribed in the preceding paragraph. In this case, the terms "all members (in the case of a labor bank, excluding individual members prescribed in Article 13, paragraph (1) of the Labor Bank Act) or all association members" and "Article 45 of the Shinkin Bank Act, Article 49 of the Small and Medium-Sized Enterprises Cooperatives Act, and Article 49 of the Labor Bank Act" in the same paragraph will be deemed to be replaced with "all representatives" and "Article 45 of the Shinkin Bank Act as applied mutatis mutandis pursuant to Article 49, paragraph (5) of the Act, Article 49 of the Small and Medium-Sized Enterprises Cooperatives Act as applied mutatis mutandis pursuant to Article 55, paragraph (6) of the same Act, and Article 49 of the Labor Bank Act as applied mutatis mutandis pursuant to Article 55, paragraph (5) of the same Act", respectively.

(Special Provisions for Procedures for Protection of Creditors in the Transfer of Business)

Article 131 (1) When a decision to provide Financial Assistance is made under Article 64, paragraph (1) for the purpose of supporting the Business Transfer, etc. prescribed in Article 59, paragraph (2), item (iii) or a Transfer of Insured Deposits, or when a decision to provide Specified Financial Assistance is made under Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 for the purpose of supporting the Business Transfer, etc. prescribed in Article 126-28, paragraph (2), item (iii) or Specified Assumption of Obligations, the assumption of obligations pertaining to Specified Business Transfer, etc. (meaning the Business Transfer, etc. prescribed in Article 59, paragraph (2), item (iii) or a Transfer of Insured Deposits or the Business Transfer, etc. prescribed in Article 126-28, paragraph (2), item (iii) or Specified Assumption of Obligations, and including any transfer of assets associated therewith; hereinafter the same applies in this Article) and transfer of claims with a special clause prohibiting transfer (referred to as "Assumption of Obligations, etc." in paragraph (6)) may be carried out without consent from creditors pertaining to obligations assumed by the Assuming Financial Institution or Specified Assuming Financial Institution, etc. through the relevant Specified Business Transfer, etc. and creditors pertaining to claims with a special clause prohibiting transfer which the Assuming Financial Institution or Specified Assuming Financial Institution, etc. received by transfer (referred to as "Transferred Creditors, etc." in paragraph (6)).

(2) The provisions of Article 34 and Article 35 of the Banking Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 17 of the Long-Term Credit Bank Act, Article 89, paragraph (1) of the Shinkin Bank Act, Article 6, paragraph (1) of the Act on Financial Business by Cooperatives, and Article 94, paragraph (1) of the Labor Bank Act) and Article 50-2, paragraph (6) of the Financial Instruments and Exchange Act do not apply to the Specified Business Transfer, etc. pertaining to a decision under the preceding paragraph.

(3) Upon executing the Specified Business Transfer, etc. pertaining to a decision under paragraph (1), the Failed Financial Institution and Assuming Financial Institution or the Specified Failed Financial Institution, etc. and Specified Assuming Financial Institution, etc. must, within two weeks of the day of the relevant execution, give public notice of the outline of the content of the relevant Specified Business Transfer, etc. and that any creditors and obligors pertaining to claims with a special clause prohibiting transfer who have any objection thereto should state the objection within a specified period of time, and must also give notice of this to each individual known creditor and obligor pertaining to claims with a special clause prohibiting transfer other than the Depositors, etc. and other creditors specified by Cabinet Order.

(4) The period under the preceding paragraph cannot be less than one month.

(5) Notwithstanding the provisions of paragraph (3), if a Failed Financial Institution and Assuming Financial Institution or the Specified Failed Financial Institution, etc. and Specified Assuming Financial Institution, etc. give public notice under that paragraph by means of a public notice as prescribed in the articles of incorporation (in the case of a foreign company, Foreign Bank Branch, or Foreign Insurance Company, etc., the method of public notice under Article 939, paragraph (2) or (4) of the Companies Act, Article 49-2, paragraph (1) of the Banking Act, or Article 217, paragraph (1) or (4) of the Insurance Business Act; the same applies hereinafter), beyond the Official Gazette, the Failed Financial Institution and Assuming Financial Institution or the Specified Failed Financial Institution, etc. and Specified Assuming Financial Institution, etc. will not be required to give separate notices under the provisions of paragraph (3).

(6) In the event that the Transferred Creditors, etc. state objections within the period under paragraph (3), the Assumption of Obligations, etc. pertaining to the relevant Transferred Creditors, etc. will lose its effect retroactively as of the time of the relevant Assumption of Obligations, etc.; provided, however, that this does not prejudice the rights of a third party.

(7) In the event that creditors of a Failed Financial Institution (limited to creditors pertaining to the obligations of the Failed Financial Institution other than those assumed by the Assuming Financial Institution through the Business Transfer, etc. set forth in Article 59, paragraph (2), item (iii) or the Transfer of Insured Deposits prescribed in paragraph (1)) or creditors of a Specified Failed Financial Institution, etc. (limited to creditors pertaining to the obligations of a Specified Failed Financial Institution, etc. other than those assumed by the Specified Assuming Financial Institution, etc. through the Business Transfer, etc. set forth in Article 126-28, paragraph (2), item (iii) or the Specified Assumption of Obligations prescribed in paragraph (1)) state objections within the period under paragraph (3), when any amount is owed to creditors of the Failed Financial Institution or creditors of the Specified Failed Financial Institution, etc. with respect to their claims that can no longer be satisfied due to the Specified Business Transfer, etc. prescribed in paragraph (1), the creditors of the Failed Financial Institution or creditors of the Specified Failed Financial Institution, etc. may claim the payment of the relevant amount from the Assuming Financial Institution or the Specified Assuming Financial Institution, etc.

(8) In the event that creditors of an Assuming Financial Institution (limited to creditors pertaining to the obligations of the Assuming Financial Institution other than those assumed by the Assuming Financial Institution through the Business Transfer, etc. set forth in Article 59, paragraph (2), item (iii) or the Transfer of Insured Deposits prescribed in paragraph (1)) or creditors of a Specified Assuming Financial Institution, etc. (limited to creditors pertaining to the obligations of Specified Assuming Financial Institution, etc. other than those assumed by the Specified Assuming Financial Institution, etc. through the Business Transfer, etc. set forth in Article 126-28, paragraph (2), item (iii) or the Specified Assumption of Obligations prescribed in paragraph (1)) state objections within the period under paragraph (3), the Assuming Financial Institution or Specified Assuming Financial Institution, etc. must make payment or provide equivalent security to the creditors or entrust equivalent assets to a trust company or Financial Institutions that conducts trust business for the purpose of ensuring that the creditors receive the payment; provided, however, that this does not apply when the Specified Business Transfer, etc. is unlikely to be detrimental to the creditors of the Assuming Financial Institution or creditors of the Specified Assuming Financial Institution, etc.

(Special Provisions for Procedures for Changing Trustees in the Succession of Trust Business)

Article 132 (1) Notwithstanding the provisions of Article 56, paragraph (1) and Article 57, paragraph (1) and paragraph (2) of the Trust Act (Act No. 108 of 2006) and Article 7 of the Act on Charitable Trusts (Act No. 62 of 1922), when there is a decision to provide Financial Assistance under Article 64, paragraph (1) to support the transfer of business of a Failed Financial Institution or Specified Failed Financial Institution, etc. that conducts trust business under Article 1, paragraph (1) of the Act on Provision, etc. of Trust Business by Financial Institutions to a Financial Institution that conducts trust business under Article 1, paragraph (1) of the same Act or there is a decision to provide Specified Financial Assistance under Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31, the relevant Failed Financial Institution or Specified Failed Financial Institution, etc. may, under a contract for the transfer of business with an Assuming Financial Institution pertaining to the Financial Assistance or a Specified Assuming Financial Institution, etc. pertaining to the relevant Specified Financial Assistance (hereinafter referred to as "New Trustee" in this Article and the following Article), effect a change of trustees for trusts that have been assumed.

(2) When a change of trustee is effected under the preceding paragraph, the New Trustee (excluding the New Trustee of the special purpose trust (meaning those prescribed in Article 2, paragraph (13) of the Act on Securitization of Assets (Act No. 105 of 1998); the same applies in the following Article); hereinafter the same applies in this Article) must immediately give public notice to the effect that any settlors of a trust subject to the change (hereinafter referred to as "Transferred Settlors" in this Article) or beneficiaries (hereinafter referred to as "Transferred Beneficiaries" in this Article) who have any objection thereto should state the objection within a specified period of time, and must also give notice of the same to all known Transferred Settlors individually and Transferred Beneficiaries other than those pertaining to loan trusts and other trusts specified by Cabinet Order as trust pertaining to standard trust contracts (referred to as "Standard Trusts" in paragraph (5)).

(3) The period under the preceding paragraph cannot be less than one month.

(4) Notwithstanding the provisions of paragraph (2), if the New Trustee gives public notice under that paragraph by means of public notice as prescribed in the articles of incorporation, beyond the Official Gazette, the New Trustee is not required to give separate notices under the provisions of that paragraph.

(5) The Transfer Beneficiaries of loan trusts, etc. (meaning the Standard Trusts specified by Cabinet Order as those to which settlors are entitled to all profits derived therefrom) who have raised objections within the period under paragraph (2) may demand that the New Trustee purchase the beneficiary rights of the relevant Transfer Beneficiaries at a fair price to which they would have been entitled if the change prescribed in paragraph (1) had not occurred.

(6) If a demand is made under the preceding paragraph, the New Trustee must purchase beneficiary rights subject to the relevant demand with the New Trustee's own assets. In this case, Article 11 of the Loan Trust Act (Act No. 195 of 1952) does not apply.

(7) The provisions of Article 75, paragraph (1), Article 76 and Article 77 of the Trust Act applies mutatis mutandis to cases where the change prescribed in paragraph (1) is made, and the provisions of Article 103, paragraph (6) and (7), Article 104, paragraphs (1) through (10), Article 262, paragraph (1) and (2), Article 263, and Article 264 of the same Act applies mutatis mutandis to the purchase demand of own beneficiary rights under paragraph (5). In this case, any necessary technical replacement of terms will be specified by Cabinet Order.

Article 132-2 (1) In the event that a change is made under paragraph (1) of the preceding Article with respect to a Failed Financial Institution or Specified Failed Financial Institution, etc. that is a trustee of a special purpose trust, the New Trustee must convene a meeting of rightholders (meaning the meeting of rightholders prescribed in Subsection 1 of Section 3 of Chapter III of Part III of the Act on Securitization of Assets; the same applies in the following paragraph) without delay and seek approval for the relevant change. In this case, the provisions of Article 244, paragraph (3) of the same Act do not apply.

(2) When a meeting of rightholders rejects a proposal for the approval prescribed in the preceding paragraph, the duties of the New Trustee pertaining to the relevant special purpose trust will end.

(3) The provisions of the main clause of Article 59, paragraph (4) of the Trust Act applies mutatis mutandis to the New Trustee whose duties have ended pursuant to the preceding paragraph.

(4) The provisions of Article 75, paragraph (1), Article 76 and Article 77 of the Trust Act applies mutatis mutandis to cases where a change is made under paragraph (1) of the preceding Article with respect to a Failed Financial Institution or Specified Failed Financial Institution, etc. that is a trustee of a special purpose trust.

(Special Provisions on Procedures for the Transfer of Status as the Settlor)

Article 132-3 (1) Notwithstanding the provisions of Article 146, paragraph (1) of the Trust Act, when there is a decision to provide Specified Financial Assistance under Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 to support the transfer of business conducted by a Specified Failed Financial Institution, etc. that is the settlor of a trust, the relevant Specified Failed Financial Institution, etc. may transfer the status as the settlor of the trust agreement pertaining to the relevant trust (limited to a trust pertaining to a trust agreement concluded based on the provisions of Article 43-2, paragraph (2) of the Financial Instruments and Exchange Act or any other trust specified by Cabinet Order as being equivalent thereto) based on the contract pertaining to the business transfer concluded with the Specified Assuming Financial Institution, etc. pertaining to the relevant Specified Financial Assistance (hereinafter referred to as the "New Settlor" in this Article) to the relevant New Settlor.

(2) When the status as the settlor of a trust agreement has been transferred under the preceding paragraph, the New Settlor must immediately give public notice to the effect that any trustee of a trust subject to the relevant transfer (hereinafter referred to as "Transferred Trustees" in this paragraph and paragraph (5)) or beneficiaries (hereinafter referred to as "Transferred Beneficiaries" in paragraph (5)) who have any objection thereto should state the objection within a specified period of time, and must also give notice of the same to each individual Transferred Trustee.

(3) The period under the preceding paragraph cannot be less than one month.

(4) Notwithstanding the provisions of paragraph (2), if the New Settlor gives public notice under that paragraph by the means of public notice prescribed in the articles of incorporation, beyond the Official Gazette, the New Settlor is not required to give separate notice under the provisions of that paragraph.

(5) In the event that the Transferred Trustees or Transferred Beneficiaries state objections within the period under paragraph (2), the transfer of the status of the settlor of the trust agreement pertaining to the relevant Transferred Trustees or Transferred Beneficiaries loses its effect retroactively as of the time of the relevant transfer; provided, however, that this does not prejudice the rights of a third party.

(Special Provisions on Book-entry Procedures)

Article 132-4 (1) When there is a decision to provide Specified Financial Assistance under Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 to support the transfer of business conducted by a Specified Failed Financial Institution, etc. that is an Account Management Institution (meaning the account management institution prescribed in Article 2, paragraph (4) of the Act on Book-Entry of Company Bonds, Shares, etc. (Act No. 75 of 2001); hereinafter the same applies in this Article), and a contract pertaining to the business transfer is concluded between the Specified Failed Financial Institution, etc. pertaining to the relevant Specified Financial Assistance and a Specified Assuming Financial Institution, etc., the accounts (limited to those on which the Specified Assuming Financial Institution, etc. will make book-entries as a result of the relevant business transfer) of Participants (meaning the participants prescribed in Article 2, paragraph (3) of the same Act; hereinafter the same applies in this Article) opened by the Specified Failed Financial Institution, etc. will be deemed to be accounts of Participants opened by the relevant Specified Assuming Financial Institution, etc.

(2) When there is a decision to provide Specified Financial Assistance under Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 126-31 to support the transfer of business conducted by a Specified Failed Financial Institution, etc. that is an Account Management Institution, and a contract pertaining to the business transfer is concluded between the Specified Failed Financial Institution, etc. pertaining to the relevant Specified Financial Assistance and a Specified Assuming Financial Institution, etc., the accounts (limited to those to describe or record book-entry company bonds for which the Specified Assuming Financial Institution, etc. or a Participant of the Specified Assuming Financial Institution, etc. or of its Lower-Positioned Institution (meaning the lower-positioned institution prescribed in Article 2, paragraph (9) of the Act on Book-Entry of Company Bonds, Shares, etc.) has rights; hereinafter the same applies in this paragraph) which the Specified Failed Financial Institution, etc. had the book-entry institution prescribed in Article 2, paragraph (2) of the same Act (including the Bank of Japan which is deemed to be a book-entry institution pursuant to Article 48 of the same Act) or another Account Management Institution open will be deemed to be accounts which the relevant Specified Assuming Financial Institution, etc. has the institution open.

(Special Provisions for the Assignment of Revolving Mortgages)

Article 133 (1) When a Financial Institution under Management intends to assign a revolving mortgage together with all of the claims it should secure before the principal is established, through the transfer of business to a Bridge Bank or another Financial Institution (hereinafter referred to as the "Bridge Financial Institution" in this Article), the relevant Financial Institution under Management and the Bridge Financial Institution may give public notice to the effect that any revolving mortgagors who have any objection to the following matters should state the objection to the relevant Financial Institution under Management within a specified period of time, or may give individual notice of the same:

(i) the fact that the relevant revolving mortgage is to be assigned by the relevant Financial Institution under Management to the relevant Bridge Financial Institution and the date thereof; or

(ii) the fact that the relevant claims are to continue to be secured by the relevant revolving mortgage even after it is assigned.

(2) The period under the preceding paragraph cannot be less than two weeks.

(3) Notwithstanding the provisions of paragraph (1), if a Financial Institution under Management and the Bridge Financial Institution give public notice under that paragraph by the means of public notice prescribed in the articles of incorporation, beyond the Official Gazette, the relevant Financial Institution under Management and Bridge Financial Institution are not required to give separate notices under the provisions of that paragraph.

(4) When a revolving mortgagor pertaining to the public notice or notice under paragraph (1) does not raise any objections with respect to the matters prescribed in each item of that paragraph within the period under that paragraph, it will be deemed that the revolving mortgagor has consented to the matters specified in paragraph (1), item (i) and that there has been an agreement on the matters specified in paragraph (1), item (ii) between the revolving mortgagors and the Bridge Financial Institution pertaining to the public notice or notice prescribed in paragraph (1).

(5) When the revolving mortgagor has stated its objection to part of the matters specified in each item of paragraph (1), it will be deemed that it has stated objections to all of the matters specified in the same item.

(6) The provisions of all preceding paragraphs applies mutatis mutandis to cases where a Bridge Bank or Bank Under Special Crisis Management seeks to assign the revolving mortgage together with all of the claims to be secured thereby, before the principal is established through the transfer of business to another Financial Institution.

Article 133-2 (1) Notwithstanding the provisions of Article 398-12, paragraph (1) of the Civil Code, a Specified Failed Financial Institution, etc., without obtaining the approval of the revolving mortgagor pertaining to a revolving mortgage for securing claims transferred through a business transfer (the mortgage is hereinafter referred to as a "Transferred Revolving Mortgage" in this Article and paragraphs (2) and (3) of the following Article, and the revolving mortgagor is hereinafter referred to as "Transferred Revolving Mortgagor" in this Article), may assign the Transferred Revolving Mortgage along with all of the claims to be secured thereby (hereinafter referred to as "Transferred Claims" in this Article) before the principal is fixed, through a business transfer to a Specified Bridge Financial Institution, etc. (meaning the Specified Bridge Financial Institution, etc. prescribed in Article 126-34, paragraph (3), item (v); the same applies in paragraph (7)) or any other Financial Institution, etc. (hereinafter referred to as "Bridge Financial Institution, etc." in this Article). In this case, notwithstanding the provisions of Article 398-4, paragraph (1) of the same Code, it will be deemed that an agreement has been reached between the Transferred Revolving Mortgagor and the Bridge Financial Institution, etc. that the Transferred Revolving Mortgage is to secure the Transferred Claims even after the assignment of the Transferred Revolving Mortgage.

(2) When a Transferred Revolving Mortgage is assigned along with all of the Transferred Claims before the principal is fixed pursuant to the preceding paragraph, and the Transferred Revolving Mortgage is to secure the Transferred Claims even after the assignment of the Transferred Revolving Mortgage, the Specified Failed Financial Institution, etc. and the Bridge Financial Institution, etc. must, within two weeks of the day of the relevant assignment, give public notice of the following matters and to the effect that any Transferred Revolving Mortgagor who has any objection thereto should demand that the principal secured be fixed within a specified period of time, and must also give notice of the same to each individual Transferred Revolving Mortgagor:

(i) the fact that a Transferred Revolving Mortgage was assigned by the Specified Failed Financial Institution, etc. to the Bridge Financial Institution, etc.; and

(ii) the fact that the Transferred Revolving Mortgage is to secure Transferred Claims even after the assignment of the Transferred Revolving Mortgage.

(3) The period under the preceding paragraph cannot be less than one month.

(4) Notwithstanding the provisions of paragraph (2), if the Specified Failed Financial Institution, etc. and the Bridge Financial Institution, etc. give public notice under that paragraph by the means of public notice prescribed in the articles of incorporation, beyond the Official Gazette, the Specified Failed Financial Institution, etc. and the Bridge Financial Institution, etc. are not required to give a separate notice under the provisions of that paragraph.

(5) When a Transferred Revolving Mortgage is assigned along with all of the Transferred Claims before the principal is fixed pursuant to paragraph (1), and the Transferred Revolving Mortgage is to secure the Transferred Claims even after the assignment of the Transferred Revolving Mortgage, the Transferred Revolving Mortgagor may demand that the principal secured be fixed; provided, however, that this does not apply when the period prescribed in paragraph (2) has passed.

(6) When a demand is made under the preceding paragraph, the principal secured will be deemed to have been fixed at the time of the business transfer pertaining to the Transferred Revolving Mortgage under paragraph (1) concerning the Transferred Revolving Mortgagor.

(7) The provisions of the preceding paragraphs applies mutatis mutandis to cases where a Specified Bridge Financial Institution, etc. intends to assign a revolving mortgage along with all of the claims to be secured thereby before the principal is fixed, through a business transfer to another Financial Institution, etc. In this case, necessary technical replacement of terms will be specified by Cabinet Order.

(Special Provisions for Application Procedures for the Registration of Revolving Mortgage Transfers)

Article 134 (1) An application for registration of a transfer of a revolving mortgage in the cases prescribed in Article 133, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 133, paragraph (6)) will be accompanied by information proving that public notice or individual notice was given and that the revolving mortgagors did not raise any objection within the period under paragraph (1) of the preceding Article (including cases where it is applied mutatis mutandis pursuant to Article 133, paragraph (6)).

(2) An application for the registration of a transfer of a Transferred Revolving Mortgage in the cases prescribed in paragraph (1) of the preceding Article (including the cases where it is applied mutatis mutandis pursuant to paragraph (7) of the same Article) must be accompanied by information proving that the Specified Failed Financial Institution, etc. has carried out a business transfer under paragraph (1) of the same Article.

(3) An application for the registration of alteration of a revolving mortgage or Transferred Revolving Mortgage to the effect of adding claims pertaining to transfer to the scope of claims to be secured by the revolving mortgage or Transfer Revolving Mortgage in the cases prescribed in Article 133, paragraph (4) of the preceding Article (including the cases where it is applied mutatis mutandis pursuant to Article 133, paragraph (6)) or paragraph (1) of the preceding Article (including the cases where it is applied mutatis mutandis pursuant to paragraph (7) of the same Article) may be made by the revolving mortgagee alone when the application is accompanied by the information prescribed in the preceding two paragraphs.

(Special Provisions for Taxation)

Article 135 (1) The registration under Article 79 (including the cases where it is applied mutatis mutandis pursuant to Article 126-9) is not subject to the registration and license tax.

(2) In the event that a Bridge Bank has acquired any right relating to real assets through the Assumption of Business, etc. of a Financial Institution under Management based on a decision specified in Article 91, paragraph (1), item (ii) under Article 91, paragraph (1) or (2) (referred to as "Assumption of Business, etc. Based on Decision" in the following paragraph) (limited to those that have been confirmed as appropriate assets to be held by the relevant Bridge Bank under Article 93, paragraph (2)), the registration of the relevant right relating to real assets transfer is not subject to the registration and license tax, as long as the registration is made within one year from the relevant acquisition as pursuant to the provisions of Order of the Ministry of Finance.

(3) For the purpose of applying to a Bridge Bank, the provisions of Article 62-3, Article 63, Article 68-68, and Article 68-69 of the Act on Special Measures Concerning Taxation, the transfer of land or any right on land acquired through the Assumption of Business, etc. Based on Decision (limited to those that have been confirmed as appropriate assets to be held by the relevant Bridge Bank under Article 93, paragraph (2)) (meaning the transfer prescribed in Article 62-3, paragraph (2), item (i), (a) of that Act) is not to constitute the transfer of land, etc. under Article 62-3, paragraph (2), item (i) of the same Act.

(Submission of Reports or Materials)

Article 136 (1) The Prime Minister (in the case of a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry; the same applies in the following paragraph and the following Article) may, when they find it necessary to ensure the smooth implementation of this Act, require a Financial Institution, etc. (including a Financial Institution Agent, etc. (meaning a Financial Institution Agent, Life Insurance Agent, Non-Life Insurance Agent, and Financial Instruments Intermediary Service Provider; the same applies in the same paragraph, paragraph (1) of the same Article, and Article 149, paragraph (1), item (ii), (a))) or Specified Holding Company, etc. to submit reports or materials with regard to the status of its business and assets.

(2) The Prime Minister may, when and to the extent that they find it particularly necessary to ensure the smooth implementation of this Act, require a Subsidiary, etc. of a Financial Institution, etc. or Subsidiary Company (meaning the subsidiary company prescribed in Article 2, item (iii) of the Companies Act; the same applies in the following paragraph, the following Article, and Article 139, paragraph (2), item (ii)) of the Financial Institution, etc. or Specified Holding Company, etc. or a person to whom business has been entrusted by the Financial Institution, etc. or Specified Holding Company, etc. (excluding a Financial Institution Agent, etc.; the same applies in the following paragraph and paragraphs (2) and (5) of the following Article) to submit reports or materials with regard to the status of business and assets of the relevant Financial Institution, etc. or Specified Holding Company, etc.

(3) A Subsidiary, etc. of a Financial Institution, etc. or Subsidiary Company of the Financial Institution, etc. or Specified Holding Company, etc., or a person to whom business has been entrusted by the Financial Institution, etc. or Specified Holding Company, etc. may, if there are justifiable grounds, refuse to submit reports or materials under the preceding paragraph.

(On-Site Inspections)

Article 137 (1) The Prime Minister may, when they find it necessary to ensure the smooth implementation of this Act, authorize their officials to enter a business office (in the case of a Shinkin Bank, etc. or Mutual Company, an office, and in the case of a Foreign Insurance Company, etc., the branch office, etc. prescribed in Article 185, paragraph (1) of the Insurance Business Act) or any other facilities of a Financial Institution, etc. (including a Financial Institution Agent, etc.) or Specified Holding Company, etc. and ask questions on the status of its business and assets or inspect books, documents, and other items.

(2) The Prime Minister may, when and to the extent that they find it to be particularly necessary in authorizing the entry, questioning, or inspection under the preceding paragraph, authorize the relevant officials to enter the facilities of a Subsidiary, etc. of a Financial Institution, etc. or Subsidiary Company of the Financial Institution, etc. or Specified Holding Company, etc. or the person to whom business has been entrusted by the Financial Institution, etc. or Specified Holding Company, etc. and ask necessary questions concerning the questioning or inspection of the relevant Financial Institution, etc. or Specified Holding Company, etc. or inspect books, documents, and other items.

(3) In the case referred to in the preceding two paragraphs, the officials must carry a certificate of identification and produce it if requested by those concerned.

(4) The authority to conduct on-site inspections prescribed in paragraphs (1) and (2) may not be construed as given for any criminal investigation.

(5) The provisions of paragraph (3) of the preceding Article applies mutatis mutandis to the questioning and inspection under paragraph (2) of a Subsidiary, etc. of a Financial Institution, etc. or Subsidiary Company of the Financial Institution, etc. or Specified Holding Company, etc., or a person to whom business has been entrusted by the Financial Institution, etc. or Specified Holding Company, etc.

(6) The Prime Minister may, when they find it necessary, authorize the DICJ to conduct the entry, questioning, or inspection (limited to those conducted to investigate the following matters) under paragraph (1) or (2); in this case, the DICJ is to authorize its officials to conduct the relevant entry, questioning, or inspection:

(i) that the payment of insurance premiums under Article 50, paragraph (1) has been made appropriately;

(ii) that measures prescribed in Article 55-2, paragraph (4) and Article 58-3, paragraph (1) have been taken;

(iii) the expected amount of payment to be received for deposits and other claims prescribed in Article 71, paragraph (2); or

(iv) the status of execution of business and management and disposition of assets by the Financial Institution, etc. necessary for ensuring the smooth implementation of Special Monitoring under the preceding Chapter and other operations under the same Chapter, and operations incidental to the relevant operations.

(7) The provisions of paragraphs (3) through (5) apply mutatis mutandis to the entry, questioning, or inspection under the preceding paragraph.

(Notice of the Commencement of Bankruptcy Proceedings of a Financial Institution)

Article 137-2 (1) When a ruling for the commencement of bankruptcy proceedings is made with respect to a Financial Institution, the court clerk must notify the Prime Minister (in the case of a labor bank or Rokinren banks, the Prime Minister and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) to that effect.

(2) In bankruptcy proceedings of a Financial Institution, when notice is given under Article 197, paragraph (1) of the Bankruptcy Act (including the cases where it is applied mutatis mutandis pursuant to Article 209, paragraph (3) of the same Act) or Article 204, paragraph (2) of the Bankruptcy Act, or permission is granted under Article 208, paragraph (1) of the same Act, a bankruptcy trustee must notify the DICJ to that effect.

(Effect of Cancellation of a Contract)

Article 137-3 (1) When giving the Confirmation prescribed in Article 102, paragraph (1) or Specified Confirmation, the Prime Minister may, following deliberation by the Council, make a decision to the effect that a clause providing for Specified Cancellation, etc. of a contract (limited to a contract which agrees that Specified Cancellation, etc. will become effective based on the reason that a Related Measure, etc. (meaning the relevant Confirmation or Specified Confirmation, Injunction Ordering Management, Designation of Special Monitoring, or Injunction Ordering Specified Management, or any other measure related to the relevant Confirmation or Specified Confirmation; hereinafter the same applies in this paragraph and paragraph (4)) has been taken with regard to the Financial Institution or Financial Institution, etc. which is a party to the contract or a person specified in the contract, and which pertains to transactions specified by Cabinet Office Order and Order of the Ministry of Finance as those associated with financial market or any other financial system in Japan) based on the reason that a Related Measure, etc. has been taken with regard to the Financial Institution or Financial Institution, etc. pertaining to the relevant Confirmation or Specified Confirmation does not become effective during the period specified by the Prime Minister as a period necessary for implementing a business transfer or any other necessary measure for avoiding the risk of severe disruption being caused to the financial system in Japan, to the extent necessary for avoiding the risk of severe disruption being caused to the financial system in Japan (hereinafter referred to as the "Period for Implementing a Measure" in this Article).

(2) The "Specified Cancellation, etc." set forth in the preceding paragraph means termination or cancellation of a contract, arising of a right to cancel a contract, forfeiture of the benefit of time with regard to claims pertaining to a contract, the collective clearing prescribed in Article 2, paragraph (6) of the Act on Collective Clearing of Specified Financial Transaction Conducted by Financial Institutions, etc. (Act No. 108 of 1998) with regard to transactions pertaining to a contract, and other effects specified by Cabinet Office Order and Order of the Ministry of Finance as being equivalent thereto.

(3) A decision under paragraph (1) takes effect as of the time of the relevant decision.

(4) Upon making a decision under paragraph (1), the Prime Minister must immediately give public notice of the fact and the Period for Implementing a Measure in the Official Gazette, and notify the DICJ and the Financial Institution or Financial Institution, etc. pertaining to the Related Measure, etc. subject to the relevant decision.

(5) During the Period for Implementing a Measure, the provisions of Article 58 of the Bankruptcy Act (including cases where it is applied mutatis mutandis pursuant to Article 51 of the Civil Rehabilitation Act, Article 63 of the Corporate Reorganization Act, and Article 41, paragraph (3) and Article 206, paragraph (3) of the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions) do not apply to the contract for which a decision under paragraph (1) has been made.

(6) With regard to application of the provisions of Article 3 of the Act on Collective Clearing of Specified Financial Transaction Conducted by Financial Institutions, etc., to a contract for which a decision under paragraph (1) has been made, during the Period for Implementing a Measure, the grounds for collective clearing prescribed in Article 2, paragraph (4) of the same Act will be deemed to have not arisen.

(Order for Smoothly Implementing the Orderly Resolution of Assets and Liabilities of Financial Institutions)

Article 137-4 The Prime Minister (in the event that the Financial Institution, etc. pertaining to the order prescribed in this Article is a labor bank, Rokinren banks, or a Subsidiary, etc. of a Labor Bank, etc., the Prime Minister and the Minister of Health, Labour and Welfare, and in the case where it is The Shoko Chukin Bank, Ltd. or a Subsidiary, etc. of The Shoko Chukin Bank, the Prime Minister, the Minister of Finance, and the Minister of Economy, Trade and Industry) may, when a need for orderly resolution of assets and liabilities of the Financial Institution, etc. arises and they find that measures necessary for the smooth implementation thereof have not been taken, order the Financial Institution, etc. to take the relevant measures to the extent necessary by a specified time.

(International Cooperation)

Article 137-5 The DICJ must, when there is a need to carry out its operations in international cooperation, carry out the exchange of information with foreign governments, foreign local public entities, foreign central banks, international organizations, and other bodies equivalent thereto, along with other necessary operations.

(Delegation to Cabinet Order)

Article 138 Beyond what is provided for in this Act, necessary matters for the implementation of this Act will be specified by Cabinet Order.

(Delegation of Authority)

Article 139 (1) The Prime Minister delegates the authority under this Act to the Commissioner of the Financial Services Agency, except those specified below:

(i) appointment under Article 26, paragraph (1) or (2);

(ii) dismissal under Article 26, paragraph (3) or Article 29;

(iii) approval under Article 30; and

(iv) any other matter specified by Cabinet Order.

(2) The Commissioner of the Financial Services Agency may delegate the following authority that has been delegated under the preceding paragraph to the Securities and Exchange Surveillance Commission:

(i) the authority prescribed in Article 136, paragraph (1) and Article 137, paragraph (1) (limited to that concerning the financial instruments Business prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act, Designated Parent Company, Subsidiary Specified Juridical Person of Financial Instruments Business, Subsidiary Company, etc. of a Designated Parent Company, and Securities Finance Company (referred to as a "Financial Instruments Business, etc." in the following item) and those concerning a Financial Instruments Intermediary Service Provider and the registered financial institution prescribed in Article 2, paragraph (11) of the same Act (limited to that pertaining to the acts specified in the items of the same paragraph conducted on behalf of the Financial Instruments Business prescribed in the same paragraph under the entrustment from the relevant Financial Instruments Business));

(ii) the authority prescribed in Article 136, paragraph (2) and Article 137, paragraph (2) (limited to that concerning a Subsidiary Specified Juridical Person of Financial Instruments Business, Subsidiary Company, etc. of a Designated Parent Company, Subsidiary Company of a Financial Instruments Business, etc., or a person to whom business has been entrusted by a Financial Instruments Business, etc.); and

(iii) any other authority specified by Cabinet Order.

(3) When the Securities and Exchange Surveillance Commission exercises the authority that has been delegated under the preceding paragraph, it is to promptly report the results thereof to the Commissioner of the Financial Services Agency.

(4) The Commissioner of the Financial Services Agency may, pursuant to Cabinet Order provisions, delegate part of the authority that has been delegated under paragraph (1) (excluding the authority that has been delegated to the Securities and Exchange Surveillance Commission under paragraph (2)) to the Director-Generals of Local Finance Bureaus or Director-Generals of Local Finance Branch Bureaus.

(5) The Securities and Exchange Surveillance Commission may, pursuant to Cabinet Order provisions, delegate part of the authority that has been delegated under paragraph (2) to the Director-Generals of Local Finance Bureaus or Director-Generals of Local Finance Branch Bureaus.

(6) With regard to affairs pertaining to the authority delegated to the Director-Generals of Local Finance Bureaus or Director-Generals of Local Finance Branch Bureaus under the preceding paragraph, the Securities and Exchange Surveillance Commission directs and supervises the Director-Generals of Local Finance Bureaus or Director-Generals of Local Finance Branch Bureaus.

(Appeals to the Securities and Exchange Surveillance Commission)

Article 139-2 An appeal under the Administrative Appeal Act (Act No. 160 of 1962) with regard to an order to submit reports or materials given by the Securities and Exchange Surveillance Commission pursuant to paragraph (2) of the preceding Article (including the cases where the order is given by the Director-Generals of Local Finance Bureaus or Director-Generals of Local Finance Branch Bureaus pursuant to paragraph (5) of that Article) may be filed with the Securities and Exchange Surveillance Commission alone.

(Transitional Measures)

Article 140 When enacting, revising or abolishing an order pursuant to this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order, to the extent considered reasonably necessary for its enactment, revision or discontinuation.

Chapter IX Penal Provisions

Article 141 (1) Any financial administrator or financial administrator representative who has accepted, solicited, or promised to accept a bribe in connection with their duties will be punished by imprisonment with required labor for not more than three years or a fine of up to one million yen.

(2) When a financial administrator or financial administrator representative has juridical personality, any officer or staff member of the financial administrator or financial administrator representative who has accepted, solicited, or promised to accept a bribe in connection with their duties will be punished by imprisonment with required labor for not more than three years or a fine of up to one million yen. The same applies when, in the event that a financial administrator or financial administrator representative has juridical personality, any officer or staff thereof has caused the financial administrator or financial administrator representative to accept, solicit an offer of or promise of a bribe in connection with the duties of a financial administrator or financial administrator representative.

(3) Any bribe accepted by an offender or financial administrator or financial administrator representative who has juridical personality will be confiscated. If it is not possible to confiscate the whole or part of the bribe, an equivalent value thereof will be collected.

Article 141-2 (1) Any Special Surveillance Agent or DICJ Representative who has accepted, solicited, or promised to accept a bribe in connection with their duties will be punished by imprisonment with required labor for not more than three years or a fine of up to one million yen.

(2) When a Special Surveillance Agent or DICJ Representative has juridical personality, any officer or staff member of the Special Surveillance Agent or DICJ Representative who has accepted, solicited, or promised to accept a bribe in connection with their duties will be punished by imprisonment with required labor for not more than three years or a fine of up to one million yen. The same applies when, in the event that a Special Surveillance Agent or DICJ Representative has juridical personality, any officer or staff thereof has caused the Special Surveillance Agent or DICJ Representative to accept or solicit an offer of or promise of a bribe in connection with the duties of the Special Surveillance Agent or DICJ Representative.

(3) Any bribe accepted by an offender or Special Surveillance Agent or DICJ Representative who has juridical personality will be confiscated. If it is not possible to confiscate the whole or part of the bribe, an equivalent value thereof will be collected.

Article 142 Any person who has given, or offered or promised to give the bribe prescribed in Article 141, paragraph (1) or (2) or paragraph (1) of the preceding Article will be punished by imprisonment with required labor for not more than three years or a fine of up to one million yen.

Article 142-2 In the event that any of the following violations has been committed, the person who has committed the relevant violation will be punished by imprisonment with required labor for not more than one year or a fine of up to three million yen, or both:

(i) violation of an order under Article 126-3, paragraph (3); or

(ii) violation of an order under Article 126-17.

Article 143 (1) Any person who has failed to submit reports or materials under Article 136, paragraph (1) or (2) or submitted false reports or materials will be punished by an imprisonment with required labor for not more than one year or a fine of up to three million yen.

(2) The provisions of the preceding paragraph applies to any person who has refused to answer questions or given false answers to the officials or staff of the DICJ under Article 137, paragraph (1), (2) or (6) or has refused, obstructed, or avoided any inspection under these provisions.

Article 144 Any person who has divulged any secret which may have come to their knowledge in the course of their duties in violation of the provisions of Article 22 (including the cases where it is applied mutatis mutandis pursuant to Article 33) or Article 82 (including the cases where it is applied mutatis mutandis pursuant to Articles 126-9 and 126-18) will be punished by imprisonment with required labor for not more than one year or a fine of not more than five hundred thousand yen.

Article 145 (1) Any director, executive officer, member who executes business (in the event that the member who executes business has juridical personality, a member who is to perform the duties of the member who executes business), representative in Japan, accounting advisor (in the event that the accounting advisor has juridical personality, a member who is to perform the duties of the accounting advisor), inspector, corporate auditor, or a person equivalent to any of these, accounting auditor (in the event that the accounting auditor has juridical personality, a member who is to perform the duties of the corporate auditor), any manager, counselor, or any other employee of a Failed Financial Institution or Financial Institution, etc. under Special Surveillance, a Financial Institution Agent having the relevant Failed Financial Institution as its Principal Financial Institution or the other party to contracts pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of The Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd (limited to the case where it is the Failed Financial Institution) or a Financial Institution Agent having a Financial Institution, etc. under Special Surveillance as its Principal Financial Institution, the other party to contracts pertaining to the agency or intermediary prescribed in the same paragraph of The Shoko Chukin Bank, Ltd (limited to the case where it is the Financial Institution, etc. under Special Surveillance), a Life Insurance Agent or Non-Life Insurance Agent having a Financial Institution, etc. under Special Surveillance as its Affiliated Insurance Company, etc., or a Financial Instruments Intermediary Service Provider having a Financial Institution, etc. under Special Surveillance as its Entrusting Financial Instruments Business, etc. (in the event that these persons are corporations, any of their officers and employees), or a person who previously held any of these positions has failed to submit reports or submitted false reports under Article 37, paragraph (3) or refused, obstructed, or avoided any inspection under Article 37, paragraph (3) will be punished by imprisonment with required labor for not more than one year or a fine of not more than five hundred thousand yen.

(2) The provisions of the preceding paragraph applies to any director, executive officer, accounting advisor (in the event that the accounting advisor has juridical personality, a member who is to perform the duties of the accounting advisor), corporate auditor, accounting auditor (in the event that the accounting auditor has juridical personality, a member who is to perform the duties of the corporate auditor), inspector, manager, counselor, or any other employee of a Financial Institution under Management, a Financial Institution Agent having the Financial Institution under Management as its Principal Financial Institution or the other party to contracts pertaining to the agency or intermediary prescribed in Article 2, paragraph (4) of The Shoko Chukin Bank Limited Act of The Shoko Chukin Bank, Ltd (limited to the case where it is the Financial Institution under Management) (in the event that these persons are corporations, any of their officers and employees), or a person who previously held any of these positions who has failed to submit reports or submitted false reports under Article 81, paragraph (1) or refused, obstructed, or avoided any inspection under the same paragraph.

Article 146 Any person who falls under any of the following items will be punished by a fine of not more than five hundred thousand yen:

(i) any person who has failed to submit reports or submitted false reports under Article 64-2, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 68-2, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4), Article 101, paragraph (7), Article 126-31, Article 126-32, paragraph (4), and Article 126-38, paragraph (7)), Article 68-3, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4), Article 101, paragraph (7), Article 126-31, Article 126-32, paragraph (4), and Article 126-38, paragraph (7)), Article 69, paragraph (4), Article 101, paragraph (7), Article 126-31, Article 126-32, paragraph (4), and Article 126-38, paragraph (7)), Article 100 (including the cases where it is applied mutatis mutandis pursuant to Article 126-37), Article 108, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 108-2, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8)) and Article 108-3, paragraph (8)), or Article 126-24, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 126-25, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (8)) and Article 126-26, paragraph (8)); or

(ii) any person who has failed to submit reports or materials under Article 80, Article 115, Article 126-3, paragraph (5), or Article 126-8 or has submitted false reports or materials.

Article 147 Any officer or employee of the DICJ who has committed any of the following violations will be punished by a fine of not more than five hundred thousand yen:

(i) when they have failed to submit reports or submitted false reports under Article 46, paragraph (1) or has refused, obstructed or avoided any inspection under Article 46, paragraph (1); or

(ii) when they have failed to submit reports or submitted false reports under Article 56, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 57, paragraph (5) and Article 72, paragraph (5)), Article 64, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4), Article 69-3, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 127 and Article 128), Article 101, paragraph (7), Article 118, paragraph (4), Article 126-31, Article 126-32, paragraph (4), Article 126-38, paragraph (7), Article 127-2, paragraph (2), and Article 128-2, paragraph (2)), Article 92, paragraph (3), Article 96, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 126-37), Article 97, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 126-37), Article 98, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 126-37), Article 101-2, paragraph (4), Article 107, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 126-22, paragraph (7)), Article 109, paragraph (2), Article 120, paragraph (4), Article 123, paragraph (1), Article 126-27, paragraph (2), Article 126-35, paragraph (3), or Article 129, paragraph (4).

Article 148 Any person who falls under any of the following items will be punished by a fine of not more than three hundred thousand yen:

(i) a person who has failed to submit reports or materials under Article 37, paragraph (1) or has submitted false reports or materials; or

(ii) a person who has failed to submit materials under Article 55-2, paragraph (2) or has submitted false materials.

Article 149 (1) When a representative (including an administrator of an Association Without Legal Personality, etc.) of a corporation (including an association or foundation which is not a corporation but for which a representative or an administrator has been designated (hereinafter referred to as an "Association Without Legal Personality, etc." in this Article); hereinafter the same applies in this paragraph) or an agent, employee, or other worker of a corporation or individual has committed any violation specified in each of the following items with regard to the business or assets of the corporation or individual, not only the offender will be punished, but also the relevant corporation will be punished by the fine set forth in each respective item and the relevant individual will be punished by the fine prescribed in the respective Articles:

(i) Article 142-2 or Article 143: a fine of not more than two hundred million yen; and

(ii) Article 145 (limited to the part pertaining to the following persons), Article 146 or Article 148: the fine prescribed in the respective Articles:

(a) Financial Institution Agent, etc. (limited to corporations);

(b) member who executes business (limited to corporations);

(c) accounting advisor (limited to corporations); or

(d) accounting auditor (limited to corporations).

(2) In the event that the provisions of the preceding paragraph apply to an Association Without Legal Personality, etc., its representative or administrator represent the Association Without Legal Personality, etc. in its procedural action, and the provisions of Acts concerning criminal procedure in the cases where a corporation is accused or suspected will be applied.

Article 150 (1) The crimes set forth in Article 141 or Article 141-2 apply to any person who has committed these crimes outside Japan.

(2) The crimes set forth in Article 142 (limited to the part pertaining to Article 141, paragraph (1) or (2)) will be governed by Article 2 of the Penal Code.

Article 151 (1) Any director, executive officer, member who executes business (in the event that the member who executes business has juridical personality, a member who is to perform the duties of the member who executes business), representative in Japan, or a person equivalent to any of these of a Financial Institution, etc. or Specified Holding Company, etc. who has committed any of the following violations will be punished by a non-criminal fine of not more than one million yen; provided, however, that this does not apply when the act should be made subject to a criminal punishment:

(i) when they have failed to give public notice, report, notice or demand prescribed in this Act or has given unauthorized public notice, report, or notice;

(ii) when they have violated an order under Article 58-3, paragraph (2) or Article 137-4;

(iii) when they have failed to make a submission or have made a false submission pursuant to the provisions of Article 68-2, paragraph (4) or Article 68-3, paragraph (4) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 69, paragraph (4), Article 101, paragraph (7), Article 126-31, Article 126-32, paragraph (4), and Article 126-38, paragraph (7)), Article 108-2, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8)), Article 108-3, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (4)), Article 108-3, paragraph (7), Article 126-25, paragraph (3) (including the cases where applied mutatis mutandis pursuant to Article 126-26, paragraph (8)), Article 126-26, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to paragraph (4) of the same Article) or paragraph (7) of the same Article;

(iv) when they have failed to make a registration in violation of the provisions of Article 107-3, paragraph (2) (including the cases where applied mutatis mutandis pursuant to Article 126-22, paragraph (7)) or Article 107-4, paragraph (2) (including the cases where applied mutatis mutandis pursuant to Article 126-22, paragraph (7));

(v) when they have committed any act prescribed in Article 108-2, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8)), Article 108-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (4)) or Article 108-3, paragraph (5), Article 126-25, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (8)) or Article 126-26, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (4) of the same Article) or paragraph (5) of the same Article without the authorization of the Prime Minister prescribed in these provisions;

(vi) when they have failed to provide notification or provided false notification in violation of the provisions of Article 74, paragraph (5);

(vii) when they fail to transfer affairs to a financial administrator who has been appointed under Article 77, paragraph (2) or to the DICJ in the event that an Injunction Ordering Specified Management has been issued pursuant to Article 126-5, paragraph (1); or

(viii) when they have failed to make payment, provide security, or entrust assets under Article 131, paragraph (8).

(2) When a financial administrator or the DICJ in the event that an Injunction Ordering Specified Management has been issued fails to transfer their affairs to a director, executive officer, member who executes business, representative in Japan, or liquidator of a Financial Institution under Management or a Financial Institution, etc. subject to the Injunction Ordering Specified Management despite the rescission of an Injunction Ordering Management or Injunction Ordering Specified Management under Article 75 or Article 126-7, the financial administrator or the DICJ in the event that an Injunction Ordering Specified Management has been issued will be punished by a non-criminal fine of not more than one million yen; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

(3) A financial administrator of the Financial Institutions specified in items (i) through (vii) or the DICJ in the event that an Injunction Ordering Specified Management has been issued for the Financial Institution, etc. specified in each of the following items will be punished by a non-criminal fine of not more than one million yen if they fall under any of the provisions prescribed in each respective item; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question:

(i) a Bank: each item of Article 976 of the Companies Act or each item of Article 65 of the Banking Act;

(ii) a Long-Term Credit Bank: each item of Article 976 of the Companies Act or each item of Article 27 of the Long-Term Credit Bank Act;

(iii) a Financial Institution that conducts trust business under Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions: each item of Article 22 of the same Act;

(iv) a shinkin bank or federation of shinkin banks: each item of Article 91, paragraph (1) of the Shinkin Bank Act;

(v) a credit cooperative or Federation of Credit Cooperatives: each item of Article 12, paragraph (1) of the Act on Financial Business by Cooperatives;

(vi) a labor bank or Rokinren banks: each item of Article 101, paragraph (1) of the Labor Bank Act;

(vii) The Shoko Chukin Bank, Ltd.: each item of Article 976 of the Companies Act or Article 76 of The Shoko Chukin Bank Limited Act;

(viii) Foreign Bank Branch: each item of Article 976 of the Companies Act or each item of Article 65 of the Banking Act;

(ix) Insurance Company or Foreign Insurance Company, etc.: each item of Article 976 of the Companies Act or each item of Article 333, paragraph (1) and each item of Article 334 of the Insurance Business Act; or

(x) Financial Institution, etc. that is a company (excluding those set forth in items (i) through (iii) and item (vii) through the preceding item): each item of Article 976 of the Companies Act.

(4) When the DICJ in the event that an Injunction Ordering Specified Management has been issued for a Financial Instruments Business, Designated Parent Company, or Securities Finance Company falls under any item of Article 208 of the Financial Instruments and Exchange Act, the DICJ will be punished by a non-criminal fine of not more than three hundred thousand yen; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

(5) A financial administrator of a credit cooperative or Federation of Credit Cooperatives or the DICJ in the event that an Injunction Ordering Specified Management has been issued for a credit cooperative or Federation of Credit Cooperatives that falls under any item of Article 115, paragraph (1) of the Small and Medium-Sized Enterprises Cooperatives Act will be punished by a non-criminal fine of not more than two hundred thousand yen; provided, however, that this does not apply when a criminal punishment should be imposed for the act in question.

Article 152 Any officer of the DICJ who falls under any of the following items will be punished by a non-criminal fine of not more than two hundred thousand yen:

(i) when they are required under this Act to obtain the authorization or approval of the Prime Minister and the Minister of Finance but have failed to obtain the authorization or approval;

(ii) when they have failed to make a registration in violation of the Cabinet Order prescribed in Article 7, paragraph (1);

(iii) when they have carried out operations other than those prescribed in Article 34;

(iv) when they have failed to keep documents or make them available for public inspection in violation of the provisions of Article 40, paragraph (3);

(v) when they have failed to calculate or set aside an actuarial reserve in violation of the provisions of Article 41;

(vi) when they have invested surplus funds from operations in violation of the provisions of Article 43;

(vii) when they have violated an order of the Prime Minister and the Minister of Finance under Article 45, paragraph (2); or

(viii) when they have failed to submit reports or submitted false reports under Article 55, paragraphs (3) and (4), Article 59, paragraph (7) (including the cases where it is applied mutatis mutandis pursuant to Article 59-2, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 69, paragraph (4)), Article 69, paragraph (4), Article 101, paragraph (5) and Article 118, paragraph (2)), Article 60, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 126-31), Article 61, paragraph (7) (including the cases where it is applied mutatis mutandis pursuant to Article 62, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 101, paragraph (7) and Article 118, paragraph (4)), Article 101, paragraph (5) and Article 118, paragraph (2)), Article 66, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Article 101, paragraph (7), Article 118, paragraph (4), Article 126-31, and Article 126-38, paragraph (7)), Article 120, paragraph (3), Article 126-28, paragraph (8) (including the cases where it is applied mutatis mutandis pursuant to Article 59-2, paragraph (3) as applied mutatis mutandis to Article 126-31 and Article 126-32, paragraph (4); Article 126-32, paragraph (4); and Article 126-38, paragraph (5)), Article 126-29, paragraph (7) (including the cases where applied mutatis mutandis pursuant to Article 62, paragraph (4) as applied mutatis mutandis pursuant to Article 126-31), or Article 126-29, paragraph (7) as applied mutatis mutandis pursuant to Article 126-38, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 62, paragraph (4) as applied mutatis mutandis pursuant to Article 126-38, paragraph (7)).

Article 153 Any person who has violated the provisions of Article 6, paragraph (2) will be punished by a non-criminal fine of not more than two hundred thousand yen.