

Enforcement Order of the Banking Act

(Cabinet Order No. 40 of March 27, 1982)

The Cabinet establishes this Cabinet Order pursuant to the provisions of Article 4, paragraph (3), Article 5, paragraph (1), Article 13, paragraph (1) and paragraph (2), Article 15, paragraph (1), Article 30, paragraph (2) and paragraph (3), Article 33, Article 34, paragraph (1), Article 35, paragraph (1), Article 43, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (2) of the same Article), Article 47, paragraph (3), Article 48, paragraph (2), Article 59 and Supplementary Provisions, Article 27 of the Banking Act (Act No. 59 of 1981).

(Special Affiliation)

Article 1 The special affiliation as specified by Cabinet Order that is provided for Article 3-2, paragraph (1), item (vi) of the Banking Act (hereinafter referred to as "the Act") means a family relationship of within the third degree of kinship.

(Persons Uniquely Related to Foreign Banks)

Article 1-2 The person uniquely related to a foreign bank as specified by Cabinet Order that is provided for in the main clause of Article 4, paragraph (3) of the Act, means one of the following persons (with regard to a person set forth in items (iii) through (v), this is limited to the case in which that person holds all or a part of the shares in an applicant for a banking license):

- (i) a person holding shares or equity (hereinafter referred to as "shares, etc." in this Article, Article 11, and Article 16-2, item (i)) exceeding fifty percent of the total number of issued shares or the total amount of contribution (hereinafter referred to as "issued shares, etc." in this Article and Article 11) of a person engaged in banking in a foreign state pursuant to foreign laws and regulations (excluding a bank, etc. as prescribed in Article 4, paragraph (5) of the Act; hereinafter referred to as a "foreign bank");
- (ii) a person holding shares, etc. constituting over fifty percent of the issued shares, etc. of the person as set forth in the preceding item;
- (iii) a corporation in which the person as set forth in item (i) holds shares, etc. constituting more than fifty percent of its issued shares, etc.;
- (iv) a corporation in which a foreign bank holds shares, etc. constituting over fifty percent of its issued shares, etc.;
- (v) a corporation in which the corporation as set forth in the preceding item holds shares, etc. constituting over fifty percent of its issued shares, etc.;

- (vi) any one of the two or more persons whose principal business offices are located in the same state and whose total shares, etc. held constitute over fifty percent of the issued shares, etc. of a foreign bank;
- (vii) a person prescribed by Cabinet Office Order as being equivalent to one of the persons set forth in the preceding items.

(When the Examination Stipulated in Article 4, paragraph (3) of the Act Is Not Required)

Article 2 The case specified by Cabinet Order that is provided for in the proviso to Article 4, paragraph (3) of the Act means one in which an examination under the main clause of that paragraph would interfere with the faithful implementation of a treaty or other international agreement to which Japan is a party.

(Minimum Amount of Stated Capital)

Article 3 The amount specified by Cabinet Order that is provided for in Article 5, paragraph (1) of the Act is 2,000,000,000 yen.

(Extension of Credit to a Single Person)

Article 4 (1) The person uniquely related to a single person as specified by Cabinet Order that is provided for in the main clause of Article 13, paragraph (1) of the Act, means one of the following persons in a case in which the single person prescribed in the main clause of that paragraph (excluding any person uniquely related to that person as specified by that Cabinet Order; hereinafter referred to as the "single person itself" in this paragraph) is not a combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the relevant bank; a bank holding company (meaning a bank holding company as prescribed in the Article 2, paragraph (13) of the Act; the same applies hereinafter) that has the relevant bank as its combined subsidiary corporation, etc. or combined affiliated corporation, etc.; or the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of such a bank holding company (this excludes any of the following persons that is itself the relevant bank; the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the relevant bank; the bank holding company that has the relevant bank as its combined subsidiary corporation, etc. or combined affiliated corporation, etc.; or the combined subsidiary corporation, etc. or combined affiliated corporation, etc. of the bank holding company; referred to as a "person subject to consolidated calculation of credit received" in paragraph (9) and paragraph (12)):

- (i) the following persons, if the single person itself is a company:
 - (a) a combined subsidiary corporation, etc. of the single person itself;

- (b) a corporation, etc. (meaning a company, partnership, or other business entity equivalent thereto (including their equivalents in foreign states); hereinafter the same applies in this Article and paragraph (2) and paragraph (3) of the following Article) that has the single person itself as a combined subsidiary corporation, etc., or a person specified by Cabinet Office Order as being equivalent to that corporation, etc.;
- (c) a combined subsidiary corporation, etc. of a person set forth in (b) (excluding the single person itself or a person falling under the category of a person set forth in (a) or (b));
- (d) a combined affiliated corporation, etc. of the single person itself or a person set forth in sub-item (a) through (c) (excluding the single person itself and a person falling under the category of a person set forth in sub-items (a) through (c));
- (e) a person (excluding the national government or a foreign government; the same applies in sub-item (f) and the following item) other than a company, which holds voting rights (meaning voting rights prescribed in Article 2, paragraph (6) of the Act; the same applies hereinafter) exceeding fifty percent of all shareholders', etc. voting rights (all shareholders', etc. voting rights prescribed in that paragraph; the same applies hereinafter) in the single person itself (excluding a person falling under the category of a person set forth in sub-item (b));
- (f) a person other than a company, which holds voting rights exceeding fifty percent of all shareholders', etc. voting rights in a person set forth in sub-item (b) (excluding a person falling under the category of a person set forth in sub-item (b));
- (g) a corporation, etc. in which a person set forth in sub-item (e) or sub-item (f) holds voting rights exceeding fifty percent of all shareholders', etc. voting rights (excluding the single person itself and a person falling under the category of a person set forth in sub-item (a) through (f) and its subsidiary companies;
- (h) a combined subsidiary corporation, etc. or combined affiliated corporation, etc. of a person set forth in sub-item (g) (excluding the single person itself and a person falling under the category of a person set forth in sub-item (a) through sub-item (g));
- (i) a second company in which either the single person itself or one of the following companies (referred to as a "company with voting rights subject to consolidation" in paragraph (5)) and a person as set forth in sub-item (e) or sub-item (f) (for a person as set forth in sub-item (f), this is limited to a person holding voting rights over fifty percent of all shareholders', etc. voting rights in a company that has that single person itself as a subsidiary company (meaning a subsidiary company as prescribed in

Article 2, paragraph (8) of the Act; the same applies hereinafter); the same applies in 4.) hold voting rights over fifty percent of all shareholders', etc. voting rights (that second company excludes the single person itself and any person falling under a category of persons set forth in sub-item (a) though (d), sub-item (g) or sub-item (h)):

1. a subsidiary company of the single person itself;
2. a company that has that single person itself as a subsidiary company;
3. a subsidiary company of the company as set forth in sub-item 2. (excluding the single person itself and any person falling under a category of persons set forth in sub-item 1. or sub-item 2.); or
4. a company (excluding the single person itself and a person falling under the category of a person set forth in sub-item 2.) in which a person as set forth in sub-item (e) or sub-item (f) holds voting rights exceeding fifty percent of all shareholders', etc. voting rights or a subsidiary company of that company;

(ii) if the single person itself is a person other than a company, the following persons:

- (a) a company in which the single person itself holds voting rights exceeding fifty percent of all shareholders', etc. voting rights (referred to as a "company controlled by a single person" in sub-item (b) and paragraph (5));
- (b) any other company (excluding a person falling under the category of a person set forth in sub-item (a)) in which either the single person itself and one or more companies controlled by that single person, or just one or more of the companies controlled by that single person itself, hold voting rights exceeding fifty percent of all shareholders', etc. voting rights.

(2) The term "combined subsidiary corporation, etc." prescribed in the preceding paragraph means any of the following corporations, etc.:

- (i) a second corporation, etc. that has a person specified by Cabinet Office Order as a corporation, etc. that controls a organ which determines the financial and operational or business policies of another corporation, etc. (hereinafter referred to as a "decision making organ") (limited to a person specified by Cabinet Office Order as a corporation, etc. that is required to prepare its financial statements and any other documents on a consolidated basis (referred to as a "corporation, etc. subject to debtor consolidation standards" in item (iii) and the following paragraph); hereinafter referred to as a "substantial parent corporation, etc." in this paragraph) in control of its decision making organ (hereinafter referred to as a "substantial subsidiary corporation, etc." in this paragraph). In such a case, a second corporation, etc. whose decision making organ is controlled either by a substantial parent corporation, etc. and one or more of its substantial subsidiary corporations, etc. or by just one or more of the substantial subsidiary corporations, etc. of a

- substantial parent corporation, etc., is deemed to be a substantial subsidiary corporation, etc. of that substantial parent corporation, etc.;
- (ii) a subsidiary company (excluding a corporation, etc. as set forth in the preceding item; hereinafter referred to as a "subsidiary company not constituting a substantial subsidiary corporation, etc." in this item). In such a case, any other company (excluding a corporation, etc. as set forth in the preceding item) in which either a substantial parent corporation, etc. and one or more of its substantial subsidiary corporations, etc., or a substantial parent corporation, etc. and one or more of its subsidiary companies not constituting substantial subsidiary corporations, etc., or, either just one or more of its substantial subsidiary corporations, etc. or just one or more of its subsidiary companies not constituting substantial subsidiary corporations, etc. hold voting rights exceeding fifty percent of all shareholders', etc. voting rights is deemed to be a subsidiary company not constituting a substantial subsidiary corporation, etc. of that substantial parent corporation, etc.; and
- (iii) a substantial subsidiary corporation, etc. (excluding a corporation, etc. as set forth in one of the preceding two items) of a company (limited to a company that constitutes a corporation, etc. subject to debtor consolidation standards) as set forth in the preceding item.
- (3) The term "combined affiliated corporation, etc." prescribed in paragraph (1) means a person specified by Cabinet Office Order as a second corporation, etc. (excluding a combined subsidiary corporation, etc. (meaning a combined subsidiary corporation, etc. as prescribed in the preceding paragraph; hereinafter the same applies in this paragraph)) whose financial and operational or business policy decisions a first corporation, etc. (limited to a corporation, etc. subject to debtor consolidation standards) or its combined subsidiary corporation, etc. is able to materially influence through the making of contributions; through the assumption of office of director or other equivalent role by a person that is or was an officer or employee of the first corporation, etc.; through financing; through the guaranteeing of a debt or provision of collateral; through the provision of technology; or through an operational or business transaction, etc.
- (4) The provisions of Article 2, paragraph (11) of the Act apply mutatis mutandis when the percentage of voting rights as referred to in paragraph (1) and paragraph (2) is calculated.
- (5) To apply the provisions of each item of paragraph (1), a company as set forth in paragraph (1), item (i), (i) is deemed to be a company with voting rights subject to consolidation and a company as set forth in item (ii), (b) of that paragraph is deemed to be a company controlled by a single person.
- (6) The extension of credit or the making of financial contributions (including anything equivalent to the extension of credit or the making of financial

contributions) as specified by Cabinet Order that is provided for in the main clause of Article 13, paragraph (1) of the Act means those specified in the following items:

- (i) the things that Cabinet Office Order prescribes to be loans;
- (ii) the things that Cabinet Office Order prescribes to be the guaranteeing of a debt;
- (iii) the things that Cabinet Office Order prescribes to be the making of a contribution;
- (iv) the things that Cabinet Office Order prescribes as being similar to the things set forth in the preceding three items.

(7) The categories specified by Cabinet Order that are provided for in the main clause of Article 13, paragraph (1) of the Act means the following categories for the extension of credit or the making of financial contributions (meaning the extension of credit or the making of financial contributions as prescribed in the main clause of that paragraph; hereinafter the same applies in this Article):

- (i) the extension of credit or the making of financial contributions (excluding the extension of credit or the making of financial contributions as set forth in item (iii)) to a single person as prescribed in the main clause of Article 13, paragraph (1) of the Act (such a person is referred to as a "single person" in item (ix) and paragraph (12));
- (ii) the extension of credit or the making of financial contributions to any of a bank's major shareholders (meaning a bank's major shareholder as prescribed in Article 2, paragraph (10) of the Act; the same applies hereinafter) that holds a number of voting rights in that bank which is equal to or greater than the major shareholder threshold (meaning the major shareholder threshold prescribed in paragraph (9) of that Article; the same applies hereinafter);

(8) The rate specified by Cabinet Order that is provided for in the main clause of Article 13, paragraph (1) of the Act is the rate provided for in the relevant of the following items for the category of the extension of credit or the making of financial contributions as set forth in that item:

- (i) the extension of credit or the making of financial contributions as set forth in item (i) of the preceding paragraph: twenty-five percent;
- (ii) the extension of credit or the making of financial contributions as set forth in item (ii) of the preceding paragraph: fifteen percent.

(9) The compelling reason specified by Cabinet Order that is provided for in the proviso to Article 13, paragraph (1) of the Act means one of the following reasons:

- (i) unforeseeable and urgent funds have become necessary to carry out the business (excluding business as prescribed in the following item; the same applies hereinafter) of a person to which credit has been extended or a

- contribution has been made (hereinafter referred to as a "debtor, etc." in this paragraph and paragraph (12)), and it is likely that a significant impediment would arise to hinder the debtor, etc. from continuing in business if the bank does not extend credit or make contributions to it in excess of the limit on credit and contributions prescribed in the main clause of Article 13, paragraph (1) of the Act (hereinafter referred to as "limit on credit and contributions" in this paragraph);
- (ii) the debtor, etc. is in the general electricity transmission and distribution business as prescribed in Article 2, paragraph (1), item (viii) of the Electricity Business Act (Act No. 170 of 1964) or in any other business of vital importance to the national economy as specified by Cabinet Office Order, and it is likely that a significant impediment would arise to hinder the debtor, etc. in the stable performance of business if the bank does not extend credit or make financial contributions to it in excess of the limit on credit and contributions;
 - (iii) the addition of a new person subject to consolidated calculation of credit received for a debtor, etc. causes the amount in which the relevant bank has extended credit or has made financial contributions to a single person to exceed the limit on credit or contributions; and
 - (iv) a reason specified by Cabinet Office Order as something that would make it likely that a significant impediment would arise to hinder the bank or the debtor, etc. in the performance of business if the bank does not extend credit or make financial contributions to the debtor, etc. in excess of the limit on credit and contributions, beyond what is set forth in the preceding three items.
- (10) The provisions of paragraph (7) apply mutatis mutandis to the categories specified by Cabinet Order that are provided for in the first sentence of Article 13, paragraph (2) of the Act.
- (11) The rate specified by Cabinet Order that is provided for in the first sentence of Article 13, paragraph (2) of the Act is the rate provided for in the relevant of the following items for the category of the extension of credit or the making of financial contributions set forth in that item:
- (i) the extension of credit or the making of financial contributions as set forth in paragraph (7), item (i), as applied mutatis mutandis pursuant to the preceding paragraph: twenty-five percent;
 - (ii) the extension of credit or the making of financial contributions as set forth in paragraph (7), item (ii), as applied mutatis mutandis pursuant to the preceding paragraph: fifteen percent.
- (12) The compelling reason specified by Cabinet Order that is provided for in the proviso to Article 13, paragraph (1) of the Act as applied mutatis mutandis pursuant to the second sentence of paragraph (2) of that Article means one of

the following reasons:

- (i) it is likely, in a case as prescribed in paragraph (9), item (i), that a significant impediment would arise to hinder the debtor, etc. prescribed in that item from continuing in business (excluding the business prescribed in paragraph (9), the item (ii); hereinafter the same applies in the following paragraph) if either the bank and its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the first sentence of Article 13, paragraph (2) of the Act; hereinafter the same applies in this paragraph), or just its subsidiary Companies, etc. do not extend credit or make financial contributions to it in a total amount that exceeds the consolidated limit on credit and contributions prescribed in the first sentence of Article 13, paragraph (2) of the Act (hereinafter referred to as the "consolidated limit on credit and contributions" in this paragraph);
 - (ii) the total amount in which credit has been extended or contributions have been made to a single person either by the bank and its subsidiary companies, etc., or by just its subsidiary companies, etc. has come to exceed the consolidated limit on credit and contributions due to the bank's having come to have a new subsidiary company, etc., and it is likely that a significant impediment would arise to hinder the single person from continuing in business if the total amount in which credit has been extended or contributions have been made is decreased to fall at or below the consolidated limit on credit and contributions;
 - (iii) it is likely that a significant impediment would arise to hinder a debtor, etc. as prescribed in paragraph (9), item (ii), in the stable performance of business if either the bank and its subsidiary companies, etc., or just its subsidiary companies, etc. do not extend credit or make financial contributions to it in a total amount that exceeds the consolidated limit on credit and contributions;
 - (iv) the addition of a new person subject to consolidated calculation of credit received for a debtor, etc. causes the amount in which either the relevant bank and its subsidiary companies, etc., or just its subsidiary Companies, etc. have extended credit or have made financial contributions to a single person to exceed the consolidated limit on credit and contributions;
 - (v) a reason specified by Cabinet Office Order as something that would make it likely that a significant impediment would arise to hinder the bank and its subsidiary companies, etc., or just its subsidiary company, etc., or the debtor in the performance of business if the bank and its subsidiary companies, etc., or just its subsidiary companies, etc. do not extend credit or make financial contributions to the debtor, etc. in a total amount that exceeds the consolidated limit on credit and contributions.
- (13) The extension of credit or the making of financial contributions as specified

by Cabinet Order that is provided for in Article 13, paragraph (3), item (i) of the Act means the extension of credit or the making of financial contributions to the following entities (excluding the extension of credit or the making of financial contributions for which the national government guarantees repayment of the principle and payment of interest):

- (i) a corporation whose budget must be subject to a Diet resolution, or that must obtain Diet approval for its budget, pursuant to the provisions of laws;
- (ii) a corporation that has been established pursuant to a special law (excluding a corporation falling under the preceding item); to which no contributions have been made by persons other than the national government, a corporation as set forth in the preceding item, or a local government; and that may issue bonds pursuant to the relevant special law;
- (iii) the Bank of Japan; and
- (iv) a foreign government, etc. (meaning a foreign government, the central bank of a foreign state or an international organization) specified by the Commissioner of the Financial Services Agency.

(Specified Related Parties of a Bank)

Article 4-2 (1) The person uniquely related to a bank as specified by Cabinet Order that is provided for in the main clause of Article 13-2 of the Act, means one of the following persons:

- (i) a subsidiary company of the bank;
- (ii) any of a bank's major shareholders that holds a number of voting rights in the bank which is equal to or greater than the major shareholder threshold;
- (iii) a bank holding company that has the bank as a subsidiary company;
- (iv) a subsidiary company of the bank holding company set forth in the preceding item (excluding the bank itself and the person as set forth in item (i));
- (v) a subsidiary corporation, etc. of the bank (excluding the person as set forth in item (i));
- (vi) a parent corporation, etc. that has the bank as a subsidiary corporation, etc. (excluding the person as set forth in item (ii) and item (iii));
- (vii) a subsidiary corporation, etc. of a parent corporation, etc. that has that bank as a subsidiary corporation, etc. (excluding the bank itself and any person as set forth in one of the preceding items);
- (viii) an affiliated corporation, etc. of the bank;
- (ix) an affiliated corporation, etc. of a parent corporation, etc. that has that bank as a subsidiary corporation, etc. (excluding the person as set forth in the preceding item);
- (x) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the bank

itself; hereinafter referred to as a "corporation, etc." in this item) that is connected to any of a bank's major shareholders which, among those holding a number of voting rights in the bank that is equal to or greater than the major shareholder threshold, hold voting rights in the bank exceeding fifty percent of the voting rights held by all of the bank's shareholders (limited to an individual; hereinafter referred to as "specified individual constituting a bank's major shareholder"):

- (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual constituting the bank's major shareholder holds voting rights exceeding fifty percent of all shareholders', etc. voting rights ;
 - (b) a corporation, etc. in which the specified individual constituting the bank's major shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights in that corporation.
- (xi) a bank agent (meaning a bank agent as prescribed in Article 2, paragraph (15) of the Act; hereinafter the same applies in this paragraph) that has the relevant bank as its principal bank (meaning a principal bank as prescribed in paragraph (16) of that Article; hereinafter the same applies in this paragraph) and the subsidiary corporations, etc. and affiliated corporations, etc. of that bank agent (excluding the bank itself and any person as set forth in one of the preceding items);
- (xii) a parent corporation, etc. that has a bank agent as referred to in the preceding item as a subsidiary corporation, etc., and the subsidiary corporations, etc. and affiliated corporations, etc. of that parent corporation, etc. (excluding the bank itself and any person as set forth in one of the preceding items);
- (xiii) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the bank itself and any person as set forth in one of the preceding items; hereinafter referred to as a "corporation, etc." in this item) that is connected to a bank agent (limited to an individual; hereinafter referred to as an "individual constituting a bank agent" in this item) for whom the relevant bank is the principal bank;
- (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual constituting a bank agent holds voting rights exceeding fifty percent of all shareholders', etc. voting rights ;
 - (b) a corporation, etc. in which the individual constituting a bank agent holds voting rights accounting for at least twenty percent but not more than fifty percent of all shareholders', etc. voting rights in that corporation.

- (2) As used in the preceding paragraph and this paragraph, the term "parent corporation, etc." means a person specified by Cabinet Office Order as a corporation, etc. that controls the decision making organ of a second corporation, etc., and the term "subsidiary corporation, etc." means a second corporation, etc. whose decision making organ is controlled by a parent corporation, etc. In such a case, if either a parent corporation, etc. and its subsidiary corporations, etc. or just its subsidiary corporations, etc. control the decision making organ of a second corporation, etc., the second corporation, etc. is deemed to be a subsidiary corporation, etc. of that parent corporation, etc.
- (3) The term "affiliated corporation, etc." prescribed in paragraph (1) means a person specified by Cabinet Office Order as a second corporation, etc. (excluding a subsidiary corporation, etc.) whose financial and operational or business policy decisions a first corporation, etc. (including of its subsidiary corporations, etc. (meaning subsidiary prescribed in the preceding paragraph; the same applies hereinafter except in Article 17-2, paragraph (2) and Article 17-3, paragraph (3))) is able to materially influence through the making of contributions; through the assumption of office of director or other equivalent role by a person that is or was an officer or employee of the first corporation, etc.; through financing; through the guaranteeing of a debt or provision of collateral; through the provision of technology; or through an operational or business transaction, etc.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 4-2-2 (1) The persons that Cabinet Order prescribes as provided in Article 13-3-2, paragraph (2) of the Act means one of the following persons (excluding a person engaging in bank agency services (meaning bank agency services as prescribed in Article 2, paragraph (14) of the Act; the same applies in item (iii) of paragraph (3) of this Article, Article 12-3 and Article 16-2-2) for the relevant bank).

- (i) the bank's parent corporation, etc. (meaning a parent corporation, etc. as prescribed in paragraph (2) of the preceding Article; the same applies hereinafter in this paragraph, Article 12-2, Article 12-3, paragraph (1) and Article 16-2-2, paragraph (1));
- (ii) a subsidiary corporation, etc. of the bank's parent corporation, etc. (excluding the bank itself and the persons as set forth in the preceding item and paragraph (3), item (i) and item (ii) of this Article);
- (iii) an affiliated corporation, etc. as prescribed in paragraph (3) of the preceding Article of the bank's parent corporation, etc. (excluding persons as set forth in paragraph (3), item (ii));
- (iv) a company, partnership, or other equivalent business entity thereto (including entities equivalent thereto in foreign states; other than the bank

itself and any person as set forth in one of the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as a "corporation, etc." in this item) that is connected to an individual who holds voting rights exceeding fifty percent of the voting rights held by all of the bank's shareholders (hereinafter referred to in this item as a "specified individual shareholder"):

- (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc. (meaning affiliated corporations, etc. as prescribed in paragraph (3) of the preceding Article; the same applies hereinafter in this Article, Article 12-3 and Article 16-2-2) in which the specified individual shareholder holds voting rights exceeding fifty percent of all shareholders', etc. voting rights;
 - (b) a corporation, etc. in which the specified individual shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights .
- (2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (2) of the Act, means one of the following persons:
- (i) a long-term credit bank (as prescribed in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1952); the same applies in Article 12-3, paragraph (2), item (i) and Article 16-8, item (i));
 - (ii) a federation of credit unions;
 - (iii) a federation of cooperatives which engages in business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
 - (iv) a federation of labor banks;
 - (v) a federation of agricultural cooperatives which engages in business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
 - (vi) a federation of fisheries cooperatives which engages in business as prescribed in Article 87, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948);
 - (vii) a federation of fishery processing cooperatives which engages in business as prescribed in Article 97, paragraph (1), item (ii) of the Fisheries Cooperatives Act;
 - (viii) the Norinchukin Bank;
 - (ix) a notifier of specially permitted Services (meaning a notifier of specially permitted services as prescribed in Article 63, paragraph (5) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies in Article 12-3, paragraph (2), item (ii));
 - (x) a person that is in the business of intermediating in the lending or

borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the conditional sale, or any similar means) (excluding a bank, financial instruments business operator (meaning a financial instruments business operator as prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act; the same applies in the following item and Article 12-3, paragraph (2)), or insurance company (meaning an insurance company as prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); the same applies in that item and Article 12-3, paragraph (2)), or the person as set forth in any of the preceding items);

(xi) a person that is in any of the following businesses in a foreign state pursuant to foreign laws and regulations (excluding a bank, financial instruments business operator, or insurance company, or a person as set forth in any of the preceding items):

(a) banking;

(b) financial instruments business prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;

(c) insurance business prescribed in Article 2, paragraph (1) of the Insurance Business Act.

(3) The persons specified by Cabinet Order as provided in Article 13-3-2, paragraph (3) of the Act means one of the following persons (excluding a bank agent that has the relevant bank as its principal bank):

(i) a subsidiary corporation, etc. of the bank;

(ii) an affiliated corporation, etc. of the bank;

(iii) a person engaged in bank agency services for the bank (excluding those set forth in the preceding two items).

(4) A person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act, means one of the following persons:

(i) a person set forth in paragraph (2), items (ix) through (xi);

(ii) a person set forth in the items of Article 16-8.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 4-2-2 (1) The persons specified by Cabinet Order as provided in Article 13-3-2, paragraph (2) of the Act, means one of the following persons (excluding a person engaged in bank agency services (meaning bank agency services as prescribed in Article 2, paragraph (14) of the Act; the same applies in (3), item (iii) of this Article, Article 12-3 and Article 16-2-2) for the relevant bank).

(i) the bank's parent corporation, etc. (meaning a parent corporation, etc. as prescribed in paragraph (2) of the preceding Article; the same applies hereinafter in this paragraph, Article 12-2, Article 12-3, paragraph (1) and

- Article 16-2-2, paragraph (1));
- (ii) a subsidiary corporation, etc. of the bank's parent corporation, etc. (excluding the bank itself and persons set forth in the preceding item and paragraph (3), item (i) and item (ii) of this Article);
 - (iii) an affiliated corporation, etc. as prescribed in paragraph (3) of the preceding Article of the bank's parent corporation, etc. (excluding a person as set forth in paragraph (3), item (ii));
 - (iv) a company, partnership, or other equivalent business entity thereto (including entities equivalent thereto in foreign states; other than the bank itself and any person as set forth in one of the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as a "corporation, etc." in this item) that relates to an individual who holds voting rights exceeding fifty percent of the voting rights held by all of the bank's shareholders (hereinafter referred to in this item as a "specified individual shareholder"):
 - (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc. (meaning affiliated corporations, etc. as prescribed in paragraph (3) of the preceding Article; the same applies hereinafter in this Article, Article 12-3 and Article 16-2-2)) in which the specified individual shareholder holds voting rights exceeding fifty percent of all shareholders', etc. voting rights;
 - (b) a corporation, etc. in which the specified individual shareholder holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights in that corporation.
- (2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (2) of the Act means one of the following persons:
- (i) a long-term credit bank (as prescribed in Article 2 of the Long-Term Credit Bank Act (Act No. 187 of 1952); the same applies in Article 12-3, paragraph (2), item (i) and Article 16-8, item (i));
 - (ii) a federation of credit unions;
 - (iii) a federation of cooperatives engaged in business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
 - (iv) a federation of labor banks;
 - (v) a federation of agricultural cooperatives engaged in business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
 - (vi) a federation of fisheries cooperatives engaged in business as prescribed in Article 87, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948);

- (vii) a federation of fishery processing cooperatives engaged in business as prescribed in Article 97, paragraph (1), item (ii) of the Fisheries Cooperatives Act;
 - (viii) the Norinchukin Bank;
 - (ix) a person that is in the business of intermediating in the lending or borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the provision of collateral by sale and transfer, or any similar means) (excluding a bank, financial instruments business operator (meaning a financial instruments business operator as prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); the same applies in the following item and Article 12-3, paragraph (2)), insurance company (meaning an insurance company prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); the same applies in that item and Article 12-3, paragraph (2)), or a person as set forth in any of the preceding items);
 - (x) a person that is in any of the following businesses in a foreign state pursuant to foreign laws and regulations (excluding a bank, financial instruments business operator, or insurance company, or a person as set forth in any of the preceding items):
 - (a) banking;
 - (b) financial instruments business as prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;
 - (c) insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act.
- (3) The persons specified by Cabinet Order prescribes, as provided in Article 13-3-2, paragraph (3) of the Act means one of the following persons (excluding a bank agent that has the relevant bank as its principal bank):
- (i) a subsidiary corporation, etc. of the bank;
 - (ii) an affiliated corporation, etc. of the bank;
 - (iii) a person engaging in bank agency services for the bank (excluding a person as set forth in one of the preceding two items).
- (4) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act means one of the following persons:
- (i) a person as set forth in paragraph (2), item (ix) and item (x);
 - (ii) a person as set forth in the items of Article 16-8.

(Providing Information Using Information and Communications Technology)
 Article 4-3 (1) Before seeking to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act

pursuant to the provisions of Article 34-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act), Article 34-4, paragraph (3), Article 37-3, paragraph (2) and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act, a Bank, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person to which it will provide that information the type and substance of the means prescribed in that paragraph that it will use to provide it (hereinafter referred to as "electronic or magnetic means" in this Article) and obtain consent for this in written form or by electronic or magnetic means.

- (2) If a bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in written form or by electronic or magnetic means, indicating that the person is not willing to be provided with information by electronic or magnetic means, the bank must not use electronic or magnetic means to provide the person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act; provided, however, that this does not apply if the person has once again given the consent under the preceding paragraph.

(Gaining a Person's Agreement Using Information and Communications Technology)

Article 4-4 (1) Before seeking to obtain a person's agreement by the means specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act), as applied mutatis mutandis pursuant to Article 13-4 of the Act; hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 13-4 of the Act (hereinafter referred to as "electronic or magnetic means" in this Article), in place of an agreement in written form under the provisions of Article 34-3, paragraph (11) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act, a Bank, in advance and pursuant to the provisions of Cabinet Office Order, must indicate to the person

whose agreement it is seeking the type and substance of the electronic or magnetic means it will use and obtain consent for this in written form or by electronic or magnetic means.

- (2) If a bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in written form or by electronic or magnetic means, indicating that the person is not willing to agree to the matter in question by electronic or magnetic means, the bank must not use electronic or magnetic means to gain the person's agreement as prescribed in Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis to Article 13-4 of the Act; provided, however, that this does not apply if the person has once again given consent under the preceding paragraph.

(Material Particulars of Specified Deposit, etc. Contracts That Impact Customers' Judgment)

Article 4-5 (1) The particulars specified by Cabinet Order that are prescribed in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 13-4 of the Act are those specified in the following items:

- (i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay in connection with a specified deposit, etc. contract (meaning a specified deposit, etc. contract as prescribed in Article 13-4 of the Act; the same applies hereinafter);
 - (ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market (meaning a financial instruments market as prescribed in Article 2, paragraph (14) of the Financial Instruments and Exchange Act; the same applies hereinafter), or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter:
 - (a) the indicator in question;
 - (b) an indication of the risk that fluctuations in that indicator could give rise to a loss and the reasons for this;
 - (iii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding two items.
- (2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 13-4 of the Act are those specified in the following items if a person undertakes an act as prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied

mutatis mutandis pursuant to Article 13-4 of the Act by causing something to be broadcast using the broadcasting equipment of a basic broadcaster (meaning a basic broadcaster as prescribed in Article 2, item (xxiii) of the Broadcast Act (Act No. 132 of 1950), excluding the Nippon Hoso Kyokai and the Open University of Japan Foundation (meaning the Open University of Japan Foundation prescribed in Article 3 of the Act on the Open University of Japan (Act No. 156 of 2002)); the same applies in Article 14-5, paragraph (2) and Article 16-6-2, paragraph (2)) or by any other means specified by Cabinet Office Order as equivalent thereto:

- (i) an indication that there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter, if such a risk is present;
- (ii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding item.

(Deemed Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis to a Specified Deposit, etc. Contract Conducted by a Bank)

Article 4-6 The deemed technical replacement of terms under Article 13-4 of the Act is as shown in the following table:

| Provisions of the Financial Instruments and Exchange Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|
| Article 34 | paragraph (31), item (iv) of that Article | Article 2, paragraph (31), item (iv) |
| Article 37, paragraph (1), item (i) and Article 37-3, paragraph (1), item (i) | trade name or name | trade name |

(Non-Business Days)

Article 5 (1) The days specified by Cabinet Order that are provided for in Article 15, paragraph (1) of the Act means the following days:

- (i) a non-business day as prescribed in the Act Concerning National Holidays (Act No. 178 of 1948);
 - (ii) the days covering the period from December 31 to January 3 of the following year (other than a day as set forth in the preceding item);
 - (iii) Saturdays.
- (2) Beyond the days set forth in each item of the preceding paragraph, the following days may be set as a non-business day for the business office of a

bank:

- (i) a day that falls on a general non-business day in the locality of the bank's business and of which the Commissioner of the Financial Services Agency has issued public notice as a non-business day for that business office;
 - (ii) a day that the Commissioner of the Financial Services Agency approves for that business office as one whose establishment as a non-business day for that business office is not likely to interfere with the sound and appropriate operation of services, in accordance with special circumstances of the locality of the business office of the bank or other circumstances.
- (3) If setting a day as set forth in item (ii) of the preceding paragraph as a non-business day for its business office, a bank must post an indication of this in the storefront of that business office.

(Keeping Assets within Japan)

Article 5-2 (1) An order issued to a bank as provided in Article 29 of the Act is to indicate a time limit and either the scope of assets as set forth in the following paragraph that are subject to the order or the upper limit of the total asset amount that is subject to the order.

- (2) The part of a bank's assets specified by Cabinet Order that is provided for in Article 29 of the Act is anything specified in the following items:
- (i) money it has deposited with the Bank of Japan;
 - (ii) its cash and, the deposits, savings, and installment savings it has with a financial institution in Japan as provided separately by the Commissioner of the Financial Services Agency;
 - (iii) securities as set forth in the items of Article 2, paragraph (1) of the Financial Instruments and Exchange Act;
 - (iv) loans to and other claims against persons with an address or residence in Japan;
 - (v) loans to and other claims on persons without an address or residence in Japan, if the principal is to be reimbursed and interest is to be paid at a location within Japan and if these are subject to loan agreements stipulating a court in Japan as the court with jurisdiction;
 - (vi) tangible fixed assets located in Japan;
 - (vii) other assets that the Commissioner of the Financial Services Agency finds appropriate.

(Company Splits, and Business Transfers and Acquisitions That Does Not Require the Authorization of the Commissioner of the Financial Services Agency)

Article 6 The exception as specified by Cabinet Order that is provided for in Article 30, paragraph (2) and paragraph (3) of the Act means a company split

or a business transfer or acquisition involving only the following services:

- (i) accepting payments of money to the State, local public entities, companies or other entities and handling the administration of other money matters;
- (ii) safe depositing securities, precious metals and other goods;
- (iii) money changing.

(Creditors Not Required to Be Notified Individually of Objections in the Event of a Merger)

Article 7 The creditors specified by Cabinet Order that are provided for in Article 33, Article 33-2, paragraph (1), Article 34, paragraph (1) and the proviso to Article 35, paragraph (1) of the Act means a creditor under a contract of safe deposit or any other creditor under a regular contract made with multiple parties in connection with banking business that is as specified by Cabinet Office Order.

(Transition into a Non-Banking Company)

Article 8 (1) The case as specified by Cabinet Order that is provided for in Article 43, paragraph (1) of the Act means a case in which the company prescribed in that paragraph is undergoing liquidation proceedings or in which proceedings of the company prescribed in that paragraph for special liquidation, bankruptcy, rehabilitation, or reorganization are pending before a court.
(2) The provisions of preceding paragraph apply mutatis mutandis to the case as specified by Cabinet Order that is provided for in Article 43, paragraph (1) of the Act, as applied mutatis mutandis pursuant to paragraph (2) of that Article.

(Deemed Replacement of Terms for Foreign Bank Branches)

Article 9 The deemed technical replacement of terms for applying the provisions of the Act to a Foreign Bank Branch (meaning a Foreign Bank Branch as prescribed in Article 47, paragraph (2) of the Act; the same applies hereinafter) as prescribed in paragraph (3) of that Article is as shown in the following table.

| Provisions of the Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|------------------------------------------------------------------|-----------------------------|--------------------------------------------|
| | | |

| | | |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 4, paragraph (2), item (i) | the person filing the application for the banking license | the person filing the application for the banking license and the foreign bank branch as prescribed in Article 47, paragraph (2) to which the application pertains |
| Article 4, paragraph (3) | If a person whose entire or partial body of shareholders comprises persons engaged in banking in a foreign state in accordance with foreign laws and regulations (including a person uniquely related to such a person as specified by Cabinet Order, but excluding a bank, etc.; hereinafter a person so engaged in banking in a foreign state is referred to as a "foreign bank, etc." in this paragraph) files a banking license application, and the foreign bank, etc. lawfully holds voting rights in the person filing the banking license application which exceed the number arrived at by multiplying all shareholders' voting rights in that person shareholders by the rate specified by Cabinet Office Order, | If an application for a banking license is filed by a foreign bank as prescribed in Article 47, paragraph (1), |
| | of the foreign bank, etc. | of the foreign bank (including a person uniquely related to that foreign bank as specified by Cabinet Order) |
| Article 10, paragraph (2), item (viii)-2 | a foreign bank which is a subsidiary company of that bank | a business office in the home state of the foreign bank to which the foreign bank branch belongs (meaning a business office in a foreign state of a foreign bank as prescribed in Article 47, paragraph (3)) |
| Article 13, paragraph (1) | the bank | the foreign bank to which that foreign bank branch belongs |

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|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | equity capital | equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| Article 13, paragraph (6) | equity capital | equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| | provisions of paragraphs (1) and (2), such as the method of calculating the amount in which credit is extended or contributions are made, the amount of equity capital prescribed in paragraph (1), the limit on credit and contributions, the total net amount of the equity capital prescribed in paragraph (2), and the consolidated limit on credit and contributions | provisions of paragraph (1), such as the method of calculating the amount in which credit is extended or contributions are made, the amount of equity capital prescribed in paragraph (1), and the limit on credit and contributions |
| Heading of Article 13-2 | Specified Related Parties | Uniquely Related Persons |
| Article 13-2 | with a specified related party (meaning a subsidiary company of that bank, that bank's major shareholder, a bank holding company that has that bank as its subsidiary company, a subsidiary company of the bank holding company (other than the relevant bank itself), or a bank agent that has that bank as its principal bank, and other person which is uniquely related to that bank as specified by Cabinet Order; hereinafter the same applies in this Article and the following Article) or with the customer of its specified related party | with a person uniquely related to that foreign bank branch as specified by Cabinet Order (hereinafter referred to as a "uniquely related person" in this Article and the following Article) or with the customer of the uniquely related person |
| | or | or |

| | | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| | the approval of the Prime Minister, nor does it apply if the bank effects that transaction or performs that activity with a subsidiary company of the bank holding company (limited to one that is not itself a subsidiary company of any other bank or bank holding company) that has the bank in question as its subsidiary company (limited to a bank other than itself), and this has been approved by the Prime Minister as being unlikely to damage the soundness of the management of the bank or as satisfying any other requirements specified by Cabinet Office Order: | the approval of the Prime Minister: |
| Article 13-2, items (i) and (ii) | a specified related party | a uniquely related person |
| Article 13-3, item (iii) | a specified related party | a uniquely related person |
| Article 14-2, item (i) | equity capital | anything specified by the Commissioner of the Financial Services Agency as equity capital |
| Article 14-2, item (ii) | the bank and any company, such as its subsidiary company | any company, such as the foreign bank to which that foreign bank branch belongs |
| | the bank | the foreign bank |
| | equity capital | equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| Article 21, paragraph (7) | the bank and its subsidiary companies, etc. | the foreign bank to which the foreign bank branch belongs and its subsidiary companies, etc. |
| Article 26, paragraph (1) | or financial condition of a bank or the financial condition of a bank and its subsidiary companies, etc., | or the financial condition of a bank |

| | | |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 26, paragraph (2) | equity capital of a bank or that of a bank and its subsidiary companies, etc. | equity capital of a bank or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| Article 34, paragraph (1) | If a resolution at a shareholders meeting is passed for a business transfer or acquisition to which the bank is party which involves all of a business (or if a board of directors' resolution is passed or the executive officers reach a decision, rather than the resolution referred to in Article 467, paragraph (1) (Approval for the Assignment of Business) of the Companies Act being passed for the bank's acquisition of all of a business, pursuant to the provisions of Article 468 (Cases where Approval for the Assignment of Business Is Not Required) of that Act) | If a resolution for a business transfer or acquisition to which the bank is party which involves all of a business is passed by the organization that is required to resolve that matter |
| | the resolution or decision | the resolution |
| Article 34, paragraph (3) | Article 57 | Article 49-2, paragraph (1) |
| Article 35, paragraph (1) | a resolution at a shareholders meeting or a board of directors is passed or the executive officers decide in favor of a business transfer or acquisition to which the bank is party and which involves part of a business | a resolution of an organization to make a resolution about a business transfer or acquisition to which the bank is party and which involves part is made or the executive officers decide in favor of that business transfer or the acquisition |
| | the resolution or decision | the resolution |
| Article 36, paragraph (2) | Article 57, item (i) | Article 49-2, paragraph (1), item (i) |

| | | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 37, paragraph (1), item (i) | a resolution at a shareholders meeting to amend the articles of incorporation with regard to the discontinuation of banking | the discontinuation of banking in connection with a foreign bank branch as prescribed in Article 47, paragraph (2) (excluding cases falling under Article 49, paragraph (1), item (iv)) |
| Article 45, paragraph (2) | the bank's head office | a principal foreign bank branch prescribed in Article 47, paragraph (1) |
| Article 45, paragraph (3) | of the bank in liquidation | of a branch office of the foreign bank branch in liquidation (hereinafter referred to as a "foreign bank branch in liquidation" in this paragraph, paragraph (5), paragraph (7), and paragraph (8)) |
| | the bank in liquidation | a foreign bank branch in liquidation |
| Article 45, paragraph (5) | the bank in liquidation | the foreign bank branch in liquidation |
| Article 45, paragraph (7) | of a bank in liquidation | of a foreign bank branch in liquidation |
| Article 45, paragraph (7), item (i) | the grounds for dissolution (or, if the Bank in Liquidation falls under a case set forth in Article 475, item (ii) or item (iii) (Causes of Commencement of Liquidation) of the Companies Act, an indication of this) | the grounds for dissolution |
| Article 45, paragraph (8) | the bank in liquidation | the foreign bank branch in liquidation |

| | | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| | Article 492, paragraph (3) of the Companies Act | Article 492, paragraph (3) of the Companies Act, as applied mutatis mutandis pursuant to Article 51, paragraph (3) of the Act |
| Article 52-2, paragraph (3) | its subsidiary company | the subsidiary company of a bank that has the foreign bank to which the foreign bank branch belongs as its subsidiary company |
| Article 57-3 | Article 941 (Electronic Public Notice Investigation) of the Companies Act | Article 941 of the Companies Act, as applied mutatis mutandis pursuant to Article 49-2, paragraph (2) of the Act |
| | the provisions of Article 440, paragraph (1) of this Act; as well as the provisions of Article 16, paragraph (1) of the Banking Act and of Article 20, paragraph (4) and Article 52-28, paragraph (3) of that Act | the provisions of Article 16, paragraph (1) and Article 20, paragraph (4) of the Banking Act |
| Article 19 of Supplementary Provisions | Article 44 and Article 45 | Article 45 and Article 51, paragraph (2) |
| | is dissolved | falls under any item of paragraph (1) of that Article |
| Article 20 of Supplementary Provisions | before its dissolution | , if it falls under any item of Article 51, paragraph (1) |

(Special Provisions on the License of a Foreign Bank)

Article 10 A person applying to be licensed by the Prime Minister as referred to in Article 4, paragraph (1) of the Act based on the provisions of Article 47, paragraph (1) of the Act need not be a stock company.

(Uniquely Related Persons Pertaining to a License of a Foreign Bank)

Article 11 Notwithstanding the provisions of Article 1-2, the person uniquely related to the relevant foreign bank as specified by Cabinet Order that is provided for in the main clause of Article 4, paragraph (3) of the Act following a mutatis mutandis application of terms pursuant to the provisions of Article 9, means one of the following persons:

- (i) a person holding shares, etc. constituting over fifty percent of the issued shares, etc. of a foreign bank;
- (ii) a person holding shares, etc. constituting over fifty percent of the issued shares of that person as set forth in the preceding item;
- (iii) any one of the two or more persons whose principal business offices are located in the same the State and whose total shares, etc. held constitute over fifty percent of the issued shares, etc. of a foreign bank;
- (iv) a person prescribed by Cabinet Office Order as being equivalent to one of the persons set forth in the preceding three items.

Article 12 [Deleted]

(Uniquely Related Persons Involved in the Transactions of a Foreign Bank Branch)

Article 12-2 The person uniquely related to the relevant foreign bank branch as specified by Cabinet Order that is provided for in the main clause of Article 13-2 of the Act following a deemed replacement of terms pursuant to the provisions of Article 9, means one of the following persons:

- (i) a subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 4-2, paragraph (2); hereinafter the same applies in this Article) of the foreign bank with which the relevant foreign bank branch is affiliated;
- (ii) the parent corporation, etc. that has the foreign bank with which the relevant foreign bank branch is affiliated as a subsidiary corporation, etc.;
- (iii) a subsidiary corporation, etc. of a parent corporation, etc. as set forth in the preceding item (other than the foreign bank itself and any person as set forth in the preceding two items);
- (iv) an affiliated corporation, etc. (meaning an affiliated corporation, etc. as prescribed in Article 4-2, paragraph (3); hereinafter the same applies in this Article) of the foreign bank with which the relevant foreign bank branch is affiliated;
- (v) an affiliated corporation, etc. of a parent corporation, etc. as set forth in item (ii) (excluding a person as set forth in the preceding item);
- (vi) a bank agent (meaning a bank agent as prescribed in Article 2, paragraph (15) of the Act; hereinafter the same applies in this Article) that has the relevant foreign bank branch as its principal bank (meaning a principal bank

- as prescribed in Article 2, paragraph (16) of the Act; hereinafter the same applies in this Article), and any subsidiary corporation, etc. or affiliated corporation, etc. of that bank agent (other than the foreign bank itself and any person as set forth in one of the preceding items);
- (vii) a parent corporation, etc. that has a bank agent as referred to in the preceding item as a subsidiary corporation, etc., and any subsidiary corporation, etc. or affiliated corporation, etc. of that parent corporation, etc. (other than the foreign bank itself and any person as set forth in one of the preceding items);
 - (viii) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the foreign bank itself and any person as set forth in one of the preceding items; hereinafter referred to as a "corporation, etc." in this item) that is connected to a bank agent (limited to an individual; hereinafter referred to as "individual bank agent" in this item) for whom the relevant foreign bank branch is the principal bank:
 - (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the individual bank agent holds voting rights exceeding fifty percent of all shareholders', etc. voting rights;
 - (b) a corporation, etc. in which the individual bank agent holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)
Article 12-3 (1) The person specified by Cabinet Order as provided in Article 13-3-2, paragraph (2) of the Act following a deemed replacement of terms pursuant to the provisions of Article 9, means one of the following persons (excluding a person engaging in bank agency services for the relevant foreign bank branch):

- (i) the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated;
- (ii) a subsidiary corporation, etc. of the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated (other than the foreign bank with which the relevant foreign bank branch is affiliated itself and any person as set forth in the preceding item or in paragraph (3), item (i) or item (ii));
- (iii) an affiliated corporation, etc. of the parent corporation, etc. of the foreign bank with which the relevant foreign bank branch is affiliated (other than any person as set forth in paragraph (3), item (ii));
- (iv) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the foreign

bank with which the relevant foreign bank branch is affiliated itself and any person as set forth in the preceding three paragraphs or in paragraph (3), item (i) or item (ii); hereinafter referred to as a "corporation, etc." in this item) that relates to an individual who holds voting rights exceeding fifty percent of all shareholders', etc. voting rights in the foreign bank with which the relevant foreign bank branch is affiliated (hereinafter referred to in this item and Article 16-2-2, paragraph (1), item (iv) as a "specified individual shareholder, etc."):

- (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual shareholder, etc. holds voting rights exceeding fifty percent of all shareholders', etc. voting rights ;
 - (b) a corporation, etc. in which the specified individual shareholder, etc. holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights ;
- (2) The person engaged in financial services which is specified by Cabinet Order, as is prescribed in Article 13-3-2, paragraph (2) of the Act following a deemed replacement of terms pursuant to the provisions of Article 9, means one of the following persons:
- (i) a long-term credit bank;
 - (ii) a notifier of specially permitted services;
 - (iii) a person that is in the business of intermediating in the lending or borrowing of money (including intermediating in the delivery or receipt of money through the discounting of bills and notes, the provision of collateral by sale and transfer, or any similar means) (excluding a bank, financial instruments business operator, or insurance company, or a person as set forth in either of the preceding two items);
 - (iv) a person that is in any of the following businesses in a foreign state based on foreign laws and regulations (excluding a bank, a financial instruments business operator, an insurance company, and a person as set forth in the preceding three items);
 - (a) banking;
 - (b) financial instruments business as prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act;
 - (c) insurance business as prescribed in Article 2, paragraph (1) of the Insurance Business Act;
- (3) The person specified by Cabinet Order prescribes as provided in Article 13-3-2, paragraph (3) of the Act following a deemed replacement of terms pursuant to the provisions of Article 9, means one of the following persons (excluding a bank agent that has the relevant foreign bank branch as its principal bank):
- (i) a subsidiary corporation, etc. of the foreign bank with which the foreign

- bank branch is affiliated;
 - (ii) an affiliated corporation, etc. of the foreign bank with which the foreign bank branch is affiliated;
 - (iii) a person engaging in bank agency services for the foreign bank branch (other than a person as set forth in one of the preceding two items).
- (4) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 13-3-2, paragraph (3) of the Act following a deemed replacement of terms pursuant to the provisions of Article 9, means one of the following persons:
- (i) a person as set forth in paragraph (2), items (ii) through (iv);
 - (ii) a person as set forth in one of the items of Article 16-8.

(Assets to Be Kept Within Japan)

Article 13 (1) A foreign bank branch must hold assets as under Article 47-2 of the Act by keeping the following assets within Japan:

- (i) money it has deposited with the Bank of Japan;
 - (ii) its cash, and the deposits and savings it has with a financial institution in Japan as provided separately by the Commissioner of the Financial Services Agency (excluding a person as prescribed in Article 12-2 (limited to a person as set forth in items (i) through (v) of that Article) uniquely related to that foreign bank branch);
 - (iii) national government bonds;
 - (iv) local government bonds;
 - (v) bonds issued by a corporation pursuant to a special law;
 - (vi) investment securities issued by a corporation that has been established pursuant to a special law;
 - (vii) beneficial interests in any money trust for which a contract for compensation of losses in principal has been concluded pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943);
 - (viii) secured bonds of companies in Japan which issue shares listed on a financial instruments exchange as prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act;
 - (ix) loans as specified by Cabinet Office Order that are made to any person having an address or residence in Japan; and
 - (x) other assets that Commissioner of the Financial Services Agency finds appropriate.
- (2) The amount specified by Cabinet Order that is provided for in Article 47-2 of the Act is 2,000,000,000 yen.

(Persons Uniquely Related to a Foreign Bank Branch Subject to Submission of

Materials)

Article 14 The person uniquely related to the relevant person as specified by Cabinet Order that is provided for in Article 48 of the Act, means a person as set forth in Article 1-2, items (i) through (v).

(Deemed Replacement of Terms for the Electronic Public Notices of a Foreign Bank Branch)

Article 14-2 If a foreign bank branch uses the electronic public notice referred to in the provisions of Article 49-2 of the Act to issue a public notice under the Act or any other law (other than a public notice under the Companies Act (Act No. 86 of 2005)), the deemed technical replacement of terms in these provisions, as applied mutatis mutandis pursuant to the provisions the Companies Act, Article 940, paragraph (3), and Article 941, is as shown in the following table.

| Provisions of the Companies Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|----------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 940, paragraph (3), item (i) | the company | a foreign bank branch prescribed in Article 47, paragraph (2) of the Banking Act (hereinafter referred to as a "foreign bank branch" in this item and the following Article) |
| | the company | the foreign bank branch |
| Article 941 | this Act | the Banking Act |
| | Article 440, paragraph (1) | Article 16, paragraph (1) and Article 20, paragraph (4) of the Banking Act |
| | a company | a foreign bank branch |

(Providing Information Using Information and Communications Technology)

Article 14-3 (1) Before seeking to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (12) (including as applied mutatis mutandis pursuant to Article 34-4 (6) as applied mutatis mutandis pursuant to Article 52-2-5 of the Act), Article 34-4, paragraph (3), Article 37-3, paragraph (2), and Article 37-4, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; the same applies in this Article), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and

Exchange Act as applied mutatis mutandis pursuant to that Article, pursuant to the provisions of a Cabinet Office Order, a Foreign Bank's Agent Bank (meaning a Foreign Bank's Agent Bank prescribed in Article 52-2-5 of the Act; hereinafter the same applies) must first indicate to the party to which it will provide that information the type and substance of the means prescribed in that paragraph that it will use to provide it (hereinafter referred to as "electronic or magnetic means" in this Article) and obtain consent for this in written form or by electronic or magnetic means.

- (2) If a foreign bank's agent bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in written form or by electronic or magnetic means, indicating that the person is not willing to be provided with information by electronic or magnetic means, the foreign bank's agent bank must not use electronic or magnetic means to provide the person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; provided, however, that this does not apply if the person has once again given the consent under the preceding paragraph.

(Gaining a Person's Agreement Using Information and Communications Technology)

- Article 14-4 (1) Before seeking to obtain a person's agreement by the means specified by Cabinet Office Order as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act (including as applied mutatis mutandis pursuant to Article 34-3, paragraph (3) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (including as applied mutatis mutandis pursuant to Article 34-4, paragraph (6) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant Article 52-2-5 of the Act); hereinafter the same applies in this Article), as applied mutatis mutandis pursuant to Article 52-2-5 of the Act (hereinafter referred to as "electronic or magnetic means" in this Article), in place of an agreement in written form under paragraph (11) of that Article, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act, Foreign Bank's Agent Bank, in advance and pursuant to the provisions of a Cabinet Office Order, must indicate to the person whose agreement it is seeking the type and substance of the electronic or magnetic it will use and obtain consent for this in written form or by electronic or magnetic means.
- (2) If a foreign bank's agent bank that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in written form or by electronic or magnetic means, indicating that the person is not willing to agree to the matter in question by electronic or magnetic means,

the foreign bank's agent bank must not use electronic or magnetic means to gain the person's agreement as prescribed in Article 34-2, paragraph (12) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act; provided, however, that this does not apply if the person has once again given the consent under the preceding paragraph.

(Material Particulars of Specified Deposit, etc. Contracts That Impact Customers' Judgment as Relates to a Foreign Bank's Agent Bank Acting as Agent in the Entry Into Such Contracts)

Article 14-5 (1) The particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-2-5 of the Act are those specified in the following items:

- (i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay in connection with a specified deposit, etc. contract;
- (ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter:
 - (a) the indicator in question;
 - (b) an indication of the risk that fluctuations in that indicator could give rise to a loss and the reasons for this;
- (iii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act are those specified in the following items if a person undertakes an act as prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-2-5 of the Act by causing something to be broadcast using the broadcasting equipment of a basic broadcaster or by any other means specified by Cabinet Office Order as equivalent thereto:

- (i) an indication that there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter, if such a risk is present;
- (ii) the particulars specified by Cabinet Office Order as being equivalent to

what is set forth in the preceding item.

(Deemed Replacement of Terms in the Provisions of the Financial Instruments and Exchange Act as Applied Mutatis Mutandis Regarding Actions by a Foreign Bank's Agent Bank as Its Agent or Intermediary in the Entry Into Specified Deposit, etc. Contracts)

Article 14-6 The deemed technical replacement of terms under Article 52-2-5 of the Act is as shown in the following table.

| Provisions of the Financial Instruments and Exchange Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------|
| Article 34 | paragraph 31, item (iv) of that Article | Article 2, paragraph (31), item (iv) |
| Article 37, paragraph (1), item (i) and Article 37-3, paragraph (1), item (i) | the trade name or name | the name or trade name |

(Persons Uniquely Related to a Principal Foreign Bank That Can Be Asked to Submit Materials)

Article 14-7 The person uniquely related to the relevant principal foreign bank as specified by Cabinet Order that is provided for in Article 52-2-8 of the Act, means one of the following persons:

- (i) a person holding shares, etc. constituting over fifty percent of the issued shares, etc. of a principal foreign bank (meaning the principal foreign bank prescribed in Article 52-2, paragraph (1) of the Act; the same applies in item (iv));
- (ii) a person holding shares, etc. constituting over fifty percent of the issued shares of the person set forth in the preceding item;
- (iii) a corporation in which the person as set forth in item (i) holds shares, etc. constituting over fifty percent of its issued shares, etc.;
- (iv) a corporation in which a principal foreign bank holds shares, etc. constituting over fifty percent of its issued shares, etc.;
- (v) a corporation in which the corporation as set forth in the preceding item holds shares, etc. constituting over fifty percent of its issued shares, etc.

(Deemed Replacement of Terms for a Foreign Bank's Agent Bank)

Article 14-8 The deemed technical replacement of terms under Article 52-2-10 of the Act is as shown in the following table.

| Provisions of the Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Article 52-43 | an activity set forth in one of the items of Article 2, paragraph (14) (hereinafter referred to as an "activity as a bank agent" in this Chapter) | an activity pertaining to foreign bank agency services; hereinafter referred to as an "activity as a foreign bank agent") |
| Article 52-44, paragraph (1) | activities as a bank agent | activities as a foreign bank agent |
| Article 52-44, paragraph (1), item (i) | trade name | name or trade name |
| Article 52-44, paragraph (1), item (ii) | set forth in the items of Article 2, paragraph (14) | pertaining to foreign bank agency services |
| Article 52-44, paragraph (3) | the preceding two paragraphs, Article 52-45-2 | Article 52-2-5, the preceding two paragraphs |
| | activities as a bank agent | activities as a foreign bank agent |
| Article 52-45, item (iii) | a person closely related to the bank agent as specified by Cabinet Office Order (referred to as a "closely related party" in the following item) | a person closely related to the bank agent as specified by Cabinet Office Order |

(Corporations Equivalent to the National Government or a Local Government)

Article 15 The corporations specified by Cabinet Order as equivalent to the national or local government that are provided for in Article 52-2, paragraph (1) of the Act means any of the following corporations:

- (i) the investor-protection fund prescribed in Article 79-21 of the Financial Instruments and Exchange Act;
- (ii) the Deposit Insurance Corporation;
- (iii) the Agricultural and Fishery Cooperation Savings Insurance Corporation;
- (iv) the Insurance Policyholders Protection Corporation prescribed in Article 259 of the Insurance Business Act (Act No. 105 of 1995);
- (v) the Government Pension Investment Fund;
- (vi) the Banks' Shareholding Purchase Corporation;

(vii) a foreign government.

(Non-Business Days Not Included in Notification Periods)

Article 15-2 The non-business days specified by Cabinet Order that are provided for in Article 52-2, paragraph (1) of the Act are the days (other than Sundays) set forth in each item of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988).

(Criteria for Consideration as a High-Volume Transfer of Voting Rights Within a Short Time Span)

Article 15-3 The criteria specified by Cabinet Order as those whereby a person is judged to have transferred a large amount of voting rights within a short time span as prescribed in Article 52-3, paragraph (2) of the Act, is that the proportion of voting rights held (meaning a proportion of voting rights held as prescribed in Article 52-2, paragraph (1), item (i) of the Act; hereinafter the same applies in this Article) following a change that is required to be recorded in a statement of changes as prescribed in Article 52-3, paragraph (2) has come to be less than fifty percent of the highest of the proportions of voting rights held (limited to one that uses as its basis for calculation a day falling on or after the day 60 days before the base date for calculating the proportion of voting rights held after the relevant change, or that uses as its basis for calculation whichever of the days that forms a basis for such a calculation on or before the day immediately preceding the day falling 60 days before that base date falls closest to the day 60 days before that base date) that have been or were required to have been recorded in a statement of holdings in bank voting rights associated with such a statement of changes (meaning a statement of holdings in bank voting rights as prescribed in Article 52-2, paragraph (1) or Article 52-4, paragraph (1) of the Act) or in any other statement of changes associated with such a statement of holdings in bank voting rights (meaning a statement of changes prescribed in Article 52-3, paragraph (1) or Article 52-4, paragraph (2) of the Act), and that this is more than a five percentage-point decrease from that highest proportion.

(Transactions and Actions Requiring Authorization as Concerns a Bank's Major Shareholder)

Article 15-4 The transaction or action specified by Cabinet Order that is provided for in Article 52-9, paragraph (1), item (iii) means one of the following transactions or actions:

- (i) acquisition of voting rights (excluding the acquisition of shares or equity due to the enforcement of a security interest or any other circumstances specified by Cabinet Officer Order) in a company, etc. (meaning a company, etc. as

- prescribed in Article 3-2, paragraph (1), item (ii) of the Act) other than a bank by the person seeking to become a shareholder as referenced;
- (ii) a merger to which the person seeking to become a shareholder as referenced (limited to a company; hereinafter referred to as "the company" in this Article) is party, if the company survives the merger;
 - (iii) a company split to which the company is party (limited to a company split that results in a part of business being succeeded to);
 - (iv) the transfer of a part of business by the company.

(Deemed Replacement of Terms for a Bank's Foreign Major Shareholder)

Article 16 The deemed technical replacement of terms for applying the provisions of the Act to a bank's foreign major shareholder (meaning a bank's foreign major shareholder as prescribed in Article 52-16 of the Act; the same applies hereinafter) pursuant to the provisions of that Article is as shown in the following table.

| Provisions of the Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 65 | the director, executive officer, or accounting advisor, the staff member responsible for performing the duties of a person in such a position, or the auditor, manager, or liquidator of the bank | the director, executive officer, or accounting advisor, the staff member responsible for performing the duties of a person in such a position, the auditor, manager, or liquidator of the bank, or a person assigned to a similar duty |

(Transactions and Actions Requiring Authorization as Concerns a Bank Holding Company)

Article 16-2 The transaction or action specified by Cabinet Order that is provided for in Article 52-17, paragraph (1), item (iii) of the Act means one of the following transactions or actions:

- (i) acquisition of voting rights (excluding the acquisition of shares or equity due to the enforcement of a security interest or any other circumstances specified by Cabinet Office Order) in a company other than a bank by the company or its subsidiary company;
- (ii) a merger to which the company is party, if the company survives the

merger;

- (iii) a company split to which the company is party (limited to a company split that results in a part of business being succeeded to);
- (iv) the transfer of a part of business by the company.

(Scope of Parent Financial Institutions and Subsidiary Financial Institutions)

Article 16-2-2 (1) The person prescribed by Cabinet Order as provided in Article 52-21-3, paragraph (2) of the Act means one of the following persons (excluding a person engaging in bank agency services for a bank that is a subsidiary company of the relevant bank holding company):

- (i) the bank holding company's parent corporation, etc.;
- (ii) a subsidiary corporation, etc. of the bank holding company's parent corporation, etc. (excluding the bank holding company itself and any person as set forth in the preceding item or paragraph (3), item (i) or item (ii));
- (iii) an affiliated corporation, etc. of the bank holding company's parent corporation, etc. (other than a person as set forth in paragraph (3), item (ii));
- (iv) a company, partnership, or other equivalent business entity as follows (including entities equivalent thereto in foreign states; other than the bank holding company itself and any person as set forth in the preceding three paragraphs or in paragraph (3), item (i) or (ii); hereinafter referred to as a "corporation, etc." in this item) that is connected to a bank holding company's specified individual shareholder, etc.:
 - (a) a corporation, etc. (including its subsidiary corporations, etc. and affiliated corporations, etc.) in which the specified individual shareholder, etc. holds voting rights exceeding fifty percent of all shareholders', etc. voting rights;
 - (b) a corporation, etc. in which the specified individual shareholder, etc. holds voting rights accounting for at least twenty percent but no more than fifty percent of all shareholders', etc. voting rights.

(2) The person engaged in financial services which is specified by Cabinet Order, as prescribed in Article 52-21-3, paragraph (2) of the Act means a person as set forth in one of the items of Article 4-2-2, paragraph (2).

(3) The person prescribed by Cabinet Order as provided in Article 52-21-3, paragraph (3) of the Act means one of the following persons (other than a bank agent that has a bank that is the subsidiary company of the relevant bank holding company as its principal bank):

- (i) a subsidiary corporation, etc. of that bank holding company;
- (ii) an affiliated corporation, etc. of that bank holding company;
- (iii) a person engaged in bank agency services for a bank that is a subsidiary company of that bank holding company (other than a person as set forth in one of the preceding two items).

(4) The person engaged in financial services which is specified by Cabinet Order as prescribed in Article 52-21-3, paragraph (3) of the Act means a person as set forth in one of the items of Article 4-2-2, paragraph (4).

(Extension of Credit, etc. to a Single Person as Pertains to Bank Holding Companies)

Article 16-2-3 (1) The person uniquely related to the relevant bank holding company as specified by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act, means a person set forth in one of the items of Article 4, paragraph (1) (other than the relevant bank holding company itself and its combined subsidiary corporations, etc. and combined affiliated corporations, etc.; referred to as a "person subject to consolidated calculation of credit received" in Article 4, paragraph (12), as applied mutatis mutandis to paragraph (4)), if the single person prescribed in the main clause of Article 52-22, paragraph (1) of the Act (excluding any person uniquely related to the relevant bank holding company as specified by that Cabinet Order; referred to as the "single person itself" in paragraph (3)) is not a combined subsidiary corporation, etc. (meaning a combined subsidiary corporation, etc. as prescribed in Article 4, paragraph (2); hereinafter the same applies in this paragraph) or combined affiliated corporation, etc. (meaning a combined affiliated corporation, etc. as prescribed in Article 4, paragraph (3); hereinafter the same applies in this paragraph) of the relevant bank holding company.

(2) The extension of credit or making of a financial contribution (including anything equivalent to the extension of credit or the making of a contribution) as specified by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act means what is set forth in any of the items of Article 4, paragraph (6).

(3) The category provided by Cabinet Order that is provided for in the main clause of Article 52-22, paragraph (1) of the Act is the extension of credit or the making of a financial contribution (meaning the extension of credit or making of a financial contribution as prescribed in the main clause of that paragraph; hereinafter the same applies in paragraph (5)) to a single person as prescribed in the main clause of paragraph (1) of that Article, and the ratio specified by Cabinet Order that is provided for in the main clause of that paragraph is twenty-five percent.

(4) The provisions of Article 4, paragraph (12) apply mutatis mutandis to the compelling reason specified by Cabinet Order that is prescribed in the proviso to Article 52-22, paragraph (1) of the Act. In this case, the term "and its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the first sentence of Article 13, paragraph (2) of the Act; hereinafter the same

applies in this paragraph), or just its subsidiary companies, etc." in Article 4, paragraph (12), item (i) is deemed to be replaced with "or just its subsidiary companies, etc. (meaning subsidiary companies, etc. as prescribed in the main clause of Article 52-22, paragraph (1) of the Act; hereinafter the same applies in this paragraph)"; the term "the consolidated limit on credit and contributions prescribed in the first sentence of Article 13, paragraph (2) of the Act (hereinafter referred to as the 'consolidated limit on credit and contributions' in this paragraph)" in that item is deemed to be replaced with "the limit on credit and contributions for a bank holding company as prescribed in the main clause of that paragraph (hereinafter referred to as the 'limit on credit and contributions for a bank holding company' in this paragraph)"; the term "and its subsidiary companies, etc., or just its subsidiary companies, etc." in the provisions of item (ii) through (v) of that paragraph is deemed to be replaced with "or just its subsidiary companies, etc."; the term "consolidated limit on credit and contributions" in the same provisions is deemed to be replaced with "limit on credit and contributions for a bank holding company"; and the term "and its subsidiary companies, etc., or just its subsidiary companies, etc." in that item is deemed to be replaced with "or just its subsidiary companies, etc."

- (5) The extension of credit or the making of a financial contribution as specified by Cabinet Order that is provided for in Article 52-22, paragraph (2), item (i) of the Act means the extension of credit or the making of a financial contribution to any of the entities set forth in the items of Article 4, paragraph (13) (excluding the extension of credit or the making of a financial contribution for which the national government guarantees repayment of the principal and payment of the interest).

(Company Splits Involving Bank Holding Companies That Do Not Require the Authorization of the Commissioner of the Financial Services Agency)

Article 16-2-4 (1) The exceptions specified by Cabinet Order that are provided for in Article 52-35, paragraph (2) of the Act are the following company splits (limited to a company split in which the referenced bank holding company causes another person to succeed to, or itself succeeds to, a part of business; hereinafter the same applies in this Article):

- (i) a company split in which both the amount of assets and debts that the bank holding company will cause another person to succeed to in the company split constitutes five percent or less of its total assets and total debts;
- (ii) a company split in which both the amount of assets and debts the bank holding company will succeed to in the company split constitutes five percent or less of its total assets or total debts (except for the following company splits):

- (a) a company split in which the amount specified by Cabinet Officer Order as the amount of debts of a company splitting in an absorption-type split (meaning a company splitting in an absorption-type split as prescribed in Article 758, item (i) of the Companies Act; hereinafter the same applies in this item) to which the bank holding company will succeed (referred to as the "amount of debt to which it will succeed" in (b)) exceeds the amount specified by Cabinet Office Order as the amount of assets of the company splitting in the absorption-type split to which the bank holding company will succeed (referred to as the "amount of assets to which it will succeed" in (b));
 - (b) a company split in which the book value of money, etc. (excluding shares, etc. (meaning shares, etc. as prescribed in Article 107, paragraph (2), item (ii), (e) of the Companies Act) in the bank holding company) that the bank holding company will deliver to a company splitting in an absorption-type split exceeds the amount arrived at by deducting the amount of debt to which it will succeed from the amount of assets to which it will succeed.
- (2) In a case to which the provisions of the preceding paragraph apply, the amounts of the assets (excluding assets as referred to in item (ii), (a) of that paragraph; hereinafter the same applies in this paragraph), debts, total assets, and total debts referred to in that paragraph are to be based on the book value immediately before the company split (with regard to assets and debts succeeded to in a company split as set forth in item (ii) of that paragraph, the book value to be referred to at the time of the company split).

(Business Transfers and Acquisitions Involving Bank Holding Companies That Do Not Require the Authorization of the Commissioner of the Financial Services Agency)

Article 16-3 (1) The exceptions specified by Cabinet Order that are provided for in Article 52-35, paragraph (3) of the Act are those specified in the following items:

- (i) the transfer of a part of business in which both the amount of assets and debts that the referenced bank holding company will transfer in conjunction with the partial business transfer constitutes five percent or less of its total assets or total debts;
 - (ii) the acquisition of a part of business in which both the amount of assets and debts the referenced bank holding company will take on in conjunction with the partial business acquisition constitutes five percent or less of its total assets or total debts.
- (2) In a case to which the provisions of the preceding paragraph apply, the amount of assets, debts, total assets, and total debts referred to in that paragraph are to be based on the book values immediately before transfer, for a

transfer of business as set forth in item (i) of that paragraph; and are to be based on the book value immediately before acquisition, for a business acquisition as set forth in item (ii) of that paragraph (with regard to assets and debts associated with that acquisition, the book value to be referred to at the time of the acquisition).

(Deemed Replacement of Terms for a Foreign Holding Company That Has a Bank as a Subsidiary Company)

Article 16-4 The deemed technical replacement of terms for applying the provisions of the Act to a holding company established under the laws and regulations of a foreign state that has a bank as its subsidiary company as under Article 52-16 of the Act as applied mutatis mutandis pursuant to Article 52-20 of the Act (hereinafter referred to as a "foreign holding company that has a bank as a subsidiary company") is as shown in the following table.

| Provisions of the Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Article 52-18, paragraph (1), item (ii) | equity capital | equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| Heading of Article 52-19 | Directors | Directors, etc. |
| Article 52-19, paragraph (1) | a director (or executive officer, if a bank is a company with nominating committee, etc.) | a director or an executive officer, or a person assigned to a similar duty |
| Article 52-22, paragraph (1) and paragraph (4) | the total net amount of the equity capital | the total net amount of the equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |
| Article 52-25, Article 52-33, paragraph (2) | equity capital | equity capital or anything specified by the Commissioner of the Financial Services Agency as equivalent to this |

| | | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 52-34, paragraph (1) | articles of incorporation | articles of incorporation or provisions equivalent to this |
| | director, executive officer, accounting advisor, or company auditor | director, executive officer, accounting advisor, auditor, or financial auditor, or a person assigned to a similar duty |
| Article 53, paragraph (3), item (vi) | stated capital | stated capital or contributed funds |
| Article 63, item (vii) | a director, executive officer, accounting advisor, or auditor | a director, executive officer, accounting advisor, auditor, or financial auditor, or a person assigned to a similar duty |
| Article 65 | the director, executive officer, or accounting advisor, the staff member responsible for performing the duties of a person in such a position, or the auditor, manager, or liquidator of the bank | the director, executive officer, or accounting advisor, the staff member responsible for performing the duties of a person in such a position, the auditor, manager, or liquidator of the bank, or a person assigned to a similar duty |
| | the director, executive officer, or accounting advisor, the staff member responsible for performing the duties of a person in such a position, or the auditor, manager, member involved in executive operations, or liquidator of the specified holding company | the director, executive officer, or accounting advisor, the staff member that responsible for performing the duties of a person in such a position, the auditor, manager, member involved in executive operations, or liquidator of the specified holding company, or a person assigned to a similar duty |

(Special Provisions Concerning the Time Limit on Notification as Pertains to a Foreign Specified Holding Company)

Article 16-5 Notwithstanding the provisions of Article 52-17, paragraph (2) of the Act, if a specified holding company as prescribed in that paragraph constitutes a foreign holding company that has a bank as a subsidiary company, it is to notify the Commissioner of the Financial Services Agency of the particulars prescribed in that paragraph within six months after the end of the business year that includes the day on which the cause prescribed in that paragraph arises; provided, however, that if the notification cannot be submitted within the six months due to the laws and regulations or practices on preparing books in the foreign state (meaning a country that has enacted

laws and regulations governing the establishment of the foreign holding company that has a bank as a subsidiary company) or for any other legitimate reason, the company may have this due date extended by obtaining the approval of the Commissioner of the Financial Services Agency.

(Special Provisions Concerning Public Notice of a Balance Sheet Pertaining to a Bank Holding Company Located in a Foreign State)

Article 16-6 In applying the provisions of Article 52-28, paragraph (3) and paragraph (5) of the Act to a bank holding company located in a foreign state (meaning a foreign holding company that has a bank as a subsidiary company, which was established with the authorization prescribed in Article 52-17, paragraph (1) of the Act or with the authorization prescribed in that paragraph or the proviso to paragraph (3) of that Article), the term "within three months" in these provisions is deemed to be replaced by "within six months".

(Material Particulars of Specified Deposit, etc. Contracts That Impact Customers' Judgment as Relates to a Bank Agent Acting as Agent in the Entry Into Such Contracts)

Article 16-6-2 (1) The particulars specified by Cabinet Order that are provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act are:

- (i) the particulars specified by Cabinet Office Order concerning any fee, reward, or other compensation that a customer is to pay in connection with a specified deposit, etc. contract;
- (ii) the following particulars, if there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter:
 - (a) the indicator in question;
 - (b) an indication of the risk that fluctuations in that indicator could give rise to a loss and the reasons for this;
- (iii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding two items.

(2) Notwithstanding the provisions of the preceding paragraph, the particulars specified by Cabinet Order provided for in Article 37, paragraph (1), item (iii) of the Financial Instruments and Exchange Act are those specified in the following items if a person undertakes an act as prescribed in Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act by causing something

to be broadcast using the broadcasting equipment of a basic broadcaster or by any other means specified by Cabinet Office Order as equivalent thereto:

- (i) an indication that there is a risk for a loss to arise that has as its direct cause fluctuations in the money rate, the value of currencies, quotations on a financial instruments market, or any other indicator, as regards the specified deposit, etc. contract into which the customer will enter, if such a risk is present;
- (ii) the particulars specified by Cabinet Office Order as being equivalent to what is set forth in the preceding item.

(Providing Information Using Information and Communications Technology)

Article 16-6-3 (1) Before seeking to provide a person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis in Article 37-3, paragraph (2) of that Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, pursuant to the provisions of Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act (including as applied in Article 37-4, paragraph (2) of that Act as applied mutatis mutandis pursuant to Article 52-45-2 of the Act; hereinafter the same applies in this Article) as applied mutatis mutandis in Article 37-3, paragraph (2) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 52-45-2 of the Act, pursuant to the provisions of a Cabinet Office Order, a Bank Agent (meaning a Bank Agent prescribed in Article 2, paragraph (15) of the Act; hereinafter the same applies) must first indicate to the person to which it will provide that information the type and substance of the means prescribed in that paragraph that it will use to provide it (hereinafter referred to as "electronic or magnetic means" in this Article) and obtain consent for this in written form or by electronic or magnetic means.

- (2) If a bank agent that has obtained the consent under the preceding paragraph receives a notice from the relevant person, either in written form or by electronic or magnetic means, indicating that the person is not willing to be provided with information by electronic or magnetic means, the bank agent must not use electronic or magnetic means to provide the person with the information prescribed in Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act, as applied mutatis mutandis pursuant to Article 37-3, paragraph (2) of the same Act, which is applied mutatis mutandis pursuant to Article 52-45-2 of the Act; provided, however, that this does not apply if the person has once again given consent under the preceding paragraph.

(Deemed Replacement of Terms in the Provisions of the Financial Instruments

and Exchange Act as Applied Mutatis Mutandis Regarding Actions by a Bank Agent as an Agent or Intermediary in the Entry Into Specified Deposit, etc. Contracts)

Article 16-6-4 The deemed technical replacement of terms under the provisions of Article 52-45-2 is as shown in the following table.

| Provisions of the Financial Instruments and Exchange Act subject to the deemed replacement of terms | Terms deemed to be replaced | Terms deemed to replace the relevant terms |
|-----------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Article 37-3, paragraph (1), item (i) | trade name or name | trade name |
| Article 37-6, paragraph (4) (except for the proviso) | compensation | consideration (which means any fees, rewards, or other compensation that a customer is to pay in association with that specified deposit, etc. contract) |

(Non-Business Days of a Specified Bank Agent)

Article 16-7 (1) The days specified by Cabinet Order that are provided for in Article 52-46, paragraph (1) of the Act means any day as set forth in one of the items of Article 5, paragraph (1).

(2) Beyond the days provided for in the preceding paragraph, a business office or office at which a specified bank agent (meaning a specified bank agent as prescribed in Article 52-46, paragraph (1) of the Act) does not perform specified activities as a bank agent (meaning specified activities as a bank agent as prescribed in Article 52-46, paragraph (1) of the Act) (this includes facilities that are part of a business office or office at which a specified bank agent performs specified activities as a bank agent, but that are other than the facilities in which it performs those specified activities as a bank agent) may set a day other than as provided in the preceding paragraph as a non-business day.

(Scope of Bank That Is Not Required to Be Licensed to Conduct Banking Agency Service)

Article 16-8 The person engaged in financial services which is specified by Cabinet Order as prescribed in Article 52-61, paragraph (1) of the Act means one of the following persons:

(i) a long-term credit bank prescribed in Article 2 (Definition) of the Long-Term

- Credit Bank Act (Act No. 187 of 1952);
- (ii) a Credit union or Federation of Credit unions;
 - (iii) a credit cooperative or federation of credit cooperatives carrying on a business as prescribed in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
 - (iv) a labor bank or the federation of labor banks;
 - (v) an agricultural cooperative (limited to a cooperative carrying on a business as prescribed in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947)) or federation of agricultural cooperatives (limited to a federation carrying on a business as prescribed in that item);
 - (vi) a fisheries cooperative (limited to a cooperative carrying on a business as prescribed in Article 11, paragraph (1), item (iv) of the Fisheries Cooperatives Act (Act No. 142 of 1948)) or federation of fisheries cooperatives (limited to a federation carrying on a business as prescribed in Article 87, paragraph (1), item (iv) of that Act), or a fishery processing cooperative (limited to a cooperative carrying on a business as prescribed in Article 93, paragraph (1), item (ii) of that Act) or federation of fishery processing cooperatives (limited to an association carrying on a business prescribed in Article 97, paragraph (1), item (ii) of that Act);
 - (vii) the Norinchukin Bank.

(Designation Under Other Laws for Operations Equivalent to Dispute Resolution, etc.)

Article 16-9 The designation specified by Cabinet Order that is provided for in Article 52-62, paragraph (1), item (ii) and item (iv), (d), Article 52-66, and Article 52-83, paragraph (3) of the Act means:

- (i) a designation under Article 156-39, paragraph (1) of the Financial Instruments and Exchange Act;
- (ii) a designation as set forth in the items of Article 16-11.

(Proportion of the Number of Banks That Have Stated Objections, to the Total Number of Banks)

Article 16-10 The proportion specified by Cabinet Order that is provided for in Article 52-62, paragraph (1), item (viii) is one third.

(Exemption from Restriction on the Use of Names)

Article 16-11 The person specified by Cabinet Order that is provided for in Article 52-77 of the Act means a person subject to any of the following designations:

- (i) a designation under Article 35-2, paragraph (1) of the Mutual Loan Business

- Act (Act No. 42 of 1931);
- (ii) a designation under Article 12-2, paragraph (1) of the Act on Engagement in Trust Business Activities by Financial Institutions;
- (iii) a designation under Article 92-6, paragraph (1) of the Agricultural Cooperatives Act;
- (iv) a designation under Article 121-6, paragraph (1) of the Fisheries Cooperatives Act;
- (v) a designation under Article 69-2, paragraph (1) of the Small and Medium-Sized Enterprise Cooperatives Act;
- (vi) a designation under Article 85-4, paragraph (1) of the Credit union Act (Act No. 238 of 1951);
- (vii) a designation under Article 16-8, paragraph (1) of the Long-Term Credit Bank Act;
- (viii) a designation under Article 89-5, paragraph (1) of the Labor Bank Act (Act No. 227 of 1953);
- (ix) a designation under Article 41-39, paragraph (1) of the Money Lending Business Act (Act No. 32 of 1983);
- (x) a designation under Article 308-2, paragraph (1) of the Insurance Business Act;
- (xi) a designation under Article 95-6, paragraph (1) of the Norinchukin Bank Act (Act No. 93 of 2001);
- (xii) a designation under Article 85-2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004);
- (xiii) a designation under Article 99, paragraph (1) of the Act Concerning Settlement of Funds (Act No. 59 of 2009).

(Authorities Excluded from Those Delegated to the Commissioner of the Financial Services Agency)

Article 17 The authority specified by Cabinet Order that is provided for in Article 59, paragraph (1) of the Act, means:

- (i) licensing under Article 4, paragraph (1) of the Act;
- (ii) revocation of licensing as prescribed in Article 4, paragraph (1) of the Act under Article 27 and Article 28 of the Act;
- (iii) authorization under the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act;
- (iv) revocation of authorization as prescribed in the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act under Article 52-34, paragraph (1) of the Act;
- (v) public notice under Article 56 of the Act (limited to the part that involves item (ii) and item (vi));
- (vi) notification under Article 57-6 of the Act (limited to the part that involves

item (i), item (ii) (limited to the part that involves an authorization under the proviso to Article 52-17, paragraph (1) and paragraph (3)), item (iv), and item (v) (limited to the part that involves the revocation of an authorization as prescribed in the proviso to Article 52-17, paragraph (1) and paragraph (3) of the Act under Article 52-34, paragraph (1) of the Act)).

(Delegation of Authority to Directors-General of Local Finance Bureaus)

Article 17-2 (1) The following authorities delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 59, paragraph (1) of the Act and authorities of the Commissioner of the Financial Services Agency under this Cabinet Order (hereinafter referred to as the "authority of the Commissioner") are delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office of a bank (including the principal foreign bank branch (meaning the principal foreign bank branch as prescribed in Article 47, paragraph (1) of the Act); hereinafter the same applies in this Article) (or, if the relevant locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in items (vi) through (viii):

(i) authorizations and approvals under the provisions of Article 5, paragraph (3), Article 6, paragraph (3), Article 7, paragraph (1), Article 8, paragraphs (2) and (3), the proviso to Article 13, paragraph (1) (including as applied mutatis mutandis pursuant to the second sentence of paragraph (2) of that Article), the proviso to Article 13-2, the proviso to Article 20, paragraph (4) (including as applied mutatis mutandis pursuant to the second sentence of paragraph (5) of that Article), Article 30, paragraph (2) (limited to a part that involves the relevant person causing a part of business to be succeeded to or succeeding to a part of business in a company split (excluding a company split which makes a Bank, etc. Eligible to Be a Subsidiary Company, as prescribed in Article 16-2, paragraph (7) of the Act (excluding the company set forth in paragraph (1), item (xii)-3 of that Article), a Subsidiary Company, and a company split through which the Bank, as one of the parties to the company split, or its Subsidiary Companies, come to hold a total number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 16-4, paragraph (1) of the Act)), Article 30, paragraph (3) (limited to a part that involves a transfer or acquisition of a part of business (excluding the transfer or acquisition which makes a Bank, etc. Eligible to Be a Subsidiary Company, as prescribed in Article 16-2, paragraph (7) of the Act (excluding the company set forth in that item), a Subsidiary Company, and a transfer or

- acquisition through which the Bank, as one of the parties to the transfer or acquisition of part of the business, or its Subsidiary Companies, come to hold a total number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 16-4, paragraph (1) of the Act)) and Article 47-3 of the Act;
- (ii) approval under the proviso to Article 55, paragraph (1) of the Act in connection with authorization as set forth in the preceding item;
 - (iii) the addition or modification, under the provisions of Article 54, paragraph (1) of the Act, of conditions to an authorization or approval as set forth in the preceding two items;
 - (iv) approval pursuant to the provisions of Article 5, paragraph (2), item (ii);
 - (v) acceptance of a notification as under the provisions of Article 8, paragraph (1) and paragraph (4), Article 16, paragraph (1), Article 49, Article 52-2, paragraph (3), Article 52-2-9, paragraph (1) and Article 53, paragraph (1) of the Act, and acceptance of documents under Article 19, paragraph (1) and paragraph (2) of the Act and the provisions of Article 52-50, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 52-2-10 of the Act;
 - (vi) an order to submit a report or materials under Article 24, paragraph (1) and paragraph (2) and Article 48 the Act;
 - (vii) questioning and on-site inspections under Article 25, paragraph (1) and paragraph (2) of the Act;
 - (viii) an order (excluding an order to suspend all or part of business and including an order to submit an improvement program) under of Article 26, paragraph (1), Article 52-14, paragraph (2) and Article 52-33, paragraph (3) of the Act.
- (2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the business office or other facility of a bank (including the business office, office, or other facilities of a bank agent that has the relevant bank (including any foreign bank branch; hereinafter the same applies in this paragraph) as its principal bank (meaning a principal bank as prescribed in paragraph (16) of that Article; hereinafter the same applies in this paragraph), and any secondary foreign bank branch (meaning a secondary foreign bank branch as prescribed in Article 47, paragraph (2) of the Act)) that does not constitute that bank's head office; or in the locality of the relevant bank's subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 24, paragraph (2) of the Act) or the locality of a person that the bank has entrusted with its services (including a person entrusted by such a person (including entrustment at two or more degrees of separation from the original entrustment)) but that does not constitute a bank

agent that has that bank as its principal bank (hereinafter referred to as "branch office, etc." in this Article) (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in item (vi) and item (vii) of the preceding paragraph as relates to that branch office, etc.

- (3) Having requested the branch office, etc. of a bank to submit reports or materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the head office of the relevant bank or at a branch office, etc. other than the one in question, a Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an Inspection, etc. at the head office of a bank or at a branch office, etc. other than the one in question.
- (4) The provisions of the preceding three paragraphs do not apply to the authority of the Commissioner that the Commissioner of the Financial Services Agency designates from among what is set forth in the items of paragraph (1).
- (5) Having made a designation as under the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner discontinues or modifies such a designation.

Article 17-2-2 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office of the major holder of voting rights in a bank (meaning the major holder of voting rights in a bank as prescribed in Article 52-2, paragraph (1) of the Act; hereinafter the same applies in this Article) (or in the locality of the holder's address or residence, for an individual) (hereinafter referred to as the "principal office, etc." in this Article and the following Article) (or, if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, this is delegated to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in item (iii) and item (iv):

- (i) acceptance of documents or notification as under Article 52-2, paragraph (1), Article 52-3, paragraph (1), paragraph (3) and paragraph (4) and Article 52-4, paragraph (1) and paragraph (2) of the Act;
- (ii) an order to submit a correction report and the holding of a hearing on that order under Article 52-5 and Article 52-6 of the Act,;
- (iii) an order to submit reports or materials under Article 52-7 of the Act;

- (iv) questioning and on-site inspections under Article 52-8, paragraph (1) of the Act.
- (2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office or principal office of a bank or bank holding company with which the major holder of voting rights in a bank is associated (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in item (iii) and item (iv) of the preceding paragraph.
- (3) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding two paragraphs, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of an office or other facility of the major holder of voting rights in a bank that does not constitute the principal office, etc. thereof (hereinafter referred to as a "secondary office, etc." in this paragraph and the following Article) (or, if that locality is within the jurisdiction of Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in item (iii) and item (iv) of paragraph (1) as relates to that secondary office, etc.
- (4) The provisions of the preceding three paragraphs do not apply to the authority of the Commissioner that the Commissioner of the Financial Services Agency designates from among what is set forth in the items of paragraph (1).
- (5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner discontinues or modifies such a designation.
- (6) If a major holder of voting rights in a bank (limited to a foreign national or foreign corporation; hereinafter the same applies in this paragraph) has an office or other facility in Japan, its principal office, etc. in Japan is deemed to be its principal office, etc.; if a major holder of voting rights in a bank does not have an office or other facility in Japan, its principal office, etc. is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in either case, the provisions of the preceding paragraph apply.

Article 17-2-3 (1) The acceptance of a notification under Article 52-9, paragraph (3) and Article 53, paragraph (2) is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the head office of the bank in which a person that holds or used to hold a number of voting rights

equal to or greater than the major shareholder threshold holds or held a number of voting rights which is equal to or greater than the major shareholder threshold (or, if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau).

- (2) Notwithstanding the provisions of paragraph (1) of the preceding Article, the provisions of the preceding paragraph apply to the authority of the Commissioner set forth in paragraph (1), item (i) and item (ii) of the preceding Article regarding a current or former holder as referred to in the preceding paragraph (limited to the authority of the Commissioner over a bank regarding acceptance of a notification as referred to in the preceding paragraph), .
- (3) The Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office, etc. of a bank's major shareholder or in the locality of the head office of the bank in which a bank's major shareholder holds a number of voting rights which is equal to or greater than the major shareholder threshold (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the following authority of the Commissioner:
 - (i) an order to submit reports and materials under Article 52-11 of the Act;
 - (ii) questioning and on-site inspections under Article 52-12, paragraph (1) of the Act.
- (4) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the secondary office, etc. of a bank's major shareholder (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in the items of the preceding paragraph as relates to that secondary office, etc.
- (5) Notwithstanding the provisions of the preceding paragraphs, the authority of the Commissioner that the Commissioner of the Financial Services Agency designates from among what is prescribed in paragraph (1) and paragraph (2) and what is set forth in the items of paragraph (3) (hereinafter referred to as the "specified authority of the Commissioner" in the following paragraph) is delegated to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau whom the Commissioner of the Financial Services Agency designates.
- (6) The provisions of paragraphs (1) through (4) do not apply to the authority of the Commissioner designated by the Commissioner of the Financial Services Agency from among what is prescribed in paragraph (1) and paragraph (2) and

what is set forth in the items of paragraph (3) (excluding specified authority of the Commissioner).

- (7) Having made a designation as under the preceding two paragraphs, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner discontinues or modifies such a designation.
- (8) If a bank's major shareholder (limited to a foreign national or foreign corporation; this includes a person that used to be the bank's major shareholder, if the relevant bank's major shareholder has come to no longer be the bank's major shareholder; hereinafter the same applies in this paragraph) has an office or other facility in Japan, its principal office, etc. in Japan is deemed to be its principal office, etc.; if a bank's major shareholder does not have an office or other facility in Japan, its principal office, etc. is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in either case, the provisions of the preceding paragraph apply.

Article 17-3 (1) The following authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office, etc. of a holding company that has a bank as a subsidiary company (meaning a holding company as prescribed in Article 2, paragraph (12) of the Act; hereinafter the same applies in this paragraph) or of a company that used to be a holding company that had a bank as a subsidiary company (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau):

- (i) authorization and approval under the provisions of Article 52-19, paragraph (1) and, the proviso to Article 52-22, paragraph (1) and the proviso to Article 52-28, paragraph (3) (including as applied mutatis mutandis pursuant to the second sentence of paragraph (4) of that Article) and Article 52-35, paragraph (2) (limited to the part that involves the relevant person causing a part of business to be succeeded to or succeeding to a part of business in a company split (excluding a company split which makes a Bank, etc. Eligible to be a Subsidiary Company as prescribed in Article 52-23, paragraph (6) of the Act (excluding the company set forth in paragraph (1), item (xi)-3 of that Article), a Subsidiary Company, and a company split through which the Bank Holding Company, as one of the parties to the company split, or its Subsidiary Companies, come to hold a total number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 52-24, paragraph (1) of the Act)); and the provisions of Article 52-35, paragraph (3) (limited to the part that involves a transfer or acquisition of a part of business (excluding a transfer or

acquisition that makes a Bank, etc. Eligible to Be a Subsidiary Company prescribed in Article 52-23, paragraph (6) of the Act (excluding the company set forth in that item), a Subsidiary Company, and a transfer or acquisition through which the Bank Holding Company, as one of the parties to the transfer or acquisition of part of the business, or its Subsidiary Companies, come to hold a total number of voting rights in the company set forth in that item that exceeds the maximum threshold for voting rights prescribed in Article 52-24, paragraph (1) of the Act)), and the provisions of the proviso to Article 16-5 of this Act;

- (ii) approval under the proviso to Article 55, paragraph (1) of the Act pertaining to an authorization set forth in the preceding item;
 - (iii) the addition or modification, under Article 54, paragraph (1) of the Act, of conditions to an authorization or approval as set forth in the preceding two items;
 - (iv) the acceptance of a notification under Article 52-17, paragraph (2) and paragraph (4), Article 53, paragraph (3) of the Act, and the provisions of Article 16-5 of this Order, and the acceptance of documents under Article 52-27, paragraph (1) of the Act.
- (2) The Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal office of a bank holding company or the head office of a bank that is a subsidiary company of the relevant bank holding company (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the following authority of the Commissioner:
- (i) an order to submit reports and materials under Article 52-31, paragraph (1) and paragraph (2) of the Act;
 - (ii) questioning and on-site inspections under the provisions of Article 52-32, paragraph (1) and paragraph (2) of the Act.
- (3) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the business office or other facility of a bank holding company that does not constitute its principal office; or in the locality of the relevant bank holding company's subsidiary corporation, etc. (meaning a subsidiary corporation, etc. as prescribed in Article 52-31, paragraph (2) of the Act) or the locality of a person that the bank holding company has entrusted with its services (including a person that has been entrusted by such a person (including entrustment at two or more degrees of separation from the original entrustment)) (hereinafter referred to as a "branch office, etc." in this paragraph) (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-

General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in the items of the preceding paragraph as relates to that branch office, etc.

- (4) The provisions of the preceding three paragraphs do not apply to the authority of the Commissioner that the Commissioner of the Financial Services Agency designates from among what is set forth in the items of paragraph (1) or paragraph (2).
- (5) Having made a designation as under the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner discontinues or modifies such a designation.
- (6) If a foreign holding company that has a bank as a subsidiary company (this includes a company that used to be a foreign holding company that has a bank as a subsidiary company; hereinafter the same applies in this paragraph) has an office in Japan, its principal office in Japan is deemed to be its principal office; if a foreign holding company that has a bank as a subsidiary company does not have an office in Japan, its principal office is deemed to be located within the jurisdiction of the Kanto Local Finance Bureau; and in either case, the provisions of the preceding paragraphs apply.

Article 17-4 (1) The following Authority of the Commissioner is delegated to the Director-General of the Local Finance Bureau who has jurisdiction in the locality of the principal business office or office (hereinafter referred to as "principal business office, etc." in this Article) of an applicant (meaning an applicant as prescribed in Article 52-37, paragraph (1) of the Act) or bank agent (including a bank, etc. (meaning a bank, etc. prescribed in paragraph (1) of the same Article) that is deemed to be a bank agent pursuant to the provisions of Article 52-61, paragraph (2) of the Act; hereinafter the same applies in this Article) (or, if the locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that this does not preclude the Commissioner of the Financial Services Agency from personally exercising the authorities set forth in item (vii) and item (viii):

- (i) permission under Article 52-36, paragraph (1) of the Act;
- (ii) the addition or modification, under Article 52-38, paragraph (2) of the Act, of conditions to permission set forth in the preceding item;
- (iii) approval under Article 52-57, item (iii) in connection with permission as set forth in item (i);
- (iv) approval under the provisions of Article 52-42, paragraph (1);
- (v) the acceptance of a notification under Article 52-39 of the Act, Article 52-47, paragraph (1), Article 52-52, Article 52-61, paragraph (3) and Article 53,

- paragraph (4), and the acceptance of documents under Article 52-37, paragraph (1) and Article 52-50, paragraph (1) of the Act;
 - (vi) public inspection under Article 52-50, paragraph (2) of the Act;
 - (vii) an order to submit reports and materials under Article 52-53 of the Act;
 - (viii) questioning and on-site inspections under Article 52-54, paragraph (1) of the Act;
 - (ix) an order under Article 52-55 of the Act;
 - (x) a disposition under Article 52-56 of the Act.
- (2) In addition to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in the preceding paragraph, the Director-General of the Local Finance Bureau who has jurisdiction in the locality of a business office, office, or other facility of a bank agent that does not constitute its principal office, etc. (hereinafter referred to as a "secondary business office, etc." in this Article) (or, if that locality is within the jurisdiction of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) may also exercise the authorities set forth in item (vii) and item (viii) of the preceding paragraph as relates to that secondary business office, etc.
- (3) Having requested the secondary business office, etc. of a bank agent to submit reports or materials, or having undertaken questioning or conducted an on-site inspection pursuant to the provisions of the preceding paragraph (hereinafter referred to as an "inspection, etc." in this paragraph) and upon finding it to be necessary to conduct an inspection, etc. at the principal business office, etc. of that bank agent or at a secondary business office, etc. other than the one in question, a Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection, etc. at that principal business office, etc. or at a secondary business office, etc. other than the one in question.
- (4) The provisions of the preceding three paragraphs do not apply to the authority of the Commissioner that the Commissioner of the Financial Services Agency designates from among what is set forth in the items of paragraph (1).
- (5) Having made a designation as under the provisions of the preceding paragraph, the Commissioner of the Financial Services Agency is to issue public notice to that effect. The same applies if the Commissioner discontinues or modifies such a designation.

(Exemption of Supplementary Provisions of the Act from Application to a Foreign Bank Branch)

Article 18 The provisions of Articles 2 through 4, Article 6, paragraph (1), Article 9, paragraph (2) and paragraph (3), Article 13 and Article 18 of the Supplementary Provisions do not apply to a foreign bank branch.