

Regulation for Enforcement of the Deposit Insurance Act

(Order of the Ministry of Finance No. 28 of May 1, 1971)

The Regulation for Enforcement of the Deposit Insurance Act is enacted as follows pursuant to the provisions of Article 36, paragraph (2), Article 41, Article 43, item (iii), Article 44 and Article 50, paragraph (1) of the Deposit Insurance Act.

(Content of Custody Agreement)

Article 1 The custody agreement to be specified by Cabinet Office Order and Order of the Ministry of Finance under Article 1-2 of the Order for Enforcement of the Deposit Insurance Act (Cabinet Order No. 111 of 1971; hereinafter referred to as "Order") includes provisions to the effect that the purchaser of bonds will deposit the bond certificates to their issuer at the time of purchase and that the purchaser cannot request the return of the bond certificates except in case of redemption, transfer, deposit change, or purchase.

(Particulars to be Stated in Statement of Operational Method Statement)

Article 1-2 The particulars to be specified by Cabinet Office Order and Order of the Ministry of Finance under Article 36, paragraph (2) of the Deposit Insurance Act (Act No. 34 of 1971; hereinafter referred to as "Act") are the following:

- (i) particulars regarding insurance relationship;
- (ii) particulars regarding insurance claims and provisional payments;
- (iii) particulars regarding financial assistance;
- (iii)-2 particulars regarding the loan of funds pursuant to Article 69-3 of the Act;
- (iv) particulars regarding the purchase of deposits and other claims;
- (v) particulars regarding the enforcement of claims that are acquired pursuant to Article 58, paragraph (1) or (3) of the Act or purchased pursuant to Article 70, paragraph (1) of the Act;
- (vi) particulars regarding the operations of a financial administrator or a financial administrator representative pursuant to Article 78, paragraph (2) of the Act;
- (vii) particulars regarding business management of the bridge bank and other operations under the provisions of Chapter VI of the Act;
- (vii)-2 particulars regarding purchases of specified claims that are difficult to collect of a financial Institution under the provisions of Chapter VI-2 of the

- Act and other operations under the provisions of the Chapter;
- (viii) particulars regarding the subscription for shares, etc. and other operations under the provisions of Chapter VII of the Act;
- (viii)-2 particulars regarding special surveillance under the provisions of Chapter VII-2 of the Act and other operations under the provisions of the Chapter;
- (ix) particulars regarding the loan of funds under Article 69-3 or Article 127-2 or 128-2 of the Act as applied mutatis mutandis pursuant to Article 127 or Article 128 of the Act and the purchase of assets under Article 129 of the Act;
- (x) particulars regarding the submission of lists of depositors and other operations under the provisions of Section 4 of Chapter IV, Section 2 of Chapter V and Section 2 of Chapter VI of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions (Act No. 95 of 1996);
- (x)-2 particulars regarding the operations of a bankruptcy trustee, provisional administrator, bankruptcy trustee representative, or provisional administrator representative appointed under the provisions of the Bankruptcy Act (Act No. 75 of 2004), a supervisor, trustee, provisional administrator, trustee representative, or provisional administrator representative appointed under the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999), a trustee, trustee representative, provisional administrator, provisional administrator representative, or supervisor appointed under the provisions of the Corporate Reorganization Act (Act No. 154 of 2002), a trustee, trustee representative, provisional administrator, provisional administrator representative, or supervisor appointed under the provisions of the Act on Special Measures for the Reorganization Proceedings of Financial Institutions, or a recognized trustee, provisional administrator, recognized trustee representative, or provisional administrator representative appointed under the provisions of the Act on Recognition of and Assistance for Foreign Insolvency Proceedings (Act No. 129 of 2000);
- (xi) particulars regarding the entrustment of operations;
- (xii) the method of operations prescribed in Article 34 of the Act.

(Accounting Principles)

Article 2 The Deposit Insurance Corporation of Japan (hereinafter referred to as the "DICJ") must, in order to clarify its financial status and operating results, carry out accounting for increases, decreases or changes in assets and income and costs in accordance with facts.

(Establishment of Accounts)

Article 3 For the purpose DICJ accounting, beyond the general account (meaning the general account prescribed in Article 41 of the Act; the same applies

hereinafter) and the crisis management account (meaning the crisis management account prescribed in Article 121, paragraph (1) of the Act; the same applies hereinafter), a balance sheet account and profit and loss account are to be separately established and, if necessary, an account is to be established for the purpose of clarifying the process of calculation.

(Content of Budget)

Article 4 The budget of the DICJ is to consist of general provisions of budget and income and expenditure budgets.

(General Provisions of Budget)

Article 5 The general provisions of budget are to include comprehensive provisions regarding income and expenditure budgets, and provisions regarding the following particulars:

- (i) with regard to an act to assume debts prescribed in Article 9, an amount of the limit of debts for each matter, the term to satisfy the debts based on the act, and reasons for the necessity of the act;
- (ii) expenses designated under Article 10, paragraph (2);
- (iii) beyond the particulars listed in the preceding two items, any particulars necessary for the implementation of the budget.

(Income and Expenditure Budgets)

Article 6 Income and expenditure budgets are separated into a general account and crisis management account according to the type of income and the purpose of the expenditure.

(Documents Attached to Budgets)

Article 7 The DICJ must, when it seeks to obtain authorization for a budget under Article 39 of the Act, attach the following documents to the budget and submit them to the Commissioner of the Financial Services Agency and the Minister of Finance; provided, however, that the documents prescribed in item (i) are not required in order to obtain the authorization to amend a budget under the second sentence of Article 39 of the Act:

- (i) a projected balance sheet and projected income statement for the previous business year;
- (ii) a projected balance sheet and projected income statement for the business year concerned;
- (iii) beyond those listed in the preceding two items, documents that serve as a reference for such budget.

(Contingency Funds)

Article 8 Contingency funds may be included in income and expenditure budgets in order to cover a shortfall in an expenditure budget caused by unforeseeable events.

(Act to Incur Debts)

Article 9 The DICJ may, when it is necessary for carrying out its operations, perform an act to incur debts within the scope of the amount of the budget authorized for each business year by the Commissioner of the Financial Services Agency and the Minister of Finance, beyond those within the scope of the expenditure budget.

(Diversion of Funds in Budgets)

Article 10 (1) The DICJ must not use funds in the expenditure budget for any purpose other than those specified in the budget; provided, however, that when it is appropriate and necessary for the implementation of the budget, the funds can be diverted between the categories prescribed in Article 6 notwithstanding the categories.

(2) The DICJ may not, except with the approval of the Commissioner of the Financial Services Agency and the Minister of Finance, divert funds designated for expenses in general budget provisions between different categories of the expenses or to any other expenses, or use contingency funds to cover the expenses.

(3) The DICJ must, when it seeks to obtain the approval prescribed in the preceding paragraph, submit documents setting forth reasons and amounts of such diversion and basis of calculation breakdown to the Commissioner of the Financial Services Agency and the Minister of Finance.

(Funding Plan)

Article 11 (1) A funding plan prescribed in Article 39 of the Act must specify plans regarding the following particulars:

- (i) the method of procurement of funds;
- (ii) the purpose of use of funds;
- (iii) other necessary particulars.

(2) The DICJ must, when it seeks to obtain authorization to amend a funding plan under the second sentence of Article 39 of the Act, submit a written application stating the particulars to be amended and reasons therefor to the Commissioner of the Financial Services Agency and the Minister of Finance.

(Reports of Income and Expenditure)

Article 12 The DICJ must submit a quarterly report to the Commissioner of the Financial Services Agency and the Minister of Finance containing the

estimated total balance for income and expenditure and stating an amount for each of particulars with regard to debts that the DICJ has incurred pursuant to the provisions of Article 9 within one month after the end of each quarter.

(Business Reports)

Article 12-2 A business report prescribed in Article 40, paragraph (2) of the Act must set forth the following particulars:

- (i) particulars of the DICJ;
 - (a) details of business
 - (b) location of offices (including secondary offices)
 - (c) amount of stated capital and amount of contribution by the government (including the increase and decrease for each amount from the end of the previous business year);
 - (d) full number, names, positions, terms, and background of officers
 - (e) full number of staff members (including the increase or decrease from the end of the previous business year)
 - (f) history of the DICJ (including the fact that the DICJ is established by law)
 - (g) the fact that the ministers having jurisdiction over the DICJ are the Prime Minister and the Minister of Finance
 - (h) particulars regarding the policy board and the outline of the DICJ
- (ii) the status of implementation of business in the business year concerned and up to and including the previous business year;
- (iii) the results of implementation of a funding plan;
- (iv) lenders, the purposes and amounts of borrowings that are made in the relevant business year and up to and including the previous business year;
- (v) names, purposes, and amounts of subsidies from the national treasury and other monies equivalent thereto received in the relevant business year and up to and including the previous business year (hereinafter referred to as "national treasury subsidies, etc.");
- (vi) particulars regarding a company in which the DICJ substantially holds a majority of the voting rights (hereinafter referred to as "subsidiary company" in this Article. A company in which the DICJ and the subsidiary company hold a substantial majority of the voting rights or a company in which the subsidiary company holds a substantial majority of the voting rights is also be deemed to be a subsidiary company of the DICJ.) and a company in which the DICJ (including the subsidiary company if the DICJ owns a subsidiary company) substantially holds at least 20 percent and no more than 50 percent of the voting rights and may materially influence the financial and business policies through its relationships based on capital, personnel, funding, technology, transactions, etc. (hereinafter referred to as "associated

company" in this Article);

- (a) the outline of the subsidiary companies and associated companies (hereinafter referred to as "affiliated companies") (including a chart systematically showing their relationship with the DICJ)
- (b) particulars regarding the affiliated companies
 - 1. name
 - 2. details of business
 - 3. location of offices (including secondary offices)
 - 4. amount of stated capital
 - 5. name of representative
 - 6. number of officers
 - 7. number of employees
 - 8. shareholding ratio of the DICJ and other details of relationship with the DICJ
- (vii) issues that the DICJ should address.

(Statement of Accounts)

- Article 13 (1) The statement of accounts prescribed in Article 40, paragraph (2) of the Act is to consist of a statement of accounts for income and expenditure and a statement of debts.
- (2) The statement of accounts prescribed in the preceding paragraph must set forth the results of the implementation of the budget pertaining to particulars prescribed in general budget provisions under Article 5.

(Statement of Accounts for Income and Expenditure)

Article 14 (1) The statement of accounts for income and expenditure prescribed in paragraph (1) of the preceding Article must be prepared using the same classification as income and expenditure budgets and must set forth the following particulars:

- (i) income;
 - (a) the amount of budgeted income
 - (b) the actual amount of income
 - (c) a difference between the amount of budgeted income and the actual amount of income
- (ii) expenditures;
 - (a) the amount of budgeted expenditure
 - (b) the amount of contingency funds that have been used and reasons for such use
 - (c) the amount of diversion and reasons for such diversion
 - (d) the expenditure budget amount with subsequent modification
 - (e) the actual amount of expenditure

- (f) unused amount
- (2) The statement of debts prescribed in paragraph (1) in the preceding Article must set forth the amount of debts incurred for each matter under Article 9.

(Supplementary Schedules)

Article 14-2 The supplementary schedules prescribed in Article 40, paragraph (3) of the Act must set forth the following particulars:

- (i) particulars regarding capital contributions to the DICJ;
 - (a) details of the equity investors and amounts of capital contributions (including increase and decrease in such amount by each person from the end of the previous business year)
 - (b) laws and regulations on which capital contributions are based
 - (c) classification of accounts of the national government for its capital contributions
- (ii) particulars regarding the details of principal assets and liabilities;
 - (a) details of long-term borrowings (including names of lenders and increase and decrease in borrowings from each lender from the end of the previous business year)
 - (b) details of bonds of the DICJ (including a description of issues (and if government guaranteed bonds have been issued, a statement to that effect) and the increase and decrease for each issue from the end of the previous business year)
 - (c) details of reserves (including the increase and decrease in each type of reserves from the end of the previous business year)
 - (d) details of the amount of capital contributions made by the DICJ
 - (e) details of cash and deposits, accrued income, and other principal assets and liabilities
- (iii) details of acquisition and disposal of fixed assets and cost of depreciation;
- (iv) details of shares of the affiliated companies;
 - (a) names of the affiliated companies
 - (b) par value of a share
 - (c) number of shares held
 - (d) value of acquisition
 - (e) amount recorded on the balance sheet (including increase and decrease from the end of the previous business year)
- (v) details of capital contributions to other entities;
- (vi) details of claims and debts to the affiliated companies;
- (vii) particulars regarding principal costs and income;
 - (a) details of the national government subsidies, etc. (including the names of the national government subsidies, etc. received in the business year concerned, accounting categories of the national government, and

explanation on the national government subsidies, etc. and their related items in the balance sheet and profit and loss statement)

(b) details of salaries paid to officers and staff members

(c) details of other costs and income that are deemed material in light of the characteristics of the operations of the DICJ.

(Period of Public Inspection)

Article 14-3 The period specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 40, paragraph (3) of the Act is five years.

(Separate Accounting)

Article 14-4 If it is difficult to keep separate accounting of sections in relation to the crisis management account because particulars to be recorded in the crisis management account are also recorded in the general account, the DICJ may record the relevant particulars in a unified account during a business year in accordance with standards established by the DICJ with the approval of the Commissioner of the Financial Services Agency and the Minister of Finance, and allocate the relevant particulars to each account on the last day of the relevant business year.

(Amount of Liability Reserves)

Article 15 (1) The amount of liability reserves that the DICJ is required to set aside each business year is the amount obtained by deducting from the amount of income in the business year the total amount of costs (excluding any transfer to liability reserve) and the loss carried forward prescribed in paragraph (4).

(2) In cases where the amount of income (excluding any reversal of liability reserve) for a business year is below the amount of costs of the relevant business year, the DICJ will reduce the liability reserve by and up to the amount below the amount of costs (hereinafter referred to as "amount of loss" in this Article) to compensate for the amount of loss.

(3) The liability reserve prescribed in paragraph (1) must not be reduced except to compensate for the amount of loss under the preceding paragraph.

(4) When there is any amount of loss that cannot be compensated under paragraph (2), the DICJ is to record it as loss carried forward.

(Application for Authorization for Borrowing)

Article 16 (1) The DICJ must, when it seeks to obtain the authorization for the borrowing of funds from a financial institution prescribed in Article 2, paragraph (1) of the Act (hereinafter referred to as "financial institution") or any other person (excluding the Bank of Japan) under Article 42, paragraph (1)

or Article 126, paragraph (1) of the Act, submit to the Commissioner of the Financial Services Agency and the Minister of Finance a written application stating the names of the financial institution or other person as well as the following particulars:

- (i) reasons for necessity for the borrowing;
- (ii) the amount of the borrowing;
- (iii) the interest rate for the borrowing;
- (iv) the method and due date of repayments of the borrowing;
- (v) the method and due dates of payment of interest;
- (vi) other necessary particulars.

(2) The DICJ must, when it seeks to obtain the authorization for the borrowing of funds from the Bank of Japan under Article 42, paragraph (2) or Article 126, paragraph (1) of the Act, submit to Commissioner of the Financial Services Agency and the Minister of Finance a written application stating the particulars listed in each item of the preceding paragraph.

(Method of Investment of Surplus Funds)

Article 17 The methods specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 43, item (iii) of the Act are the following:

- (i) money trusts (limited to those for which there is a contract to compensate for a loss of principal);
- (ii) lending of call funds (limited to those secured on national government bonds).

(Accounting Rules)

Article 18 (1) The DICJ must establish accounting rules with regard to its finances and accounting.

(2) The DICJ must, when it intends to establish the accounting rules prescribed in the preceding paragraph, obtain the approval of the Commissioner of the Financial Services Agency and the Minister of Finance. The same applies when the DICJ intends to amend the accounting rules.

(Documents to Be Submitted at Time of Payment of Insurance Premiums)

Article 19 The documents specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 50, paragraph (1) of the Act are a statement of insurance premiums set forth appended Form 1.

(Amount of Interest)

Article 20 (1) Amount to be specified by Cabinet Office Order and Order of the Ministry of Finance under Article 6-2, paragraph (1), item (v) of the Order be

the amount invested in a money trust for which an agreement to compensate for the loss of principal is entered into, with the principal being the income arising from the investment of trust property under a trust agreement provided in Article 6-2, paragraph (1), item (v) of the Order before the distribution of the income under the relevant trust agreement, which will be equivalent to the amount of principal of the money trust.

- (2) The amounts specified in each item of Article 6-2, paragraph (1) of the Order provided in Article 6-2, paragraph (2) of the Order are the amounts equivalent to the amounts specified in each of the following items according to the categories specified in each of the items:
- (i) among the interest specified in Article 6-2, paragraph (1), item (i) of the Order, those pertaining to ordinary deposits, saving deposits, savings association deposits for tax payments, reserve deposit for tax payments, and separate deposits; among the interest calculated based on the relevant deposit agreement, an amount corresponding to the period from the most recent interest payment date (if no interest has been paid, the deposit date) to the day of the occurrence of the insured event.
 - (ii) the interest prescribed in Article 6-2, paragraph (1), item (i) of the Order those pertaining to deposits other than those specified in the preceding item; among the interest calculated using a rate applicable in the case where deposits are held until maturity under a relevant deposit contract, an amount calculated in proportion to the number of days from the day of deposit to the day of occurrence of an insurable contingency.
 - (iii) compensation money for benefits prescribed in Article 6-2, paragraph (1), item (ii) of the Order; among compensation money for benefits calculated using an interest rate applicable in the case where deposits are held until maturity under an installment savings contract, an amount calculated in proportion to the number of days from the day of initial payment to the day of occurrence of an insurable contingency.
 - (iv) compensation money for benefits prescribed in Article 6-2, paragraph (1), item (iii) of the Order; among the compensation money for benefits calculated using an interest rate applicable in the case where deposits are held until maturity under an installment deposit contract, an amount calculated in proportion to the number of days from the day of payment of first installment to the day of occurrence of an insurable contingency.
 - (v) distribution of income prescribed in Article 6-2, paragraph (1), item (iv) of the Order; among the income calculated under a contract to make up for income prescribed in Article 6-2, paragraph (1), item (iv) of the Order, an amount calculated in proportion to the number of days from the day of the contract to the day of occurrence of an insurable contingency.
 - (vi) those prescribed in Article 6-2, paragraph (1), item (v) of the Order; among

- the amount prescribed in the preceding paragraph, an amount corresponding to the amount of principal prescribed in Article 54, paragraph (1) of the Act as of the day of occurrence of an insurable contingency.
- (vii) the interest prescribed in Article 6-2, paragraph (1), item (vi) of the Order; among the interest calculated based on the issuing guidelines of the long-term credit bank bonds, etc., an amount calculated in proportion to the number of days from the initial date of calculation of the interest to the day of occurrence of an insurable contingency.
 - (viii) those prescribed in Article 6-2, paragraph (1), item (vii) of the Order; among the amount prescribed in Article 6-2, paragraph (1), item (vii) of the Order, an amount calculated in proportion to the number of days from the day of the purchase of the long-term credit bank bonds, etc. to the day of occurrence of an insurable contingency.

(Information on Deposits)

Article 21 (1) The particulars specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 55-2, paragraph (2) of the Act (including the cases where the provisions of Article 69-2, paragraph (1) of the Act are applied by deeming claims pertaining to the specified settlement obligations (meaning the specified settlement obligations prescribed in Article 69-2, paragraph (1) of the Act; hereinafter the same applies in this Article) as claims pertaining to the covered deposits for settlement) are to be specified in each of the following items according to the category of database prescribed in Article 55-2, paragraph (4) of the Act (including the cases where it is applied by replacing the term pursuant to Article 69-2, paragraph (1) of the Act) specified in the item:

- (i) customer files for name-based aggregation: names, dates of birth or dates of establishment, customer numbers, telephone numbers, and other particulars that are deemed necessary by the DICJ in order to promptly identify depositors, etc. prescribed in Article 2, paragraph (3) of the Act (hereinafter referred to as "depositors, etc." in this Article) using an electronic data processing system.
- (ii) customer files: names, addresses, residences, locations of business offices or offices, postal codes, customer numbers of the depositors, etc. and other particulars that are deemed necessary by the DICJ in order to contact the depositors, etc. smoothly and particulars regarding the application of the Income Tax Act (Act No. 33 of 1965) and other laws and regulations relating to income tax, etc. on interest, etc. prescribed in Article 54, paragraph (1) of the Act pertaining to the Depositors, etc.
- (iii) depositor files: customer numbers, particulars regarding accounts (meaning account number, date of establishment of accounts, etc.) for

- deposits, etc. prescribed in Article 2, paragraph (2) of the Act (hereinafter referred to as "deposits, etc." in this Article), and particulars regarding the details of claims pertaining to the deposits, etc. (meaning the type of the deposits, etc., amount of principal, interest rate, date of deposit, maturity date, etc.), the establishment of a security interest in the claims pertaining to the deposits, etc., and the application of the Income Tax Act and other laws and regulations relating to income tax, etc. on interest, etc. prescribed in Article 54, paragraph (1) of the Act pertaining to the deposits, etc., and other particulars that are deemed necessary by the DICJ in order to ascertain the details of claims pertaining to the deposits, etc.
- (iv) files for general and current deposit with security for overdraft: the types and account numbers of the deposits, etc. and secured deposits, etc. (meaning claims pertaining to the deposits, etc. that are the subject matter of a security interest; the same applies in item (vi)) and other particulars that are deemed necessary by the DICJ in order to specify accounts for the deposits, etc. with overdraft and accounts for the deposits, etc. that are the subject matter of a security interest for the overdraft;
 - (v) obligation files: customer numbers, outstanding loans, the amounts of accrued interest, and other particulars that are deemed necessary by the DICJ in order to specify obligors pertaining to loans secured by deposits (meaning loans for which claims pertaining to the deposits, etc. are the subject matter of a security interest therein) and calculate the amount of obligations of the obligors;
 - (vi) files for obligations secured by deposits: customer numbers, types and account numbers of secured deposits, etc. and other particulars that are deemed necessary by the DICJ in order to specify accounts for secured deposits, etc. held by the obligor prescribed in the preceding item;
 - (vii) files for the specified settlement obligations: the amounts of claims pertaining to the specified settlement obligations and other particulars that are deemed necessary by the DICJ in order to ascertain the details of the claims;
 - (viii) beyond those listed in the preceding items, files that are separately prescribed by the DICJ as being necessary in order to promptly ascertain the amount of claims pertaining to the deposits, etc. and the amount of claims pertaining to the specified settlement obligations: particulars that are deemed necessary by the DICJ for the purpose of the files, etc.
- (2) With regard to the application of the provisions of the preceding paragraph to the deposits, etc. for which a financial institution prescribed Article 55-2, paragraph (2) of the Act records individual numbers (meaning the individual numbers prescribed in Article 2, paragraph (5) of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act

No. 27 of 2013)) or corporation numbers (meaning the corporation numbers prescribed in Article 2, paragraph (15) of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures) of the depositors, etc., the term "customer numbers" in item (i) of the preceding paragraph is deemed to be replaced with "customer numbers, individual numbers (meaning the individual numbers prescribed in Article 2, paragraph (5) of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27 of 2013)) or corporation numbers (meaning the corporation numbers prescribed in Article 2, paragraph (15) of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures; the same applies in the following item)" and the term "smoothly and particulars" in item (ii) of the preceding paragraph is deemed to be replaced with "smoothly, as well as corporation numbers, and other particulars".

(Method of Submission of Information on Deposits)

Article 22 A financial institution that is requested to submit materials pursuant to Article 55-2, paragraph (2) of the Act must prepare a database recording the particulars specified in each item of paragraph (1) of the preceding Article (including the cases where it is applied by replacing the term pursuant to paragraph (2) of the same Article) in accordance with the form indicated by the DICJ using magnetic tapes designated by the DICJ (including other medium in which certain particulars can be securely recorded by equivalent means) or submit the database using an electronic data processing system.

(Application for Confirmation of Eligibility)

Article 23 (1) A financial institution or bank holding company, etc. (meaning the bank holding company, etc. prescribed in Article 2, paragraph (5) of the Act; the same applies in Article 29-5, item (iv)) must, when it seeks to obtain the confirmation prescribed in Article 61, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 101, paragraph (5) and Article 118, paragraph (2) of the Act and Article 15-4, paragraph (5) of the supplementary provisions of the Act; the same applies in item (iii)) for a merger, etc. prescribed in Article 59, paragraph (2) of the Act, submit a written application for confirmation to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) the latest balance sheet (including related notes; the same applies hereinafter), profit and loss statement (including related notes; the same applies hereinafter) and statement of changes in net assets (including related notes; the same applies hereinafter) and a recent daily trial balance sheet;
- (iii) other documents stating particulars to be referred for the purpose of

- granting the confirmation under Article 61, paragraph (1) of the Act.
- (2) The statement of changes in net assets prescribed in item (ii) of the preceding paragraph is a surplus appropriation statement or loss disposition statement in the case of the Shinkin Bank, etc. prescribed in Article 66, paragraph (2) of the Act (the same applies in Article 25, item (ii) and Article 29-4, item (iii)).

(Electronic or Magnetic Records)

- Article 23-2 (1) The electronic or magnetic record specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 66, paragraph (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 101, paragraph (7), Article 118, paragraph (4), Article 126-31, and Article 126-38, paragraph (7) of the Act, and Article 15-4, paragraph (7) and Article 15-4-2, paragraph (7) of the supplementary provisions of the Act) is a magnetic disk with a structure being that of a 90 millimeter flexible disk cartridge that complies with Japanese Industrial Standards (hereinafter referred to as JIS in this Article) X 6223 and complying with the Industrial Standardization Act (Act No. 185 of 1949).
- (2) Recording by the electronic or magnetic record prescribed in the preceding paragraph must be made in accordance with the following:
- (i) the format prescribed in JIS X 6225 must be used with regard to track format;
 - (ii) the format prescribed in JIS X 0605 must be used with regard to volume and file configuration.
- (3) Documents stating the following must be attached to the label area prescribed in JIS X 6223 of the electronic or magnetic record prescribed in paragraph (1):
- (i) trade name or name of the person submitting the record;
 - (ii) the date of submission.

(Documents to Be Attached to Written Applications for Approval for Continuation of Business)

- Article 24 The documents specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 14, item (iv) and Article 29-24, item (iv) of the Order are documents stating the status of transactions pertaining to business prescribed in Article 67, paragraph (2) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-31 of the Act and Article 15-4, paragraph (7) of the supplementary provisions of the Act; the same applies in Article 37) and other particulars that are deemed necessary by the Commissioner of the Financial Services Agency (in the case of a labor bank, The Rokinren Bank, or a subsidiary, etc. of a labor bank, etc. (meaning the subsidiary, etc. of a labor bank, etc. prescribed in Article 126-2-2, item (i) of the Act; the same applies in Articles 26 and 37), the Commissioner of the Financial

Services Agency and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd. or a subsidiary, etc. of the Shoko Chukin Bank (meaning the subsidiary, etc. of the Shoko Chukin Bank prescribed in Article 126-2, paragraph (2), item (i) of the Act; the same applies in Articles 26 and 37), the Commissioner of the Financial Services Agency, the Minister of Finance and the Minister of Economy, Trade and Industry; the same applies in the following Article and Article 27).

(Notification by Financial Institutions)

Article 25 A financial institution must, when giving notification under Article 74, paragraphs (2) and (5) of the Act, submit a written notification to the Commissioner of the Financial Services Agency (in the case of a labor bank or The Rokinren Bank, the Commissioner of the Financial Services Agency and the Minister of Health, Labour and Welfare, and in the case of The Shoko Chukin Bank, Ltd., the Commissioner of the Financial Services Agency, the Minister of Finance and the Minister of Economy, Trade and Industry; the same applies in Article 27), attaching the following documents:

- (i) a statement of reasons;
- (ii) the latest balance sheet, profit and loss statement, and statement of changes in net assets, and recent daily cash count sheet;
- (iii) with respect to securities and other assets of the financial institution that can be measured at market value, documents stating their estimated amount and income or loss from valuation as of immediately prior to the day of the notification;
- (iv) documents stating particulars for reference;

(Public Notice of Prohibition of Name Changes of Shareholders)

Article 26 When an entry of name change of shareholders is prohibited under Article 76, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 126-18 of the Act), public notice thereof is to be given in the Official Gazette by the Commissioner of the Financial Services Agency (if a financial institution, etc. (meaning the financial institution, etc. prescribed in Article 126-2, paragraph (2) of the Act; the same applies hereinafter) pertaining to the disposition is a subsidiary, etc. of a labor bank, etc., the Commissioner of the Financial Services Agency and the Minister of Health, Labour and Welfare, and if the financial institution, etc. is The Shoko Chukin Bank, Ltd. or a subsidiary, etc. of the Shoko Chukin Bank, the Commissioner of the Financial Services Agency, the Minister of Finance and the Minister of Economy, Trade and Industry).

(Designation of Persons to Perform the Duties of a Financial Administrator)

Article 27 In the case where an order to manage prescribed in Article 74, paragraph (1) of the Act has been issued, when a person who is appointed as financial administrator is a corporation, it must designate from its officers and employees a person who is to perform the duties of a financial administrator and report that fact to the Commissioner of the Financial Services Agency and give notice thereof to the financial institution that is subject to the order to manage.

(Creditors to Whom Individual Notice for Objection Need Not Be Given
Concerning Reduction in Amount of Stated Capital)

Article 28 The creditors prescribed in Article 23, item (v) and Article 29-5, item (viii) of the Order as specified by Cabinet Office Order and Order of the Ministry of Finance are creditors relating to a custody agreement.

(Amount of Loss Caused to Contracted Bridge Banks)

Article 29 (1) An amount specified by Cabinet Office Order and Order of the Ministry of Finance as a current loss resulting from the settlement of income and losses prescribed in Article 24, item (ii) of the Order is the amount remaining after deducting from the amount of expenses, etc. specified in item (i) the amount of income, etc. specified in item (ii) and the amount of accumulated carried forward income specified in item (iii).

(i) amount of ordinary expenses and extraordinary losses;

(ii) amount of ordinary income and extraordinary income (when the DICJ has made any payment to the contracted bridge bank (meaning the contracted bridge bank prescribed in Article 97, paragraph (1), item (i) of the Act) in a business year as compensation for loss that arose in the previous business year, the amount remaining after deducting the amount of the relevant compensation);

(iii) amount of carried forward accumulated income (if net income for the current period has been carried over, the amount remaining after deducting such carried-over amount therefrom, and if a net loss for the current period has been carried over, the amount obtained by adding the carried-over amount thereto);

(2) The terms "ordinary expenses," "extraordinary loss," "ordinary income," "extraordinary income," "accumulated income carried forward," "income net income for the current period" and "net loss for the current period" prescribed in the preceding paragraph are, respectively, ordinary expenses, extraordinary loss, ordinary income, extraordinary income, accumulated carried forward income, current net income, and current net loss stated respectively in the profit and loss statement or balance sheet set forth in appended Form 3 or 3-2 under Article 18, paragraph (2) of the Regulation for Enforcement of the

Banking Act (Order of the Ministry of Finance No. 10 of 1982).

(Assets Subject to Purchase as Specified Difficult-to-Collect Claims)

Article 29-2 The assets specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 101-2, paragraph (1) of the Act are claims pertaining to negotiable instruments, claims pertaining to bonds, claims pertaining to penalties under transactional contracts between a financial institution and an obligor or fees to execute the contracts, or other claims based on the contracts.

(Financial Institutions Subject to the Decision under Article 102, Paragraph (3) of the Act)

Article 29-2-2 The financial institutions specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in each item of Article 102, paragraph (1) of the Act, as provided in Article 102, paragraph (3) of the Act, are the financial institutions related to the confirmation (meaning the confirmation prescribed in Article 102, paragraph (1) of the Act; the same applies in Article 36, paragraph (3)) pertaining to the measures under item (ii) prescribed in Article 102, paragraph (1), item (ii) of the Act and measures under item (iii) prescribed in Article 102, paragraph (1), item (iii) of the Act.

(Bonds That Contribute to Ensuring the Soundness of Financial Conditions in Light of the Standards on the Appropriateness of the Adequacy of Equity Capital and Any Other Financial Conditions)

Article 29-2-3 (1) The bonds specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act (Act No. 59 of 1981) and any other laws and regulations, as prescribed in Article 102, paragraph (3) of the Act, are the bonds for which no security right is offered.

(2) The shares specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations, as prescribed in Article 102, paragraph (3) of the Act, are the shares for which no security right is offered.

(3) The loans for consumption specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on

the Banking Act and any other laws and regulations, as prescribed in Article 102, paragraph (3) of the Act, are the loans for consumption for which no security right is attached.

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

Article 29-3 An issuing financial institution, etc. (meaning the issuing financial institution, etc. prescribed in Article 108-2, paragraph (1) of the Act including a bridge financial institution (meaning the bridge financial institution prescribed in Article 108-3, paragraph (2), item (i) of the Act; hereinafter the same applies in item (vi) of the following Article) that is an issuer of acquired shares, etc. actually held by the DICJ (meaning the acquired shares, etc. prescribed in Article 108, paragraph (3) of the Act; hereinafter the same applies in this Article) and an issuing bank holding company, etc. after corporate reorganization (meaning the issuing bank holding company, etc. after corporate reorganization prescribed in Article 108-3, paragraph (5) of the Act)) that seeks to obtain the authorization for the share exchange, etc. (meaning the share exchange, etc. prescribed in Article 108-2, paragraph (1) of the Act; hereinafter the same applies in this Article) under Article 108-2, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8) of the Act; hereinafter the same applies in this Article) must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) the minutes of shareholders meeting for the share exchange, etc. (in the case where a resolution of shareholders meeting is deemed to have been passed pursuant to the provisions of Article 319, paragraph (1) of the Companies Act (Act No. 86 of 2005), a document certifying that the provisions are applicable; the same applies in Article 35-6, item (ii)) and that other necessary procedures have been taken;
- (iii) a document containing details of the share exchange contract or share transfer plan;
- (iv) the latest balance sheet, profit and loss statement and statement of changes in net assets, recent daily cash count sheet, and other documents containing information on the status of recent business, assets, income and losses;
- (v) a document certifying that the requirements prescribed in Article 108-2, paragraph (2), item (i) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8) of the Act; the same applies in the following item and item (vii)) are satisfied;
- (vi) a document stating the ratio of voting rights pertaining to acquired shares,

- etc. held by the DICJ prior to the share exchange, etc. to the voting rights of all shareholders of the issuing financial institution, etc. and the ratio of voting rights pertaining to acquired shares, etc. held by the DICJ after the share exchange, etc. to the voting rights of all shareholders of the company specified in Article 108-2, paragraph (2), item (i) of the Act;
- (vii) a document stating the outline of the measures provided in Article 25-4, item (iii) of the Order that are to be taken by the company provided in Article 108-2, paragraph (2), item (i) of the Act and are stated in the management soundness improvement plan (meaning the management soundness improvement plan provided in Article 105, paragraph (3) of the Act; the same applies in item (vi) of the following Article and Article 29-5, item (iv)) which is expected to be submitted pursuant to Article 108-2, paragraph (3) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 108-3, paragraph (8) of the Act) by the subject subsidiary company, etc. (meaning the subject subsidiary company, etc. as defined in Article 108-3, paragraph (4) of the Act; the same applies in the following Article and Article 29-5, item (iv)) pertaining to the issuing financial institution, etc. after obtaining the permission provided in Article 108-2, paragraph (1) of the Act, and other documents certifying that the requirements provided in Article 108-2, paragraph (2), item (iii) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 108-3, paragraph (8) of the Act) are satisfied;
- (viii) any other document to be referenced in the examination in relation to the granting of the authorization provided in Article 108-2, paragraph (1) of the Act.

(Authorization for Corporate Reorganization Relating to Measures under Item (i))

Article 29-4 A subject financial institution (meaning the subject financial institution prescribed in Article 108-3, paragraph (1) of the Act; hereinafter the same applies in this Article) or subject subsidiary company, etc. that seeks to obtain the authorization for the corporate reorganization (meaning the corporate reorganization prescribed in Article 108-3, paragraph (1) of the Act; the same applies in this Article and the following Article) under Article 108-3, paragraph (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 108-3, paragraph (4) of the Act; hereinafter the same applies in this Article) must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) the documents prescribed in each of the following items according to the

category of the corporate reorganization specified therein;

- (a) a merger; documents containing details of the merger contract and documents listed in Article 22, item (ii) of the Regulation for Enforcement of the Banking Act, Article 21, item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act (Order of the Ministry of Finance No. 13 of 1982), Article 86, paragraph (1), item (ii) of the Regulation for Enforcement of the Shinkin Bank Act (Order of the Ministry of Finance No. 15 of 1982), Article 178, paragraph (1), item (vi) of the Regulation for Enforcement of the Small and Medium-Sized Enterprise Cooperatives Act (Order of the Cabinet Office, Ministry of Finance, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, and Ministry of the Environment No. 1 of 2008) or Article 69, paragraph (1), item (ii) of the Regulation for Enforcement of the Labor Bank Act (Order of the Ministry of Finance, Ministry of Labour No. 1 of 1982)
- (b) a company split or the succession of business in a company split; a document containing details of an incorporation-type company split plan or an absorption-type company split contract and documents listed in Article 22-2, item (ii) of the Regulation for Enforcement of the Banking Act or Article 21-2, item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act
- (c) a transfer or assumption of the whole or part of business; documents containing details of a contract for the transfer or assumption and documents listed in Article 23, item (ii) of the Regulation for Enforcement of the Banking Act, Article 22, item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act, Article 79, paragraph (1), item (ii) or Article 80, paragraph (1), item (ii) of the Regulation for Enforcement of the Shinkin Bank Act, Article 141, paragraph (1), item (ii) or Article 142, item (ii) of the Regulation for Enforcement of the Small and Medium-Sized Enterprise Cooperatives Act, or Article 62, paragraph (1), item (ii) or Article 63, paragraph (1), item (ii) of the Regulation for Enforcement of the Labor Bank Act
- (iii) the latest balance sheet, profit and loss statement, statement of shareholder's equity, recent daily cash count sheet, and other documents containing information on the recent status of recent business, assets, income and losses;
- (iv) when the Corporate Reorganization requires the authorization prescribed in the Banking Act, the Long-Term Credit Bank Act (Act No. 187 of 1952), the Shinkin Bank Act (Act No. 238 of 1951), the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949), the Labor Bank Act (Act

- No. 227 of 1953), or the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968), a document certifying that an application for the relevant authorization has been made;
- (v) a document certifying that the requirements prescribed in Article 108-3, paragraph (2), item (i) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 108-3, paragraph (4) of the Act) are satisfied;
 - (vi) in the case where there is a bridge financial Institution or bridge subsidiary company (meaning the bridge subsidiary company prescribed in Article 108-3, paragraph (4) of the Act) in relation to the corporate reorganization, a document stating the outline of the management soundness improvement plan that is expected to be submitted under Article 108-3, paragraph (3) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 108-3, paragraph (4) of the Act) by the bridge financial institution or bridge subsidiary company and any other document certifying that the requirements prescribed in Article 108-3, paragraph (2), items (ii) and (iv) of the Act (including the cases where these provisions are applied *mutatis mutandis* pursuant to Article 108-3, paragraph (4) of the Act) are satisfied;
 - (vii) any other document for reference for the purpose of examination in relation to the granting of the authorization prescribed Article 108-3, paragraph (1) of the Act.

Article 29-5 An issuing financial institution, etc. prescribed in Article 108-3, paragraph (5) of the Act that seeks to obtain the authorization for the corporate reorganization under Article 108-3, paragraph (5) of the Act must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) documents listed in items (i), (iii) and (iv) of the preceding Article;
- (ii) documents prescribed below according to the category of the corporate reorganization specified therein:
 - (a) a merger: documents containing details of the merger contract and documents listed in Article 34-29, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act or Article 25-10, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act
 - (b) a company split or the succession of business in a company split: a document containing details of an incorporation-type company split plan or an absorption-type company split contract and documents listed in Article 34-30, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act or Article 25-10-2, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act;

- (c) a transfer or assumption of the whole or part of business; a document containing details of a contract for the transfer or assumption and documents listed in Article 34-31, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act or Article 25-11, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act
- (iii) a document certifying that the requirements listed in Article 108-3, paragraph (6), item (i) of the Act are satisfied;
- (iv) when there is another bank holding company, etc. prescribed in Article 108-3, paragraph (6), item (i) of the Act, the outline of the management soundness improvement plan that is expected to be submitted under Article 108-3, paragraph (7) of the Act by the subject subsidiary company, etc. in relation to the issuing financial institution, etc. and any other document certifying that the requirements listed in Article 108-3, paragraph (6), items (ii) and (iii) of the Act are satisfied;
- (v) any other document for reference for the purpose of examination in relation to the granting of the authorization prescribed in Article 108-3, paragraph (5) of the Act.

(Publication of Financial Information of Banks under Special Crisis Management)

- Article 30 (1) The publication prescribed in Article 113 of the Act is to be made in the Official Gazette of the balance sheet which public notice is given of as prescribed in Article 111, paragraph (2) of the Act.
- (2) The balance sheet prescribed in the preceding paragraph is to be prepared in the form prescribed in Article 19, paragraph (1) of the Regulation for Enforcement of the Banking Act or Article 18, paragraph (1) of the Regulation for Enforcement of the Long-Term Credit Bank Act.

(Documents to be Submitted at the Time of Payment of Burden Charges)

- Article 31 The document specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 122, paragraph (2) of the Act is a statement of burden charge set forth in appended Form 2.

(Liabilities Excluded from Calculation of Amount of Burden Charges)

- Article 32 Those specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 122, paragraph (3) of the Act are the following:
- (i) reserves recorded based on Article 74, paragraph (2), item (i) of the Regulation for Enforcement of the Shinkin Bank Act, Article 57, paragraph (2), item (i) of the Regulation for Enforcement of the Labor Bank Act, Article 37, paragraph (2), item (i) of the Regulation for Enforcement of the Act on Financial Businesses by Cooperatives (Order of the Ministry of Finance No.

- 10 of 1993) and Article 6, paragraph (2), item (i) of the Company Accounting Rules (Order of the Ministry of Justice No. 13 of 2006) (limited to liability reserves without legal obligations for payment);
- (ii) financial instruments transaction liability reserve (meaning financial instruments transaction liability reserve prescribed in Article 48-3, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948));
 - (iii) deferred tax liabilities (meaning the deferred tax liabilities stated in a balance sheet (referred to as "each balance sheet" in the following item) set forth in appended Form 3 or 3-2 prescribed in Article 18, paragraph (2) of the Regulation for Enforcement of the Banking Act, appended Form 2 or 2-2 prescribed in Article 17, paragraph (2) of the Regulation for Enforcement of the Long-Term Credit Bank Act, appended Form 13, 14 or 15 prescribed in Article 131, paragraph (1) of the Regulation for Enforcement of the Shinkin Bank Act, appended Form 9 or 10 prescribed in Article 68, paragraph (1) of the Regulation for Enforcement of the Act on Financial Businesses by Cooperatives, appended Form 9 or 10 prescribed in Article 113, paragraph (1) of the Regulation for Enforcement of the Labor Bank Act, or appended Form 2 prescribed in Article 81, paragraph (2) of the Regulation for Enforcement of The Shoko Chukin Bank, Ltd. Act Relating to Ministry of Economy, Trade and Industry, Ministry of Finance, and Cabinet Office (Order of the Cabinet Office, Ministry of Finance, Ministry of Economy, Trade and Industry No. 1 of 2008));
 - (iv) deferred tax liabilities in relation to revaluation (meaning deferred tax liabilities in relation to revaluation stated in each balance sheet);

(Particulars to be Reported Concerning Decisions on Burden Charges or Specified Contributions)

Article 33 The particulars specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 27, item (xii) of the Order are the following:

- (i) the amount of subsidies provided by the government under Article 125, paragraph (1) of the Act;
- (ii) the amount of payment made to the national treasury under Article 125, paragraph (2) of the Act.

(Income in Crisis Management Accounts Resulting From the Settlement of Income and Losses)

Article 34 The amount calculated as income pursuant to the provisions of Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 125, paragraph (2) of the Act is the amount of current income stated in a profit

and loss statement of the Crisis Management Account based on the accounting rules prescribed in Article 18, paragraph (1).

(Documents to be Submitted by the DICJ)

Article 35 The documents specified by Cabinet Office Order and Order of the Ministry of Finance in Article 28, paragraph (2) of the Order are those clarifying the basis of calculation of the amount to be paid by the DICJ to the national treasury under Article 125, paragraph (2) of the Act.

(Financial Institutions Subject to the Decision under Article 126-2, Paragraph (4) of the Act)

Article 35-2 The Financial Institutions, etc. specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in each item of Article 126-2, paragraph (1) of the Act, as provided in Article 126-2, paragraph (4) of the Act, are the financial institutions, etc. related to the specified confirmation (meaning the specified confirmation prescribed in Article 126-2, paragraph (1) of the Act; the same applies in Article 35-4 and Article 36, paragraph (3)) in relation to the specified measures under item (ii) prescribed in Article 126-2, paragraph (1), item (ii) of the Act.

(Bonds That Contribute to Ensuring the Soundness of Financial Conditions in Light of the Standards on the Appropriateness of the Adequacy of Equity Capital and Any Other Financial Conditions)

Article 35-3 (1) The bonds specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations, as prescribed in Article 126-2, paragraph (4) of the Act, are the bonds for which collateral is not offered.

(2) The shares specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations, as prescribed in Article 126-2, paragraph (4) of the Act, are the shares for which collateral is not offered.

(3) The loans for consumption specified by Cabinet Office Order and Order of the Ministry of Finance as those that contribute to ensuring the soundness of financial conditions in light of the standards on the appropriateness of the adequacy of equity capital and any other financial conditions specified based on the Banking Act and any other laws and regulations, as prescribed in Article 126-2, paragraph (4) of the Act, are the loans for consumption for which

collateral is not offered.

(Grounds for Which a Person is Regarded as a Financial Institution)

Article 35-4 The grounds specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-2, paragraph (13) of the Act are the following:

- (i) cases where the license from the Prime Minister set forth in Article 47, paragraph (1) of the Banking Act, Article 4, paragraph (1) of the Long Term Credit Bank Act, Article 3, paragraph (1) or Article 185, paragraph (1) of the Insurance Business Act (Act No. 105 of 1995), Article 156-24, paragraph (1) of the Financial Instruments and Exchange Act for the person in relation to the specified confirmation has been rescinded, or where the license has lost its effect;
- (ii) cases where the authorization from the Prime Minister set forth in Article 52-17, paragraph (1) or (3) of the Banking Act, Article 16-2-4, paragraph (1) or (3) of the Long Term Credit Bank Act, Article 271-18, paragraph (1) or (3) of the Insurance Business Act for the person in relation to the specified confirmation has been rescinded, or where the authorization has lost its effect;
- (iii) cases where the registration by the Prime Minister set forth in Article 29 of the Financial Instruments and Exchange Act for the person in relation to the specified confirmation has been rescinded, or where the relevant registration has lost its effect;
- (iv) cases where the designation by the Prime Minister set forth in Article 57-12, paragraph (1) of the Financial Instruments and Exchange Act or the designation by the Commissioner of the Financial Services Agency set forth in Article 1-2, item (iii) of the Order for Enforcement of the Money Lending Act (Cabinet Order No. 181 of 1983) for the person in relation to the specified confirmation has been rescinded, or where the designation has lost its effect;
- (v) cases where an order for the commencement of bankruptcy proceedings, an order for the commencement of rehabilitation proceedings or an order for the commencement of reorganization proceedings has been issued with respect to the person in relation to the specified confirmation, or there is any other reason equivalent thereto, and where an effective parent-subsidiary relationship ceases to exist between the financial institution, etc. which has the person in relation to the specified confirmation as a subsidiary, etc. of a financial institution, etc. (meaning the subsidiary, etc. of a financial institution, etc. prescribed in Article 126-2, paragraph (5) of the Act; the same applies in Articles 35-12 and 35-14) and the person in relation to the specified confirmation; or
- (vi) cases where the person in relation to the specified confirmation ceases to

be a financial institution, etc. due to any reason equivalent to those set forth in the preceding items.

(Collection of Claims Subject to a Request for Suspension of Collection of Claims)

Article 35-5 The collection of claims or exercise of any other right of a creditor specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-14 of the Act is all or part of the judicial and non-judicial acts conducted against a financial institution, etc. under special surveillance (meaning the financial institution, etc. under special surveillance prescribed in Article 126-3, paragraph (2) of the Act; the same applies in Article 3-3-2 of the supplementary provisions) by a creditor of claims held against the financial institution, etc. under special surveillance.

(Authorization for Share Exchanges Regarding Specified Measures under Item (i))

Article 35-6 An issuing financial institution, etc. (meaning the issuing financial institution, etc. prescribed in Article 126-25, paragraph (1) of the Act including a bridge financial institution, etc. (meaning the bridge financial institution, etc. prescribed in Article 126-26, paragraph (2), item (i) of the Act; the same applies in item (vi) of the following Article) that is an issuer of acquired specified shares, etc. actually held by the DICJ (meaning the acquired specified shares, etc. prescribed in Article 126-24, paragraph (3) of the Act; hereinafter the same applies in this Article) and a financial institution, etc. after corporate reorganization (meaning the financial institution, etc. after corporate reorganization prescribed in Article 126-26, paragraph (5) of the Act)) that seeks to obtain the authorization for the share exchange, etc. (meaning the share exchange, etc. prescribed in Article 126-25, paragraph (1) of the Act; hereinafter the same applies in this Article) under Article 126-25, paragraph (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (8) of the Act; hereinafter the same applies in this Article) must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) minutes of shareholders' meetings and other documents certifying that necessary proceedings were followed with regard to share exchange, etc.;
- (iii) a document containing details of share exchange contract or share transfer plan;
- (iv) the latest balance sheet, profit and loss statement, statement of changes in net assets, recent daily cash count sheet, and other documents containing

- information on the status of recent business, assets, income and losses;
- (v) a document certifying that the requirements prescribed in Article 126-25, paragraph (2), item (i) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-26, paragraph (8) of the Act; the same applies in the following item and item (vii)) are satisfied;
 - (vi) a document stating the ratio of voting rights in relation to acquired specified shares, etc. held by the DICJ prior to the share exchange, etc. to the voting rights of all shareholders of the issuing financial institution, etc. and the ratio of voting rights in relation to acquired specified shares, etc. held by the DICJ after the share exchange, etc. to the voting rights of all shareholders of the company specified in Article 126-25, paragraph (2), item (i) of the Act;
 - (vii) a document stating the outline of the measures provided in Article 29-11, item (iii) of the Order that are to be taken by the company provided in Article 126-25, paragraph (2), item (i) of the Act and are stated in the management soundness improvement plan (meaning the management soundness improvement plan prescribed in Article 126-22, paragraph (5) of the Act; the same applies in item (vi) of the following Article and Article 35-8, item (iii)) which is expected to be submitted pursuant to Article 126-25, paragraph (3) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-26, paragraph (8) of the Act) by the specified subject subsidiary, etc. (meaning the specified subject subsidiary, etc. prescribed in Article 126-26, paragraph (4) of the Act; the same applies in the following Article and Article 35-8, item (iii)) in relation to the issuing financial institution, etc. after obtaining the authorization provided in Article 126-25, paragraph (1) of the Act, and other documents certifying that the requirements provided in Article 126-25, paragraph (2), item (iii) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-26, paragraph (8) of the Act) are satisfied;
 - (viii) any other document to be referenced in the examination in relation to the granting of the authorization provided in Article 126-25, paragraph (1) of the Act.

(Authorization for Corporate Reorganization Regarding Specified Measures under Item (i))

Article 35-7 A subject financial institution, etc. (meaning the subject financial institution, etc. prescribed in Article 126-26, paragraph (1) of the Act) or specified subject subsidiary, etc. that seeks to obtain the authorization for the corporate reorganization (meaning the corporate reorganization prescribed in Article 126-26, paragraph (1) of the Act; hereinafter the same applies in this Article and the following Article) under Article 126-26, paragraph (1) of the Act

(including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (4) of the Act; hereinafter the same applies in this Article) must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) the documents prescribed in each of the following items according to the category of the corporate reorganization specified therein:
 - (a) a merger: documents containing details of the merger contract and documents listed in Article 22, item (ii) or Article 34-29, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act, Article 21, item (ii) or Article 25-10, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act, Article 86, paragraph (1), item (ii) of the Regulation for Enforcement of the Shinkin Bank Act, Article 178, paragraph (1), item (vi) of the Regulation for Enforcement of the Small and Medium-Sized Enterprise Cooperatives Act, Article 69, paragraph (1), item (ii) of the Regulation for Enforcement of the Labor Bank Act, or Article 105, paragraph (1), item (iii) or Article 210-12, paragraph (1), item (ii) of the Regulation for Enforcement of the Insurance Business Act (Order of the Ministry of Finance No. 5 of 1996), or other documents equivalent thereto;
 - (b) a company split or the succession of business in a company split: a document containing details of an incorporation-type company split plan or an absorption-type company split contract and documents listed in Article 22-2, item (ii) or Article 34-30, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act, Article 21-2, item (ii) or Article 25-10-2, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act, or Article 105-6, paragraph (1), item (iii) or Article 210-12-3, paragraph (1), item (ii) of the Regulation for Enforcement of the Insurance Business Act, or other documents equivalent thereto;
 - (c) a transfer or assumption of the whole or part of business: documents containing details of a contract for the transfer or assumption and documents listed in Article 23, item (ii) or Article 34-31, paragraph (1), item (ii) of the Regulation for Enforcement of the Banking Act, Article 22, item (ii) or Article 25-11, paragraph (1), item (ii) of the Regulation for Enforcement of the Long-Term Credit Bank Act, Article 79, paragraph (1), item (ii) or Article 80, paragraph (1), item (ii) of the Regulation for Enforcement of the Shinkin Bank Act, Article 141, paragraph (1), item (ii) or Article 142, item (ii) of the Regulation for Enforcement of the Small and Medium-Sized Enterprise Cooperatives Act, Article 62, paragraph (1), item (ii) or Article 63, paragraph (1), item (ii) of the Regulation for Enforcement of the Labor Bank Act, or Article 94, paragraph (1), item (iii) or Article

- 210-13, paragraph (1), item (ii) of the Regulation for Enforcement of the Insurance Business Act, or other documents equivalent thereto;
- (iii) the latest balance sheet, profit and loss statement, statement of changes in net assets, recent daily cash count sheet, and other documents containing information on the status of recent business, assets, income and losses;
 - (iv) when the corporate reorganization requires the authorization prescribed in the Banking Act, the Long-Term Credit Bank Act, the Shinkin Bank Act, the Small and Medium-Sized Enterprise Cooperatives Act, the Labor Bank Act, the Act on Financial Institutions' Merger and Conversion, the Insurance Business Act, or the Financial Instruments and Exchange Act, a document certifying that an application for the relevant authorization has been made;
 - (v) a document certifying that the requirements prescribed in Article 126-26, paragraph (2), item (i) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-26, paragraph (4) of the Act) are satisfied;
 - (vi) in the case where there is a bridge financial institution, etc. or bridge subsidiary, etc. (meaning the bridge subsidiary, etc. prescribed in Article 126-26, paragraph (4) of the Act) in relation to the corporate reorganization, a document stating the outline of the management soundness improvement plan that is expected to be submitted under Article 126-26, paragraph (3) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-26, paragraph (4) of the Act) by the relevant bridge financial institution, etc. or bridge subsidiary, etc. and any other document certifying that the requirements prescribed in Article 126-26, paragraph (2), items (ii) and (iv) of the Act (including the cases where these provisions are applied *mutatis mutandis* pursuant to Article 126-26, paragraph (4) of the Act) are satisfied; or
 - (vii) any other document to be referenced in the examination in relation to the granting of the authorization provided in Article 126-26, paragraph (1) of the Act.

Article 35-8 A specified financial institution, etc. prescribed in Article 126-26, paragraph (5) of the Act that seeks to obtain the authorization for the corporate reorganization under Article 126-26, paragraph (5) of the Act must submit a written application for authorization to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) the documents listed in items (i) through (iv) of the preceding Article;
- (ii) a document certifying that the requirements listed in Article 126-26, paragraph (6), item (i) of the Act are satisfied;
- (iii) in the case where there is another financial institution, etc. prescribed in Article 126-26, paragraph (6), item (i) of the Act, a document stating the

- outline of the management soundness improvement plan that is expected to be submitted under Article 126-26, paragraph (7) of the Act by a specified subject subsidiary, etc. of the specified financial institution, etc. and any other document certifying that the requirements prescribed in Article 126-26, paragraph (6), items (ii) and (iii) of the Act are satisfied; or
- (iv) any other document to be referenced in the examination in relation to the granting of the authorization provided in Article 126-26, paragraph (5) of the Act.

(Application for Specified Confirmation of Eligibility)

Article 35-9 A financial institution, etc. must, when it seeks to obtain the authorization for the specified merger, etc. prescribed in Article 126-28, paragraph (2) of the Act under Article 126-29, paragraph (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 126-38, paragraph (5) of the Act and Article 15-4-2, paragraph (5) of the supplementary provisions of the Act; the same applies in item (iii)), submit a written application for confirmation to the Commissioner of the Financial Services Agency, attaching the following documents:

- (i) a statement of reasons;
- (ii) the latest balance sheet, profit and loss statement, and statement of changes in net assets, recent daily cash count sheet, and any other documents equivalent thereto;
- (iii) any other document to be referenced in the review in relation to the granting of the confirmation provided in Article 126-29, paragraph (1) of the Act.

(Amount of Loss Caused to Contracted Specified Bridge Financial Institutions)

Article 35-10 (1) An amount specified by Cabinet Office Order and Order of the Ministry of Finance as a current loss resulting from the settlement of income and losses prescribed in Article 29-34, item (ii) of the Order is the amount remaining after deducting from the amount of expenses, etc. specified in item (i) the amount of income, etc. specified in item (ii) and the amount of accumulated carried forward income specified in item (iii).

- (i) amount of ordinary expenses, operating expenses, non-operating expenses, extraordinary loss and any other expenses, etc. equivalent thereto;
- (ii) amount of ordinary income, operating income, non-operating income, extraordinary income (when the DICJ has made any payment to the contracted specified bridge financial institution, etc. (meaning the contracted specified bridge financial institution, etc. prescribed in Article 97, paragraph (1), item (i) of the Act as applied *mutatis mutandis* by replacing certain terms pursuant to Article 126-37 of the Act) in a business year as

- compensation for loss that arose in the previous business year, the amount remaining after deducting the amount of the compensation) and any other income, etc. equivalent thereto;
- (iii) amount of accumulated income carried forward (if net income for the current period has been carried over, the amount remaining after deducting the carried-over amount therefrom, and if a net loss for the current period has been carried over, the amount obtained by adding the carried-over amount thereto) and any other income, etc. equivalent thereto;
- (2) The terms "ordinary expenses," "operating expenses," "non-operating expenses," "extraordinary loss," "ordinary income," "operating revenue," "non-operating revenue," "extraordinary income," "accumulated carried forward income," "current net income," or "net loss for the current period" prescribed in the preceding paragraph are, respectively, the ordinary expenses, operating expenses, non-operating expenses, extraordinary loss, ordinary income, operating income, non-operating income, extraordinary income, accumulated carried forward income, current net profit, or net loss for the current period stated in the profit and loss statement or balance sheet that is prepared pursuant to appended Form 3 or 3-2 under Article 18, paragraph (2) of the Regulation for Enforcement of the Banking Act, appended Form 7 or 7-2 under Article 59, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act, appended Form 12 under Article 172, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007), or the Company Accounting Rules.

(Documents to be Submitted at Time of Payment of Specified Contributions)
Article 35-11 The document specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-39, paragraph (2) of the Act is a statement of specified contributions set forth in appended Form 3.

(Financial Institution to Pay Specified Contributions)
Article 35-12 The financial institution, etc. specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-39, paragraph (2) of the Act is the financial institution, etc. which is not a subsidiary, etc. of a financial institution, etc.

(Liabilities Excluded from Calculation of Amount of Specified Contributions)
Article 35-13 The liabilities specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-39, paragraphs (3) and (4) of the Act are the following (in cases of Article 126-39, paragraph (4), limited to those equivalent thereto that are recorded in the consolidated balance sheets prescribed in Article 35-15 or documents equivalent thereto):

- (i) reserves recorded based on Article 74, paragraph (2), item (i) of the Regulation for Enforcement of the Shinkin Bank Act, Article 57, paragraph (2), item (i) of the Regulation for Enforcement of the Labor Bank Act, Article 37, paragraph (2), item (i) of the Regulation for Enforcement of the Act on Financial Businesses by Cooperatives, Article 24-4, paragraph (2), item (i) of the Regulation for Enforcement of the Insurance Business Act and Article 6, paragraph (2), item (i) of the Company Accounting Rules (limited to liability reserves without legal obligations for payment);
- (ii) financial instruments transaction liability reserves (meaning financial instruments transaction liability reserves prescribed in Article 46-5, paragraph (1) and Article 48-3, paragraph (1) of the Financial Instruments and Exchange Act);
- (iii) deferred tax liabilities (meaning the deferred tax liabilities stated in a balance sheet prepared pursuant to appended Form 3, 3-2, 4 or 4-2 prescribed in Article 18, paragraph (2) of the Regulation for Enforcement of the Banking Act, appended Form 2 or 2-2 prescribed in Article 17, paragraph (2) of the Regulation for Enforcement of the Long-Term Credit Bank Act, appended Form 13, 14 or 15 prescribed in Article 131, paragraph (1) of the Regulation for Enforcement of the Shinkin Bank Act, appended Form 9 or 10 prescribed in Article 68, paragraph (1) of the Regulation for Enforcement of the Act on Financial Businesses by Cooperatives, appended Form 9 or 10 prescribed in Article 113, paragraph (1) of the Regulation for Enforcement of the Labor Bank Act, appended Form 2 prescribed in Article 81, paragraph (2) of the Regulation for Enforcement of The Shoko Chukin Bank, Ltd. Act Relating to Ministry of Economy, Trade and Industry, Ministry of Finance, and Cabinet Office, appended Form 7 or 7-2 prescribed in Article 59, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act, or appended Form 12 or 12-2 prescribed in Article 143, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act, appended Form 12 prescribed in Article 172, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, etc., appended Form 1 prescribed in Article 3-4, paragraph (1) of the Cabinet Office Order on Securities Finance Companies (Order of the Ministry of Finance No. 45 of 1955) or the Company Accounting Rules, or documents equivalent thereto (referred to as "each balance sheet" in the following item);
- (iv) deferred tax liabilities in relation to revaluation (meaning deferred tax liabilities in relation to revaluation stated in each balance sheet);
- (v) standard deposits for settlement (meaning the standard deposits for settlement under appended Form 1 prescribed in Article 19);
- (vi) the portion of the standard general deposits, etc. (meaning the standard general deposits, etc. under appended Form 1 prescribed in Article 19);

- hereinafter the same applies in this item) that is equivalent to the amount obtained by multiplying the standard general deposits, etc. by the ratio specified by the Commissioner of the Financial Services Agency as the ratio of the deposits, etc. (meaning the deposits, etc. prescribed in Article 2, paragraph (2) of the Act; the same applies in the following item) corresponding to the amount of insurance proceeds calculated under the insurance claim calculation provision prescribed in Article 2, paragraph (11) of the Act to the Standard General Deposits, etc.;
- (vii) deposits, etc. that a cooperative structured central financial institution (meaning the persons specified in Article 2, paragraph (1), items (vi) through (viii) of the Act) has received from cooperative financial institutions (meaning the persons specified in Article 2, paragraph (1), items (iii) through (v) of the Act, and limited to those who are members of the cooperative structured central financial institution);
 - (viii) the portion of the insurance contract reserve (meaning the following, and excluding those specified by the Commissioner of the Financial Services Agency; the same applies in this item hereinafter) in relation to an insurance company (meaning the insurance company prescribed in Article 126-2, paragraph (2), item (ii) of the Act; the same applies in the following item) or foreign insurance company, etc. (meaning the foreign insurance company, etc. prescribed in Article 126-2, paragraph (2), item (ii) of the Act; the same applies in the following item) that has received a license that falls under the class of license prescribed in Article 262, paragraph (2), item (i) of the Insurance Business Act, which is equivalent to the amount obtained by multiplying the insurance contract reserve by the ratio specified by the Commissioner of the Financial Services Agency as the ratio of the portion corresponding to the amount specified in Article 270-3, paragraph (2), item (i) of the Insurance Business Act to the insurance contract reserve;
 - (a) liability reserve (meaning the liability reserve stated in the balance sheet under appended Form 7 or 7-2 prescribed in Article 59, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act or appended Form 12 or 12-2 prescribed in Article 143, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act (referred to as "each balance sheet" in sub-items (b) and (c)); the same applies in sub-item (a) of the following item);
 - (b) reserve for outstanding claims (meaning the reserve for outstanding claims stated in each balance sheet; the same applies in sub-item (b) of the following item);
 - (c) members' dividend reserve (meaning the members' dividend reserve stated in each balance sheet) or policy dividend reserve (meaning the policy dividend reserve stated in each balance sheet);

- (ix) the portion of the insurance contract reserve (meaning the following, and excluding those specified by the Commissioner of the Financial Services Agency; the same applies in this item hereinafter) in relation to an insurance company or foreign insurance company, etc. that has received a license that falls under the class of license prescribed in Article 262, paragraph (2), item (ii) of the Insurance Business Act, which is equivalent to the amount obtained by multiplying the insurance contract reserve by the ratio specified by the Commissioner of the Financial Services Agency as the ratio of the portion corresponding to the amount specified in Article 270-3, paragraph (2), item (i) of the Insurance Business Act to the insurance contract reserve;
 - (a) liability reserve;
 - (b) reserve for outstanding claims;
- (x) the portion of the deposits received from customers (meaning the deposits received from customers as stated in the balance sheet under appended Form 12 prescribed in Article 172, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, etc.) in relation to a financial instruments business operator prescribed in Article 126-2, paragraph (2), item (iii) of the Act, which pertains to the claims subject to the payment under Article 79-56, paragraph (1) of the Financial Instruments and Exchange Act;
- (xi) liabilities in relation to the bonds and loans for consumption prescribed in Article 102, paragraph (3) or Article 126-2, paragraph (4) of the Act;
- (xii) liabilities of a call broker (meaning the call broker prescribed in Article 29-2 of the Order; the same applies in Article 36, paragraph (4)), which are specified by the Commissioner of the Financial Services Agency; and
- (xiii) liabilities specified by the Commissioner of the Financial Services Agency as being equivalent to those listed in the preceding items.

(Corporation Whose Management Is Controlled by Paying Financial Institution)

Article 35-14 The corporation specified by Cabinet Office Order and Order of the Ministry of Finance as the corporation whose management is controlled by a paying financial institution (meaning the paying financial institution prescribed in Article 126-39, paragraph (4) of the Act), as prescribed in Article 126-39, paragraph (4) of the Act, is a subsidiary, etc. of a financial institution, etc. of the relevant paying financial institution (excluding a subsidiary company of the paying financial institution).

(Liabilities of Paying Financial Institution)

Article 35-15 The liabilities stated in documents specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-39, paragraph (4) of the Act are the liabilities recorded in the consolidated balance

sheet prepared pursuant to appended Form 5-2 prescribed in Article 18, paragraph (4) of the Regulation for Enforcement of the Banking Act or appended Form 12 prescribed in Article 34-24, paragraph (2) of the Regulation for Enforcement of the Banking Act, appended Form 3-2 prescribed in Article 17, paragraph (4) of the Regulation for Enforcement of the Long-Term Credit Bank Act or appended Form 9 prescribed in Article 25-7, paragraph (2) of the Regulation for Enforcement of the Long-Term Credit Bank Act, appended Form 13-2 or 14-2 prescribed in Article 131, paragraph (2) of the Regulation for Enforcement of the Shinkin Bank Act, appended Form 9-2 or 10-2 prescribed in Article 68, paragraph (2) of the Regulation for Enforcement of the Act on Financial Businesses by Cooperatives, appended Form 9-2 or 10-2 prescribed in Article 113, paragraph (2) of the Regulation for Enforcement of the Labor Bank Act, appended Form 4 prescribed in Article 81, paragraph (4) of the Regulation for Enforcement of The Shoko Chukin Bank, Ltd. Act Relating to Ministry of Economy, Trade and Industry, Ministry of Finance, and Cabinet Office, appended Form 7-3 prescribed in Article 59, paragraph (5) of the Regulation for Enforcement of the Insurance Business Act or appended Form 15 prescribed in Article 210-10, paragraph (2) of the Regulation for Enforcement of the Insurance Business Act, appended Form 17-4 prescribed in Article 208-12, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, etc. or appended Form 17-5 prescribed in Article 208-23, paragraph (1) of the Cabinet Office Order on Financial Instruments Business, or the Company Accounting Rules, or other documents equivalent thereto.

(Ratio to Consolidated Total Amount of Liabilities)

Article 35-16 (1) The ratio specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 126-39, paragraph (4) of the Act is, with regard to the consolidated total amount of liabilities (meaning the consolidated total amount of liabilities prescribed in Article 126-39, paragraph (4) of the Act; the same applies in this paragraph) of the paying financial institutions, etc. prescribed in Article 126-39, paragraph (4) of the Act, the ratio of the amount of liabilities individually attributable to each financial institution, etc. that is a paying financial institution, etc. (meaning the amount of liabilities that are attributable to each financial institution, etc. that is a paying financial institution, etc., out of the consolidated total amount of liabilities in the consolidated business year immediately preceding the consolidated business year including the day on which the specified contributions prescribed in Article 126-39, paragraph (1) of the Act are to be paid; the same applies in this paragraph) to the total amount of liabilities individually attributable to financial institutions, etc. that are paying financial institutions, etc.

(2) Necessary particulars for the calculation of the ratio under the preceding paragraph will be specified by the Commissioner of the Financial Services Agency separately.

(Creditors to Whom Individual Notice for Objection Need Not Be Given
Concerning Assignment of Business)

Article 35-17 The creditors specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 30 of the Order are creditors in relation to a custody agreement, creditors in relation to an insurance contract, and the persons specified in Article 29-5, items (v) through (vii) of the Order.

(Transactions Associated with Financial Systems)

Article 35-18 The transactions specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 137-3, paragraph (1) of the Act are transactions in relation to goods with a quotation on an exchange or any other market quotation, or transactions equivalent thereto, whereby a financial institution or financial institution, etc. is a party.

(Specified Cancellations)

Article 35-19 The effects specified by Cabinet Office Order and Order of the Ministry of Finance prescribed in Article 137-3, paragraph (2) of the Act are, in cases where the related measure, etc. (meaning the Related Measure, etc. prescribed in Article 137-3, paragraph (1) of the Act) is taken to one of the parties executing transactions in relation to a contract, the following effects that, regardless of the parties' intention, arise out of the transactions in relation to the contract at the time when the related measure, etc. is taken.

- (i) that the total net amount obtained by totaling the estimated amount in relation to the respective transactions at the time when the related measure, etc. is taken becomes one claim or one obligation between the parties; and
- (ii) that the obligations between the parties extinguish at the corresponding amount.

(Government Agency through Which Submission Is Made)

Article 36 (1) The founders prescribed in Article 9 of the Act must submit the articles of incorporation to the Prime Minister under Article 11 of the Act through the Commissioner of the Financial Services Agency.

(2) Officers of the DICJ (meaning the officers prescribed in Article 24 of the Act; excluding, however, the inspector) must, when they seek to obtain the approval of the Prime Minister under the proviso to Article 30 of the Act, submit a written application for approval to the Prime Minister through the Commissioner of the Financial Services Agency.

- (3) A financial institution subject to the confirmation in relation to the measures under item (i) prescribed in Article 102, paragraph (1), item (i) of the Act or a financial institution, etc. subject to the specified confirmation in relation to the specified measures under item (i) prescribed in Article 126-2, paragraph (1), item (i) of the Act must submit a plan prescribed in Article 104, paragraph (1) or Article 126-21, paragraph (1) of the Act to the Prime Minister through the Commissioner of the Financial Services Agency.
- (4) A financial institution, etc. (excluding a foreign bank branch prescribed in Article 126-2, paragraph (2), item (i) of the Act, the person specified in Article 126-2, paragraph (2), item (ii) of the Act, a designated parent company prescribed in Article 126-2, paragraph (2), item (iii) of the Act, securities finance company prescribed in Article 126-2, paragraph (2), item (iv) of the Act, a call broker, a special financial instruments business operator prescribed in Article 57-2, paragraph (2) of the Financial Instruments and Exchange Act, and those designated by the Commissioner of the Financial Services Agency) must, when submitting a written application for confirmation prescribed in Article 23 or 35-9, a written application for authorization prescribed in Article 29-3 through Article 29-5, or Article 35-6 through Article 35-8 and a report prescribed in Article 59, paragraph (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 101, paragraph (5) and Article 118, paragraph (2) of the Act and Article 15-4, paragraph (5) of the supplementary provisions of the Act), Article 60, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 126-31), Article 65 and Article 66, paragraph (1) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 101, paragraph (7), Article 118, paragraph (4), Article 126-31, and Article 126-38, paragraph (7) of the Act, and Article 15-4, paragraph (7) and Article 15-4-2, paragraph (7) of the supplementary provisions of the Act), and Article 126-28, paragraph (7) (including the cases where it is applied mutatis mutandis pursuant to Article 126-38, paragraph (5) of the Act and Article 15-4-2, paragraph (5) of the supplementary provisions of the Act) to the Commissioner of the Financial Services Agency, a management soundness improvement plan prescribed in Article 105, paragraph (3) of the Act under Article 108-2, paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (8) of the Act), Article 108-3, paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 108-3, paragraph (4) of the Act) or Article 108-3, paragraph (7) of the Act to the Commissioner of the Financial Services Agency, or a management soundness improvement plan prescribed in Article 126-22, paragraph (5) under Article 126-25 paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (8) of the Act), Article 126-26,

paragraph (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 126-26, paragraph (4) of the Act) or Article 126-26, paragraph (7) of the Act to the Commissioner of the Financial Services Agency (excluding the cases where the submission is made to the Prime Minister through the Commissioner of the Financial Services Agency under the preceding paragraph), make the submission through the Director-General of Local Finance Bureau (in the case where the office is located within the jurisdictional district of the Fukuoka Local Finance Branch Bureau (excluding those within the jurisdictional district of a finance office), the Director-General of the Fukuoka Local Finance Branch Bureau, and in the case where the relevant location is within the jurisdictional district of a finance office, Otaru branch office, or Kitami branch office, the head of such finance office or branch office; the same applies in the following Article) having jurisdiction over the location of the head office or principal office of the financial institution, etc.

(Preliminary Examinations)

Article 37 A financial institution, etc. may, when it seeks to obtain the confirmation under Article 61, paragraph (1) or Article 126-29, paragraph (1) of the Act, approval under Article 67, paragraph (2) of the Act, or authorization under Article 108-2, paragraph (1) or Article 108-3, paragraph (1) or (5), Article 126-25, paragraph (1), Article 126-26, paragraph (1) or (5) of the Act, request the Commissioner of the Financial Services Agency or the Director-General of Local Finance Bureau (in the case where the financial institution, etc. is a labor bank, The Rokinren Bank or a subsidiary, etc. of a labor bank, etc., to the Commissioner of the Financial Services Agency and the Minister of Health, Labour and Welfare, and in the case where the financial institution, etc. is The Shoko Chukin Bank, Ltd. or a subsidiary, etc. of the Shoko Chukin Bank, to the Commissioner of the Financial Services Agency, the Minister of Finance and the Minister of Economy, Trade and Industry; hereinafter referred to as "Commissioner of the Financial Services Agency, etc." in this Article) to conduct a preliminary examination by submitting to the Commissioner of the Financial Services Agency, etc. documents equivalent to those required to be submitted at the time of applying for the authorization or approval.