

Enforcement Order of the Agricultural and Fishery Cooperatives Savings Insurance Act

(Cabinet Order No. 201 of July 16, 1973)

The Cabinet enacts this Cabinet Order pursuant to the provisions of Article 7, paragraph (1), Article 13, paragraph (1), Article 42, paragraph (1), Article 51, paragraph (1), Article 56, paragraphs (1) and (3), Article 59, paragraphs (1) and (2), Article 60, Article 61 and Article 2, paragraph (1) of the Supplementary Provisions of the Agricultural and Fishery Cooperatives Savings Insurance Act (Act No. 53 of 1973).

(Norinchukin Bank Bonds Whose Right Holders can Be Identified)

Article 1 Those specified by Cabinet Order prescribed in Article 2, paragraph (2), item (iv) of the Agricultural and Fishery Cooperative Savings Insurance Act (hereinafter referred to as the "Act") are Norinchukin Bank bonds for which bonds are issued and for which a custody agreement relating to the relevant bonds has been concluded between the applicants for the relevant bonds and the Norinchukin Bank at the time of issue of the relevant bonds, as specified by order of the competent ministry.

(Subordinated Loan Agreements)

Article 2 The loans for money consumption specified by Cabinet Order as prescribed in Article 2, paragraph (7), item (ii) of the Act are those that fall under the following requirements:

- (i) the loan is not secured by collateral; and
- (ii) the period during which the principal is not repaid exceeds five years from the time of the contract.

(Lenders of Funds)

Article 3 The persons specified by Cabinet Order as prescribed in Article 42, paragraph (1) of the Act are the following persons:

- (i) a federation of agricultural cooperatives (limited to those that have the whole country as their district and conduct business under Article 10, paragraph (1), item (x) of the Agricultural Cooperatives Act (Act No. 132 of 1947));
- (ii) a life insurance company (meaning a life insurance company prescribed in Article 2, paragraph (3) of the Insurance Business Act (Act No. 105 of 1995) and a foreign life insurance company, etc. prescribed in paragraph (8) of the same Article); and

(iii) a non-life insurance company (meaning a non-life insurance company prescribed in Article 2, paragraph (4) of the Insurance Business Act and foreign non-life insurance company, etc. prescribed in paragraph (9) of the same Article).

(Borrowing Limits)

Article 4 The amount specified by Cabinet Order as prescribed in Article 42, paragraph (3) of the Act is two hundred billion yen.

(Days Excluded from the Calculation of the Amount of Insurance Premiums)

Article 5 The days specified by Cabinet Order as prescribed in Article 51, paragraph (1) of the Act are the following days:

- (i) holidays prescribed in the Act on National Holidays (Act No. 178 of 1948);
- (ii) days from December 31 to January 3 of the following year (excluding the days set forth in the preceding item); and
- (iii) Saturdays.

(Savings Excluded from the Calculation of the Amount of Insurance Premiums Related to General Savings)

Article 6 Savings, etc. specified by Cabinet Order as prescribed in Article 51, paragraph (1) of the Act refer to the following savings, etc.:

- (i) negotiable certificate of savings (meaning savings with a fixed due date for refund and without special provisions prohibiting transfer; the same applies in item (i) of the following Article);
- (ii) savings which is accounted for in the special international financial transactions account prescribed in Article 21, paragraph (3) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949) (excluding those falling under the savings, etc. set forth in the following item or item (iv)):
- (iii) savings, etc. received from the Bank of Japan (excluding those relating to the affairs of the national treasury under the provisions of Article 34, paragraph (1) of the Accounting Act (Act No. 35 of 1947));
- (iv) savings, etc. received from an agricultural or fishery cooperative and other financial institutions (excluding those relating to the fund management of defined contribution pensions prescribed in Article 56-3, paragraph (1), item (i) of the Act);
- (v) money received through the issuance of Norinchukin Bank bonds prescribed in Article 2, paragraph (2), item (iv) of the Act, which pertains to Norinchukin Bank bonds issued by way of offering or Norinchukin Bank bonds for which a custody agreement has been terminated;
- (vi) savings, etc. received from the Agricultural and Fishery Co-operative Savings Insurance Corporation (hereinafter referred to as the "SIC");

- (vii) savings, etc. for which the certificate (including a beneficiary certificate prescribed in Article 2, paragraph (2) of the Loan Trust Act (Act No. 195 of 1952) and a beneficiary certificate prescribed in Article 185, paragraph (1) of the Trust Act (Act No. 108 of 2006)) of savings, etc. (excluding those set forth in Article 2, paragraph (2), item (iv) of the Act) is in bearer form; and
- (viii) the money received under a trust agreement relating to beneficial interests in a loan trust prescribed in the Loan Trust Act or beneficial interests in a beneficiary certificate issuing trust prescribed in the Trust Act, the ownership of which is to be determined by entries or records in a transfer account book pursuant to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001).

(Savings Excluded from the Calculation of the Amount of Insurance Premiums Related to Savings for Settlement Purposes)

Article 6-2 Savings specified by Cabinet Order as prescribed in Article 51-2, paragraph (1) of the Act are the following savings:

- (i) negotiable certificate of savings;
- (ii) savings which is accounted for in the special international financial transactions account prescribed in Article 21, paragraph (3) of the Foreign Exchange and Foreign Trade Act (excluding those falling under the savings set forth in the following item or item (iv)):
- (iii) savings received from the Bank of Japan (excluding those relating to the affairs of the national treasury disbursement pursuant to the provisions of Article 34, paragraph (1) of the Accounting Act);
- (iv) savings received from an agricultural or fishery cooperative and other financial institutions (excluding those relating to the fund management of defined contribution pensions prescribed in Article 56-3, paragraph (1), item (i) of the Act);
- (v) savings received from the SIC; and
- (vi) savings for which the certificates of the savings are in bearer form.

(Maximum Amount of Provisional Payment)

Article 7 The amount specified by Cabinet Order as prescribed in Article 55, paragraph (3) of the Act is six hundred thousand yen.

(Savings Subject to Provisional Payment)

Article 8 Payment of provisional payment under the provisions of Article 55, paragraph (3) of the Act is made with respect to the principal of the claim relating to ordinary savings.

(General Savings Excluded from the Calculation of the Amount of Insurance

Proceeds)

Article 9 General savings, etc. specified by Cabinet Order as prescribed in Article 56, paragraph (1) of the Act are general savings, etc. (meaning general savings, etc. prescribed in Article 51, paragraph (1) of the Act; the same applies hereinafter.) that fall under the following:

- (i) savings, etc. held in the name of another person (including a pseudonym);
- (ii) savings, etc. based on a contract made in violation of the provisions of Article 2, paragraphs (1) or (2) of the Act on Controlling an Unjust Contract in relation to Deposits (Act No. 136 of 1957);

(Interest Included in the Calculation of the Amount of Insurance Proceeds)

Article 10 (1) Those specified by Cabinet Order as prescribed in Article 56, paragraph (1) of the Act are the followings:

- (i) interest relating to savings contracts;
 - (ii) compensation money for benefits (meaning compensation money for benefits prescribed in Article 60-2, paragraph (1), item(ii) of the Act) relating to an installment savings contract;
 - (iii) distribution of profit relating to a trust agreement with respect to a money trust (limited to a money trust for which a contract to supplement profit has been made pursuant to the provisions of Article 6 of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943));
 - (iv) distribution of profit relating to a trust agreement with respect to a money trust (including loan trusts) other than money trusts prescribed in the preceding item which is specified by order of the competent ministry as a distribution that is certain to be made to depositors, etc.;
 - (v) interest on Norinchukin Bank bonds prescribed in Article 2, paragraph (2), item(iv) of the Act (excluding those issued by way of discount); and
 - (vi) Norinchukin Bank bonds prescribed in Article 2, paragraph (2), item (iv) of the Act, which are equivalent to the amount obtained by deducting the total paid in from the amount of the relevant Norinchukin Bank bonds relating to those issued by the discount method.
- (2) The calculation of the amount of claims relating to savings, etc. actually held by a depositor, etc. on the day on which an insured event prescribed in Article 56, paragraph (1) of the Act occurred, that are set forth in each item of the preceding paragraph, is prescribed by order of the competent ministry.

(Base Insurance Amount)

Article 11 The amount specified by Cabinet Order as prescribed in Article 56, paragraph (2) of the Act is ten million yen.

(Interest Rates on Claims Related to General Savings)

Article 12 Those specified by Cabinet Order as prescribed in Article 56, paragraph (2), item (iii) of the Act is the yield of installment savings, the expected dividend rate of money trusts (in the case of loan trusts, the expected dividend rate) and the discount rate of Norinchukin Bank bonds issued by the discount method as prescribed in Article 2, paragraph (2), item (iv) of the Act.

(Special Provisions for the Amount of Insurance Proceeds Related to General Savings)

Article 13 In the case of calculating the amount of insurance proceeds pursuant to the provisions of Article 56, paragraph (3) of the Act, the provisional payment referred to in Article 55, paragraph (3) of the Act and the amount of refund of savings, etc. relating to the loan referred to in Article 69-3, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 111 of the Act, which corresponds to the respective amounts of claims relating to the respective savings, etc. corresponding to the amount of insurance proceeds calculated pursuant to the provisions of paragraph (1) and (2) of the same Article, are deducted.

(Method of Calculating the Base Amount for the Refund of Provisional Payments)

Article 14 The amount calculated as specified by Cabinet Order prescribed in Article 56, paragraph (4) of the Act is the total of the amount of principal relating to ordinary savings out of the amount of each principal corresponding to the amount of insurance proceeds under the provisions of paragraphs (1) and (2) of the same Article.

(Savings for Settlement Purposes Excluded from the Calculation of the Amount of Insurance Proceeds)

Article 14-2 Savings for settlement purposes specified by Cabinet Order as prescribed in Article 56-2, paragraph (1) of the Act is the savings for settlement purposes (meaning the savings for settlement purposes prescribed in Article 51-2, paragraph (1) of the Act; the same applies hereinafter) that fall under the following items:

- (i) savings held in the name of another person (including a pseudonym); and
- (ii) savings based on a contract made in violation of the provisions of Article 2, paragraph (1) or (2) of the Act on Controlling an Unjust Contract in Relation to a Deposits.

(Special Provisions for the Amount of Insurance Proceeds for Savings for Settlement Purposes)

Article 14-3 In the case of calculating the amount of insurance proceeds

pursuant to the provisions of Article 56, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 56-2, paragraph (2) of the Act, payment of the provisional payment referred to in Article 55, paragraph (3) of the Act which corresponds to the respective amounts of claims relating to the respective savings, etc. corresponding to the amount of insurance proceeds calculated pursuant to the provisions of Article 56-2, paragraph (1) of the Act, and the amount of refund of savings, etc. relating to the loan referred to in Article 69-3, paragraph (1) (including as applied mutatis mutandis pursuant to Article 111 of the Act) are deducted.

(Particulars of a Public Notice Relating to Payment of Insurance Proceeds)

Article 15 The particulars specified by Cabinet Order as prescribed in Article 59, paragraph (1) of the Act are the following particulars:

- (i) handling time for payment of insurance proceeds;
- (ii) documents and other things that the depositor, etc. should submit or present to the SIC when claiming payment of insurance proceeds; and
- (iii) other particulars deemed necessary by the SIC.

(Particulars of a Public Notice Relating to the Payment of Provisional Payments)

Article 16 The particulars specified by Cabinet Order as prescribed in Article 59, paragraph (2) of the Act are the following particulars:

- (i) handling time for provisional payment;
- (ii) documents and other things that the depositor, etc. should submit or present to the SIC when claiming payment of provisional payment; and
- (iii) other particulars deemed necessary by the SIC.

(Change of Payment Period of Insurance Proceeds)

Article 17 (1) The grounds specified by Cabinet Order as prescribed in Article 59, paragraph (3) of the Act are the following grounds:

- (i) public notice of liquidating distribution under the provisions of Article 197 paragraph (1) of the Bankruptcy Act (Act No. 75 of 2004) (including as applied mutatis mutandis pursuant to Article 209 paragraph (3) of the same Act);
- (ii) a notice under the provisions of Article 118-2, paragraph (2) of the Act; and
- (iii) an order of confirmation of the rehabilitation plan under the provisions of Article 174, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999).

(2) In the case of modifying the period of payment of insurance proceeds or provisional payment pursuant to the provisions of Article 59, paragraph (3) of the Act, the SIC must make the last day of the modified period of payment on

or after the day on which three weeks have elapsed from the day on which the event prescribed in the preceding paragraph occurred.

(Claims Acquired by the SIC through Payment of Insurance Proceeds)

Article 18 If the SIC acquires a claim relating to savings, etc. pursuant to the provisions of Article 60, paragraph (1) of the Act, the SIC is to acquire the claim relating to savings, etc. corresponding to the amount of insurance proceeds to be paid out of the amount of insurance proceeds calculated under the insurance claim calculation provisions (meaning the insurance claim calculation provisions prescribed in Article 2, paragraph (9) of the Act, including cases where it is applied by replacing the terms pursuant to the provisions of Article 56-3, paragraph (4) of the Act).

(Withholding of Payment of Insurance Proceeds)

Article 19 If the SIC withholds payment of insurance proceeds pursuant to the provisions of Article 60, paragraph (2) of the Act, the SIC must deliver a document stating the following particulars to the depositors, etc. that have claimed payment of the relevant insurance proceeds:

- (i) the amount of insurance payment proceeds being withheld;
- (ii) the type and amount of savings, etc. relating to the claim acquired by the SIC through a claim for payment of insurance proceeds and other particulars sufficient for identifying the relevant savings, etc.;
- (iii) the name or title of the security right holder relating to the security right that is the reason to be withheld; and
- (iv) documents and other items to be submitted or presented to the SIC when a depositor, etc. requests payment of insurance proceeds relating to the relevant payment being withheld due to the extinguishment of a secured claim relating to the security right that is the reason for the payment being withheld.

(Claims Acquired by the SIC through Payment of Provisional Payments)

Article 20 If the SIC acquires a claim relating to savings, etc. pursuant to the provisions of Article 60, paragraph (3) of the Act, it is to acquire a claim subject to savings, etc. corresponding to the amount of provisional payment referred to in Article 55, paragraph (3) of the Act (excluding the amount to be reimbursed to the SIC pursuant to the provisions of Article 56, paragraph (4) of the Act).

(Special Provisions of the Act on Special Measures Concerning Taxation in the Case of Payment of Insurance Proceeds)

Article 21 (1) With respect to a workers' property accumulation housing saving contract prescribed in Article 4-2, paragraph (1) of the Act on Special Measures

Concerning Taxation (Act No. 26 of 1957) or the performance thereof, if any event that comes no longer satisfy the requirements prescribed in Article 6, paragraph (4), item (i), (b) or (c) of the Act on Promotion of Workers' Property Accumulation (Act No. 92 of 1971) occurs, and if the occurrence of the relevant fact is a result of the payment of insurance proceeds under the provisions of Article 55, paragraph (1) of the Act, for the purpose of application of the provisions of Article 4-2, paragraphs (2) and (9) of the Act on Special Measures Concerning Taxation, the relevant fact is deemed not to fall under the case specified by Cabinet Order prescribed in paragraph (2) of the same Article or the fact prescribed in paragraph (9) of the same Article.

(2) With respect to a workers' property accumulation pension saving contract prescribed in Article 4-3, paragraph (1) of the Act on Special Measures Concerning Taxation or the performance thereof, if any event that comes no longer satisfy the requirements prescribed in Article 6, paragraph (2), item (i), (b) or (c) of the Act on Promotion of Workers' Property Accumulation occurs, and if the occurrence of the relevant fact is a result of the payment of insurance proceeds under the provisions of Article 55, paragraph (1) of the Act, for the purpose of application of the provisions of Article 4-3, paragraphs (2) and (10) of the Act on Special Measures Concerning Taxation, the relevant fact is deemed not to fall under the case specified by Cabinet Order prescribed in paragraph (2) of the same Article or the fact prescribed in paragraph (10) of the same Article.

(Measures to Ensure Sound Financial Conditions)

Article 22 The measures specified by Cabinet Order as prescribed in Article 65-2, paragraph (1) of the Act are the following measures:

- (i) measures to streamline the management;
- (ii) measures to secure financial resources that can be used to retire or repay preferred equity investments and borrowings relating to subscription of preferred equity investments, etc. out of surplus; and
- (iii) measures to ensure sound financial conditions and the sound and appropriate operation of the business.

(Application for Approval of Continuation of Business)

Article 23 (1) If the Norinchukin Bank intends to obtain approval for the continuation of business under the provisions of Article 68, paragraph (2) of the Act, it must submit a written application together with the following documents to the Minister of Agriculture, Forestry and Fisheries and the Prime Minister:

- (i) a document stating the special circumstances under which the relevant business is to be continued;

- (ii) a document stating the details of the contract prescribed in Article 68, paragraph (1) of the Act and the total amount of the relevant contract as of the date of the merger, etc. (meaning the merger, etc. prescribed in Article 61, paragraph (2) of the Act);
 - (iii) a document stating the period of continuation of the relevant business and a plan for the arrangement of the relevant business; and
 - (iv) other documents specified by order of the competent ministry.
- (2) The Prime Minister delegates the authority under the provisions of the preceding paragraph to the Commissioner of the Financial Services Agency.

(Transactions Related to Fund Settlement Conducted by an Agricultural or Fishery Cooperative)

Article 23-2 The transactions specified by Cabinet Order as prescribed in Article 69-2, paragraph (1) of the Act are the following transactions (excluding those for which the SIC finds it appropriate to ensure the fulfillment of obligations relating to the relevant transactions by taking measures to ensure appropriate provision of clearing services for interbank funds transfer prescribed in Article 72 of the Payment Services Act (Act No. 59 of 2009) or other measures equivalent thereto):

- (i) exchange transactions;
- (ii) transactions based on the presentation at a clearinghouse of a bill, check, or other securities or certificates that can be settled at a clearinghouse in the amount indicated hereafter; and
- (iii) transactions relating to checks drawn by agricultural or fishery cooperatives to themselves pursuant to Article 6, paragraph (3) of the Check Act (Act No. 57 of 1933).

(Persons that Engage the Financial Business)

Article 23-3 The persons specified by Cabinet Order as prescribed in Article 69-2, paragraph (1) of the Act are the following persons:

- (i) an agricultural or fishery cooperative;
- (ii) a bank prescribed in Article 2, paragraph (1) of the Banking Act (Act No. 59 of 1981);
- (iii) a long term credit bank prescribed in Article 2 of the Long Term Credit Bank Act (Act No. 187 of 1952);
- (iv) Shinkin banks;
- (v) credit cooperatives;
- (vi) a labor bank;
- (vii) the federation of Shinkin banks;
- (viii) a federation of cooperatives engaged in the business referred to in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise

- Cooperatives Act (Act No. 181 of 1949);
(ix) a federation of labor banks; and
(x) the Shoko Chukin Bank, Ltd.

(Savings Excluded from Purchase of Savings and Other Claims)

Article 24 The savings, etc. specified by Cabinet Order as prescribed in Article 70, paragraph (1) of the Act is the savings, etc. set forth in each item of Article 6 and each item of Article 9.

(Expenses Required for the Purchase of Savings and Other Claims)

Article 25 Those specified by Cabinet Order as expenses required for the purchase prescribed in the proviso of Article 70, paragraph (2) of the Act are the following expenses:

- (i) interest on borrowings made by the SIC to conduct the purchase of savings, etc. and other claims (meaning the purchase of savings, etc. and other claims prescribed in Article 70, paragraph (1) of the Act);
- (ii) administrative expenses incurred by the SIC for the purchase of savings, etc. and other claims; and
- (iii) administrative expenses that are expected to be required by the SIC for payment under the provisions of the proviso of Article 70, paragraph (2) of the Act.

(Items Excluded from the Calculation of Estimated Payments)

Article 26 Those specified by Cabinet Order as prescribed in Article 70, paragraph (3) of the Act are those set forth in Article 10, paragraph (1), items (ii) through (iv) and item (vi).

(Particulars of a Public Notice Regarding the Purchase of Savings and Other Claims)

Article 27 The particulars specified by Cabinet Order as prescribed in Article 72, paragraph (1) of the Act are the following particulars:

- (i) handling time for purchase of savings, etc. and other claims;
- (ii) documents and other items that the depositor, etc. should submit or present to the SIC when claiming the purchase of savings, etc. and other claims; and
- (iii) other particulars deemed necessary by the SIC.

(Change of Purchase Period for Savings and Other Claims)

Article 28 (1) The grounds specified by Cabinet Order as prescribed in Article 72, paragraph (2) of the Act are the grounds set forth in each item of Article 17, paragraph (1).

(2) If the SIC changes the purchase period for savings, etc. and other claims

pursuant to the provisions of Article 72, paragraph (2) of the Act, the SIC must make the last day of the modified purchase period on or after the day on which three weeks have elapsed from the day on which the event prescribed in the preceding paragraph occurred.

(Particulars of a Public Notice Relating to Settlement Payments)

Article 29 The particulars specified by Cabinet Order as prescribed in Article 72, paragraph (4) of the Act are the following particulars:

- (i) the method of payment;
- (ii) other particulars deemed necessary by the SIC.

(Principal Amount as of the Record Date in the Case of Purchase of Savings and Other Claims)

Article 30 The amount specified by Cabinet Order as the amount of the principal prescribed in Article 73, paragraph (1) of the Act is the amount equivalent to the amount of the savings, etc. and other claims for which the depositors, etc. have received the estimated proceeds payment prescribed in Article 70, paragraph (2) of the Act, which was the principal on the day on which an insured event subject to the relevant estimated proceeds payment occurred (in the case of Norinchukin Bank Bonds prescribed in Article 73, paragraph (1), item (iv) of the Act, the amount of Norinchukin Bank Bonds) (By the payment date of the relevant estimated proceeds payment, if the SIC has acquired all or part of the principal of the relevant savings, etc. and other claims pursuant to the provisions of Article 60, paragraph (1) or (3) of the Act, or if all or part of the principal of the relevant savings, etc. and other claims has been extinguished due to a refund or a set-off of the savings, etc. relating to a loan referred to in Article 69-3, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 111 of the Act) or other reasons, the amount equivalent to the amount of the principal of the acquired or extinguished savings, etc. and other claims after deducting the relevant amount).

(Special Provisions of the Act on Special Measures Concerning Taxation Concerning Purchase of Savings and Other Claims)

Article 31 (1) With respect to a workers' property accumulation housing saving contract prescribed in Article 4-2, paragraph (1) of the Act on Special Measures Concerning Taxation or the performance thereof, if any event that comes no longer satisfy the requirements prescribed in Article 6, paragraph (4), item (i), (b) or (c) of the Act on Promotion of Workers' Property Accumulation occurs, and if the occurrence of the relevant fact is a result of the purchase of savings, etc. and other claims, for the purpose of application of the provisions of Article

4-2, paragraphs (2) and (9) of the Act on Special Measures Concerning Taxation, the relevant fact is deemed not to fall under the case specified by Cabinet Order prescribed in paragraph (2) of the same Article or the fact prescribed in paragraph (9) of the same Article.

- (2) With respect to a workers' property accumulation pension saving contract prescribed in Article 4-3, paragraph (1) of the Act on Special Measures Concerning Taxation or the performance thereof, if any event that comes no longer satisfy the requirements prescribed in Article 6, paragraph (2), item (i), (b) or (c) of the Act on Promotion of Workers' Property Accumulation occurs, and if the occurrence of the relevant fact is a result of the purchase of savings, etc. and other claims, for the purpose of application of the provisions of Article 4-3, paragraphs (2) and (10) of the Act on Special Measures Concerning Taxation, the relevant fact deemed not to fall under the case specified by Cabinet Order prescribed in paragraph (2) of the same Article or the fact prescribed in paragraph(10) of the same Article.

(The Amount of Profit Generated by Business as Stipulated in the Agreement)

Article 32 (1) The amount calculated as specified by Cabinet Order prescribed in Article 75, paragraph (1), item (ii) of the Act is the amount remaining after deducting the amount set forth in item (iii) from the total amount set forth in items (i) and (ii) for each business year of the agreed claims collection company;

(i) with respect to each of the purchased assets (meaning the assets purchased as stipulated in the agreement prescribed in Article 74 of the Act; hereinafter the same applies in this paragraph), if a profit is generated due to recovery at an amount exceeding the acquisition value thereof or for any other reasons specified by order of the competent ministry, the amount specified by order of the competent ministry as the amount of the relevant profit;

(ii) with respect to each of the purchased assets, if a loss prescribed in the following item is generated, and after the business year following the business year in which the relevant loss has occurred, the relevant loss has decreased due to recovery of all or part of the purchased assets from which the relevant loss was generated, or for any other reasons specified by order of the competent ministry, the amount specified by order of the competent ministry as the amount of the relevant decreased loss; and

(iii) with respect to each of the purchased assets, if a loss arises due to recovery at an amount smaller than the acquisition value thereof or for any other reasons specified by order of the competent ministry, the amount specified by order of the competent ministry as the amount of the relevant loss.

- (2) If there is any balance prescribed in the preceding paragraph each business year, the agreed claims collection company is to pay the amount equivalent to

the relevant balance to the SIC within three months after the end of the relevant business year.

(Amount of Loss Generated by Business as Stipulated in the Agreement)

Article 33 The amount calculated as specified by Cabinet Order prescribed in Article 78 of the Act is the amount equivalent to the amount remaining after deducting the total amount set forth in item (ii) from the total amount set forth in item (i) for each business year of the agreed claims collection company;
(i) the amount set forth in paragraph (1), item (iii) of the preceding Article; and
(ii) the amount set forth in paragraph (1), items (i) and (ii) the preceding Article.

(Management Soundness Improvement Plan)

Article 34 The measures specified by Cabinet Order as prescribed in Article 100, paragraph (2) of the Act are the following measures:
(i) measures to streamline the management;
(ii) measures to establish a responsible management system;
(iii) measures to prevent outflow of surplus through dividends, etc.
(iv) measures to secure financial resources that can be used to retire or repay preferred equity investments and borrowings relating to subscription of preferred equity investments, etc. out of surplus; and
(v) measures to ensure sound financial conditions and the sound and appropriate operation of the business.

(Special Provisions for Registration Resulting from Issuance of Preferred Equity Investments)

Article 34-2 For the application of the provisions of Article 14 of the Enforcement Order of the Act on Preferred Equity Investment by Cooperative Financial Institutions (Cabinet Order No. 398 of 1993) in the event that an agricultural or fishery cooperative makes the registration of a change, pursuant to the provisions of Article 101-2, paragraph (2) of the Act, resulting from the issuance of preferred equity investment in accordance with a decision under the provisions of Article 100, paragraph (3) of the Act, the term "the following documents" in the same Article is deemed to be replaced with "the following documents and a document certifying that preferred equity investment have been issued in accordance with a decision under the provisions of Article 100, paragraph (3) of the Agricultural and Fishery Cooperatives Savings Insurance Act (Act No. 53 of 1973)".

(Particulars to be Reported Relating to the Determination of Contributions or Specific Contributions)

Article 35 The particulars specified by Cabinet Order as prescribed in Article 106, paragraph (1), item (v) of the Act are the following particulars:

- (i) the amount used as expenses for performing crisis management operations prescribed in Article 105, paragraph (1) of the Act (excluding the amount of expenses for operation prescribed in items (iii) and (iv));
- (ii) the amount equivalent to the fruits arising from the acquired preferred equity investment or acquired loan claim prescribed in Article 100, paragraph (3), item (i) of the Act, or the acquired specified preferred equity investment or the acquired specified loan claim prescribed in Article 110-14, paragraph (4), item (i);
- (iii) the amount of expenses and income for the operation relating to loans of funds and guarantees of obligations under the provisions of Article 110-12, paragraph (1) of the Act, and a detailed statement thereof;
- (iv) the amount of expenses and income for the operation relating to the purchase of assets under the provisions of Article 112-2, paragraph (1), and a detailed statement thereof; and
- (v) other particulars prescribed by order of the competent ministry.

(Procedures for Payment to the National Treasury)

Article 36 (1) If the SIC pays profit pursuant to the provisions of Article 109, paragraph (2) of the Act, it must pay the relevant profit to the national treasury by July 31 of the following business year.

(2) In the event that the SIC pays the profit pursuant to the provisions of Article 109, paragraph (2) of the Act, it must submit a statement of the amount to be paid to the national treasury calculated under the provisions of the same paragraph, together with the balance sheet at the end of the business year, the profit and loss statement for the business year and other documents specified by order of the competent ministry to the Minister of Agriculture, Forestry and Fisheries, the Prime Minister and the Minister of Finance by July 21 of the following business year.

(3) The Prime Minister delegates the authority under the provisions of the preceding paragraph to the Commissioner of the Financial Services Agency.

(Borrowing Limits for Crisis Management Operations)

Article 37 The amount specified by Cabinet Order as prescribed in Article 110, paragraph (1) of the Act is eight trillion nine thousand billion yen.

(Retention of Assets within Japan)

Article 38 (1) An order to the Norinchukin Bank under the provisions of Article 110-10 of the Act is to be issued by indicating the time limit and the scope of assets set forth in each item of the following paragraph to be covered by the

relevant order or the maximum total amount of assets to be covered by the relevant order.

- (2) The assets of the Norinchukin Bank prescribed in Article 110-10 of the Act, which are specified by Cabinet Order, are the followings:
- (i) deposits with the Bank of Japan;
 - (ii) cash, and deposits, savings, and installment savings with domestic parties separately provided for by the Minister of Agriculture, Forestry and Fisheries and Prime Minister;
 - (iii) securities prescribed in Article 2, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948);
 - (iv) loans, advances, and other claims against a person that has a domicile or residence in Japan;
 - (v) loans and other claims against a person that does not have domicile and residence in Japan, that are relating to a contract for a monetary loan that provides that the place of redemption of the principal and payment of interest is in Japan and that the court with jurisdiction is a domestic court ;
 - (vi) property entrusted to a person that has obtained approval under Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution;
 - (vii) security deposit (meaning money deposited by the Norinchukin Bank with respect to transactions) deposited with a person that has their domicile or residence in Japan;
 - (viii) deposits with a financial instruments exchange (meaning a financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act) or a financial instruments firms association (meaning an authorized financial instruments firms association prescribed in paragraph (13) of the same Article or a certified financial instruments business association prescribed in Article 78, paragraph (2) of the same Act);
 - (ix) tangible fixed assets located in Japan; and
 - (x) other assets found as appropriate by the Minister of Agriculture, Forestry and Fisheries and the Prime Minister.
- (3) The Prime Minister delegates the authority under the provisions of items (ii) and (x) of the preceding paragraph to the Commissioner of the Financial Services Agency.

(Management Soundness Improvement Plan)

Article 39 The measures specified by Cabinet Order as prescribed in Article 110-14, paragraph (3) of the Act are the following measures:

- (i) measures to streamline the management;
- (ii) measures to establish a responsible management system;
- (iii) measures to prevent outflow of surplus through dividends, etc.;

- (iv) measures to secure financial resources that can be used to retire or repay preferred equity investments and borrowings relating to subscription of preferred equity investments, etc. out of surplus; and
- (v) measures to ensure the sound financial conditions and the sound and appropriate operation of the business.

(Special Provisions for Registration Resulting from Issuance of Preferred Equity Investments in Accordance with Decision Referred to in Article 110-14, Paragraph (4) of the Act)

Article 40 For the application of the provisions of Article 14 of the Enforcement Order of the Act on Preferred Equity Investments by Cooperative Financial Institutions in the event that the Norinchukin Bank makes the registration of a change, pursuant to the provisions of Article 101-2, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 110-14, paragraph (4) of the Act, resulting from the issuance of preferred equity investment in accordance with a decision referred to in Article 110-14, paragraph (4) of the Act, the term "the following documents" in the same Article is deemed to be replaced with "the following documents and a document certifying that preferred equity investment have been issued in accordance with the decision referred to in Article 110-14, paragraph (4) of the Agricultural and Fishery Cooperatives Savings Insurance Act (Act No. 53 of 1973)".

(Replacement of Terms Regarding the Decision of Subscription of Preferred Equity Investment)

Article 41 In the event that the provisions of Article 100, paragraphs (6) and (7) of the Act are applied mutatis mutandis pursuant to Article 110-14, paragraph (5) of the Act, the term an "agricultural or fishery cooperative that made the relevant application" in paragraph (6) of the same Article is deemed to be replaced with "The Norinchukin Bank", the term " The provisions of paragraphs (6) through (9) of the preceding Article" in paragraph (7) of the same Article is deemed to be replaced with "Article 110-2, paragraphs (3) and (4) and Article 110-13, paragraph (5)".

(Creditors that are not Required to Make a Separate Notice of Objection in the Case of Transfer of a Credit Business)

Article 42 The creditors specified by Cabinet Order as prescribed in Article 114, paragraph (4), item (i) of the Act are holders of Norinchukin Bank bonds, creditors relating to a custody agreement and other creditors of standard contracts with multiple counterparties relating to the business of an agricultural or fishery cooperative as specified by order of the competent ministry.

(Trusts that do not Require a Separate Notice of Objection in the Procedures to Change Trustees)

Article 43 Those specified by Cabinet Order as prescribed in Article 115, paragraph (2) of the Act are trusts relating to a standard trust contract in which a majority of persons are trustees or beneficiaries.

(Trusts that May Request the Purchase of Beneficial Rights)

Article 44 Those specified by Cabinet Order as prescribed in Article 115, paragraph (2) of the Act are trusts that fall under any of the following items:

- (i) a standard trust prescribed in Article 115, paragraph (2) of the Act;
- (ii) the trustee enjoys all of the trust profits; and
- (iii) a money trust.

(Replacement of Terms Regarding Special Provisions for Procedures to Change Trustees in Succession of Trust Business)

Article 45 Regarding the request for purchase of own beneficiary rights under the provisions of Article 115, paragraph (5) of the Act, where the provisions of the Trust Act are applied mutatis mutandis pursuant to paragraph (7) of the same Article, the description "the date of the notice under the provisions of paragraph (4) or the date of the public notice under the provisions of the preceding paragraph" is deemed to be replaced with "the date on which a person that has any objection prescribed in Article 115, paragraph (2) of the Agricultural and Fishery cooperatives Savings Insurance Act makes an objection", the term "trustee" in the same Article paragraph (7), Article 104, paragraphs (1), (2) and (8) through (10) and Article 262, paragraphs (1) and (2) of the same Act is deemed to be replaced with "new trustee".

(Fractional Calculation of the Amount of Insurance Premiums)

Article 46 (1) When calculating the amount of insurance premiums, arrears, contributions or specified contributions pursuant to the provisions of Article 51, paragraph (1), Article 51-2, paragraph (1), Article 53, paragraph (1) (including as applied mutatis mutandis pursuant to Article 107, paragraph (3) and Article 110-17, paragraph (3); the same applies in following paragraph), Article 107, paragraph (2) or Article 110-17, paragraph (2) of the Act, if there is a unit of less than ten yen in the amount, it is to be rounded down.

(2) Regarding the calculation of the amount of arrears prescribed in Article 53, paragraph (1) of the Act, the rate per year prescribed in the same paragraph is the rate per 365 days even for the period including leap year days.

(3) When calculating the amount of estimated proceeds payment pursuant to the provisions of Article 70, paragraph (3) of the Act, if there is a fraction of less

than fifty sen, the fraction is rounded down, and if there is a fraction of fifty sen or more but less than one yen, the fraction is rounded up to one yen. The same applies when calculating the amount to be paid pursuant to the provisions of the proviso to paragraph (2) of the same Article.

(Authorities not Delegated by the Prime Minister to the Commissioner of the Financial Services Agency)

Article 47 Authorities specified by Cabinet Order as prescribed in Article 119, paragraph (2) of the Act are the followings:

- (i) authorization under the provisions of Article 11 of the Act;
- (ii) certification under the provisions of Article 97, paragraph (1) and Article 99, paragraph (8) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act) of the Act;
- (iii) hearing the opinions under the provisions of Article 97, paragraph (2) (including as applied mutatis mutandis pursuant to Article 98, paragraph (2) and Article 99, paragraphs (3), (7) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act), and (9) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act) of the Act;
- (iv) establishment of the period of time under the provisions of Article 97, paragraph (3) and Article 110-2, paragraph (2) of the Act;
- (v) notices and public notices under the provisions of Article 97, paragraph (4) (including as applied mutatis mutandis pursuant to Article 98, paragraph (2) and Article 99, paragraphs (3), (7) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act) and (9) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act)) and Article 110-2, paragraph (3) (including as applied mutatis mutandis in Article 100, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 110-14, paragraph (5) replaced pursuant to the provisions of Article 100-13, paragraph (6) and Article 41) of the Act;
- (vi) report to the Diet under the provisions of Article 97, paragraph (5) (including as applied mutatis mutandis pursuant to Article 98, paragraph (2) and Article 99, paragraphs (3), (7) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act) and (9) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act)) and Article 110-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 110-13, paragraph (6) and Article 100, paragraph (7) which is applied mutatis mutandis under Article 110-14, paragraph (5) of the Act, replaced pursuant to the provisions of Article 41) of the Act;
- (vii) rescission of the approval referred to in Article 97, paragraph (1) of the Act under the provisions of Article 98, paragraph (1), Article 99, paragraphs

- (2), (4) and (5) and Article 100, paragraph (6) of the Act;
- (viii) acceptance of a plan under the provisions of Article 99, paragraph (1) and Article 110-13, paragraph (1) of the Act;
- (ix) hearing the opinions under the provisions of Article 99, paragraph (6) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7) of the Act) and Article 110-13, paragraph (5) (including as applied mutatis mutandis pursuant to Article 100, paragraph (7), as applied mutatis mutandis under Article 110-14, paragraph (5) of the Act, replaced pursuant to the provisions of Article 41) of the Act;
- (x) specified certification under the provisions of Article 110-2, paragraph (1) of the Act;
- (xi) rescission of the specified certification under the provisions of Article 110-13, paragraphs (2) through (4) of the Act and Article 100, paragraph (6) of the Act as applied mutatis mutandis pursuant to Article 110-14, paragraph (5) of the Act; and
- (xii) decisions under the provisions of Article 118-3, paragraph (1) of the Act, and public notices and notices under the provisions of paragraph (4) of the same Article.

Supplementary Provisions

(Effective Date)

Article 1 (1) This Cabinet Order comes into effect as of the date of promulgation.

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