

# Regulations for Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations

(Ministry of Justice Order No. 28 of April 20, 2007)

Pursuant to the provisions of the General Incorporated Associations and General Incorporated Foundations Act (Act No. 48 of 2006), the Act on the Use of Information and Communications Technology in the Preservation of Documents by Private Business Operators, etc. (Act No. 149 of 2004), the Order for Enforcement of the General Incorporated Associations and General Incorporated Foundations Act (Cabinet Order No. 38 of 2007), and the Order for Enforcement of the Act on the Use of Information and Communication Technology in the Preservation of Documents by Private Business Operators, etc. (Cabinet Order No. 8 of 2005), the Regulation for Enforcement of the General Incorporated Associations and General Incorporated Foundations Act is hereby enacted as follows.

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Supplementary Provisions

## **Chapter I General Provisions**

(Purpose)

Article 1 The purpose of this Order is to provide for matters as delegated by the  
Act on General Incorporated Associations and General Incorporated  
Foundations (Act No. 48 of 2006; hereinafter referred to as the "Act").

(Definitions)

Article 2 The terms "general incorporated association, etc.", "subsidiary", "absorption-type merger", and "consolidation-type merger" as used in this Order mean a general incorporated association, etc., a subsidiary, an absorption-type merger, and a consolidation-type merger as prescribed respectively in Article 2 of the Act.

(Subsidiaries)

Article 3 Those specified by a Ministry of Justice Order as prescribed in Article 2, item (iv) of the Act are set forth as follows:

- (i) any other corporation with voting rights in a general incorporated association, etc., or one or more of its subsidiaries, in a general assembly or in any other body that determines the financial and business policies of the association, that exceed 50/100 of the total number of voting rights (in the case of a stock company, including voting rights with respect to shares that are deemed to have voting rights under Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); excluding voting rights with respect to shares that do not carry rights to vote on any matters that may be resolved at a general meeting of shareholders. The same applies hereinafter);
- (ii) other general incorporated foundations in which the ratio of the following persons to the total number of trustees exceeds 50/100;
  - (a) an officer (director, inspector, company director, accounting advisor, company auditor, executive officer, or any other person equivalent thereto) of a general incorporated association, etc., or one or more of its subsidiaries, or a trustee of the general incorporated association, etc. or one or more of its subsidiaries;
  - (b) an employee of a general incorporated association, etc. or one or more subsidiaries thereof;
  - (c) a person who served in a position under (a) or (b) within five years prior to the day they assumed office as a councilor;
  - (d) a person appointed by a general incorporated association, etc. or one or more of its subsidiaries;
  - (e) a person who has been appointed as a trustee of another general incorporated association by another general the incorporated association, etc. or one or more of its subsidiaries within five years prior to the day of assumption of office as a trustee.

## **Chapter II General Incorporated Associations**

### **Section 1 Organs**

#### **Subsection 1 General Assembly**

(Matters to Be Decided upon Calling)

Article 4 The matters specified by a Ministry of Justice Order as prescribed in Article 38, paragraph (1), item (v) of the Act are the following matters:

- (i) if the matters set forth in Article 38, paragraph (1), item (iii) or item (iv) of the Act are specified, the following matters (if the articles of incorporation include provisions concerning the matters set forth in (b) and (c) or if it is decided that decisions on these matters are delegated to a director, the matters are excluded):
  - (a) matters to be stated in the reference documents for a general assembly (meaning the reference documents for a general assembly prescribed in Article 41, paragraph (1) of the Act; hereinafter the same applies in this Subsection) pursuant to the provisions of Article 5, paragraph (1);
  - (b) if a certain point in time (limited to a point in time before the date of the general assembly and two weeks after the day on which notice was issued pursuant to the provisions of the proviso to Article 39, paragraph (1) of the Act) is specified as the time limit for the exercise of voting rights in writing, the point of time as specified;
  - (c) if a certain point in time (limited to a point in time before the date of the general assembly and two weeks after the day on which notice was issued pursuant to the provisions of the proviso to Article 39, paragraph (1) of the Act) is specified as the time limit for the exercise of voting rights by electronic or magnetic means (meaning the electronic or magnetic means prescribed in Article 14, paragraph (2), item (iv) of the Act; the same applies hereinafter), the point in time as specified;
- (ii) if, with regard to the exercise of voting rights by proxy under the provisions of Article 50, paragraph (1) of the Act, a method of proving the authority of representation (including the qualification of the proxy), the number of proxies, and other matters concerning the exercise of voting rights by proxy (excluding the case where the articles of incorporation include provisions concerning these matters), the matters; and
- (iii) in cases other than the case prescribed in item (i), if any of the following matters is a matter which is the purpose of a general assembly, an outline of the proposal pertaining to the matter (if the proposal is yet to be finalized, a statement to that effect):
  - (a) election of an officer, etc. (meaning the officer, etc. prescribed in Article 111, paragraph (1) of the Act; hereinafter the same applies in this Section and Article 86, item (ii));
  - (b) remuneration, etc. (meaning the remuneration, etc. prescribed in Article 89 of the Act; the same applies in Article 58, item (ii) of an officer, etc.);
  - (c) transfer of the whole business;
  - (d) amendment to the articles of incorporation; and
  - (e) merger.

(Reference Documents for a General Assembly)

Article 5 (1) The matters to be stated in the reference documents for a general assembly, which are to be delivered pursuant to the provisions of Article 41, paragraph (1) or Article 42, paragraph (1) of the Act are the following matters:

- (i) proposals;
  - (ii) in the case of a proposal submitted by a director, the reasons for the proposal (including details to be explained in cases as prescribed in Article 251, paragraph (2) of the Act)
  - (iii) if there are reasons for the proposal submitted by the member at the time of the request pursuant to Article 45, paragraph (1) of the Act, the reasons for the proposal or a summary thereof;
  - (iv) if there is any result from the investigation on proposals to be reported to a general assembly pursuant to the provisions of Article 102 of the Act, the summary of the result.
- (2) In addition to what is specified in the preceding paragraph, matters that are found to be a helpful reference for members in exercising voting rights may be stated in reference documents for a general assembly.
- (3) Among the matters to be stated in reference documents for a general assembly which are to be provided for members with regard to a single general assembly, if there are any matters that are stated in other documents or matters to be provided by electronic or magnetic means, these matters must not be required to be stated in the reference documents for a general assembly which are to be provided for members. In this case, the fact that some matters are stated in other documents or are to be provided by electronic or magnetic means are clarified.
- (4) Among the matters to be contained, with regard to a single general assembly, in a notice of calling (meaning the notice issued under the provisions of Article 39, paragraph (2) or paragraph (3) of the Act; hereinafter the same applies in this Chapter) to be provided for members or in a business report to be provided for members pursuant to the provisions of Article 125 of the Act, if there are any matters that are stated in the reference documents for a general assembly, the matters must not be required to be contained in a notice of calling to be provided for members or in a business report to be provided for members pursuant to the provisions of that Article.

Article 6 (1) The delivery of reference documents for a general assembly stating the matters set forth in Article 38, paragraph (1), items (iii) and (iv) of the Act (including the provision by electronic or magnetic means in lieu of the relevant delivery), which is conducted by a general incorporated association, is to serve as the delivery of reference documents for a general assembly under the

provisions of Article 41, paragraph (1) and Article 42, paragraph (1) of the Act.  
(2) A director may notify members, upon issuing a notice of calling, of the method of informing members of any revisions made to the matters to be stated in reference documents for a general assembly if the necessity to make the revisions arises during the period after the date of issue of the notice of calling until the date preceding the date of the general assembly.

(Voting Cards)

Article 7 The matters to be stated in voting cards (meaning the voting cards prescribed in Article 41, paragraph (1) of the Act; the same applies hereinafter) which is to be delivered pursuant to the provisions of that paragraph or in voting cards to be delivered by electronic or magnetic means pursuant to the provisions of Article 42, paragraph (3) or paragraph (4) are the following matters:

- (i) a column to say accept or decline each proposal (if the card has a column to declare abstention, including an abstention);
- (ii) the time limit for exercising the voting right; and
- (iii) the name of the member who is to exercise the voting right (in the case prescribed in the proviso to Article 48, paragraph (1) of the Act, including the number of exercisable voting rights).

(Measures for Electronic Provision)

Article 7-2 The measures specified by a Ministry of Justice Order as provided for in Article 47-2 of the Act are those as set forth in Article 92, paragraph (1), item (i), (b) which include the use of an automatic public transmission server connected to the internet (a device which, when connected to a telecommunications line for public use, records on a part of its recording medium used for automatic public transmission, or a device that has the function of automatic public transmission of information input into such a device; hereinafter the same applies).

(Matters to be Included in a Notice of Calling in Taking Measures for Electronic Provision)

Article 7-3 The matters specified by a Ministry of Justice Order as prescribed in Article 47-4, paragraph (2) of the Act are those for taking measures for electronic provision (meaning measures for electronic provision as prescribed in Article 47-2 of the Act), including characters, symbols or other signs, or a combination thereof, used to identify over the internet relevant material provided via the automatic public transmission device used for taking those measures, which the receiver inputs into a computer in order to view and record the relevant material on computer files, and other matters necessary for

the receiver to view and record that material.

(Time Limits for Exercising Voting Rights in Writing)

Article 8 The time specified by a Ministry of Justice Order as prescribed in Article 51, paragraph (1) of the Act are the closing time of the business hours immediately before the date of a general assembly (if the matter set forth in Article 4, item (i), (b) is specified, the time specified as set forth in (b) of that item).

(Time Limit for Exercising Voting Rights by Electronic or Magnetic Means)

Article 9 The time specified by a Ministry of Justice Order as prescribed in Article 52, paragraph (1) of the Act are the closing time of the business hours immediately before the date of a general assembly (if the matter set forth in Article 4, item (i), (c) is specified, the time specified as set forth in (c) of that item).

(Obligation of Explanation of Director, etc.)

Article 10 The case specified by a Ministry of Justice Order as prescribed in Article 53 of the Act are any of the following cases:

- (i) if it is necessary to conduct an investigation in order to explain the matters on which a member requested an explanation (excluding the following cases):
  - (a) if the member has notified the general incorporated association of the matters well before the date of a general assembly; or
  - (b) if the investigation necessary for explaining certain matters is very easy to carry out;
- (ii) if explaining the matters on which a member requested an explanation could harm the rights of the general incorporated association or any other persons (excluding the relevant member);
- (iii) if a member repeatedly requests an explanation on virtually the same matters in the general assembly in question; and
- (iv) in addition to what is set forth in the preceding three items, if there are reasonable grounds for not explaining the matters on which a member requested an explanation.

(Minutes of General Assembly)

Article 11 (1) The preparation of the minutes of a general assembly under the provisions of Article 57, paragraph (1) of the Act are as specified in this Article.  
(2) The minutes of a general assembly are prepared in writing or in the form of electronic or magnetic records (meaning the electronic or magnetic records prescribed in Article 10, paragraph (2) of the Act; hereinafter the same applies except in Chapter VI, Section 4, Subsection 2).

- (3) The minutes of a general assembly must contain the following matters:
- (i) the date and place when and where the general assembly was held (if any director, inspector, accounting auditor or member was not present at that place but attended a general assembly, the method of the relevant attendance are included);
  - (ii) the points and results of the proceedings of the general assembly;
  - (iii) if any opinions or remarks were stated or made at the general assembly pursuant to the provisions set forth in the following, an outline of the opinions or remarks:
    - (a) Article 74, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to paragraph (4) of that Article);
    - (b) Article 74, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to paragraph (4) of that Article);
    - (c) Article 102 of the Act;
    - (d) Article 105, paragraph (3) of the Act;
    - (e) Article 109, paragraph (1) of the Act; and
    - (f) Article 109, paragraph (2) of the Act;
  - (iv) the names of the director, inspector or accounting auditor who attended the general assembly;
  - (v) if there was a chair of the general assembly, the name of the chair; and
  - (vi) the name of the person who performed the duty for preparing the minutes.
- (4) In the cases set forth in the following items, the minutes of a general assembly are to contain the matters specified respectively in these items:
- (i) if a resolution of a general assembly is deemed to have been made, pursuant the provisions of Article 58, paragraph (1) of the Act: the following matters:
    - (a) the details of the matters on which a resolution of a general assembly is deemed to have been made;
    - (b) the name of the person who proposed the matters mentioned in (a);
    - (c) the date on which a resolution of a general assembly is deemed to have been made; and
    - (d) the name of the person who performed the duty for preparing the minutes;
  - (ii) if a report to a general assembly is deemed to have been made, pursuant to the provisions of Article 59 of the Act: the following matters:
    - (a) the details of the matters on which a report to a general assembly is deemed to have been made;
    - (b) the date on which a report to a general assembly is deemed to have been made; and
    - (c) the name of the person who performed the duty for preparing the minutes.

**Subsection 2 Officer, etc.**



(Election of Substitute for Officers)

Article 12 (1) The election of a substitute for an officer under the provisions of Article 63, paragraph (2) of the Act (meaning the officer prescribed in paragraph (1) of that Article; hereinafter the same applies in this Article) are as specified in this Article.

- (2) If a substitute for an officer is to be elected by a resolution as prescribed in Article 63, paragraph (2) of the Act, the following matters must also be decided:
- (i) the status of the relevant candidate as a candidate for a substitute for an officer;
  - (ii) if the relevant candidate is to be elected as a substitute for an officer to serve in the place of one or more specific officers, the status of the candidate, and the name of the specific officers;
  - (iii) if two or more substitutes for officers are to be elected to serve in the place of the same officer (if they are to be elected as substitutes for two or more officers, those officers), the priority order among those substitutes for officers; and
  - (iv) if the election of a substitute for an officer may be revoked before the assumption of office, a note to that effect, and the procedure for revoking the election.
- (3) Unless otherwise provided for in the articles of incorporation, a resolution regarding the election of a substitute for an officer are effective until the time of the commencement of the first annual general assembly to be held after the resolution was made; provided, however, that this does not preclude the shortening of this period by a resolution of a general assembly.

(Systems for Ensuring Proper Operation of Business of General Incorporated Associations Other Than General Incorporated Associations with Council)

Article 13 (1) The systems specified by a Ministry of Justice Order as prescribed in Article 76, paragraph (3), item (iii) of the Act are the following systems:

- (i) a system concerning the preservation and management of information on the execution of their duties by a director;
  - (ii) regulations or other systems concerning the management of risk of loss;
  - (iii) a system for ensuring that a director will execute their duties effectively; and
  - (iv) a system for ensuring that employees will execute their duties in compliance with laws and regulations as well as the articles of incorporation.
- (2) In the case of a general incorporated association which has two or more directors, the systems prescribed in the preceding paragraph is to include a system for ensuring that decisions on business will be made properly.
- (3) In the case of a general incorporated association other than a general

incorporated association with inspectors (meaning the general incorporated association with inspectors prescribed in Article 15, paragraph (2), item (i) of the Act; the same applies in the following paragraph), the systems prescribed in paragraph (1) are to include a system whereby a director makes a report to members with regard to matters that should be reported to them.

- (4) In the case of a general incorporated association with inspectors, the systems prescribed in paragraph (1) are to include the following systems:
- (i) if an inspector requested an employee to be assigned to assist with their duties, the matters concerning that employee;
  - (ii) the matters concerning the independence of the employee set forth in the preceding item from a director;
  - (iii) the matters concerning the assurance of the effectiveness of instructions given by an inspector to the employee set forth in item (i);
  - (iv) a system whereby a director and employee make reports to an inspector and any other system concerning the reporting to an inspector; and
  - (v) a system for ensuring that a person who makes the reports set forth in the preceding item will not be treated unfavorably on account of having made the reports;
  - (vi) the matters concerning a policy for the processing of expenses or obligations arising from the execution of duties by an inspector including the procedures for advanced payment or reimbursement of expenses arising from the execution of the duties; and
  - (vii) any other system for ensuring that an inspector will conduct an audit effectively.

(System for Ensuring Proper Operation of Business of General Incorporated Association with Council)

Article 14 The systems specified by a Ministry of Justice Order as prescribed in Article 90, paragraph (4), item (v) of the Act are the following systems:

- (i) a system concerning the preservation and management of information on the execution of director duties;
- (ii) regulations or other systems concerning the management of risk of loss;
- (iii) a system for ensuring that directors will execute their duties effectively;
- (iv) a system for ensuring that employees will execute their duties in compliance with laws and regulations as well as the articles of incorporation;
- (v) if an inspector requested an employee to be assigned to assist with their duties, the matters concerning the employee;
- (vi) the matters concerning the independence of the employee set forth in the preceding item from directors;
- (vii) the matters concerning the assurance of the effectiveness of instructions given by an inspector to the employee set forth in item (v);

- (viii) a system whereby a director and employee make reports to an inspector and any other system concerning the reporting to an inspector; and
- (ix) a system for ensuring that a person who makes the reports set forth in the preceding item will not be treated unfavorably on account of having made the reports;
- (x) the matters concerning a policy for the processing of expenses or obligations arising from the execution of duties by an inspector including the procedures for advanced payment or reimbursement of expenses arising from the execution of the duties; and
- (xi) any other system for ensuring that an inspector will conduct an audit effectively.

(Minutes of Council Meeting)

- Article 15 (1) The preparation of the minutes of a council meeting under the provisions of Article 95, paragraph (3) of the Act are as specified in this Article.
- (2) The minutes of the council meeting must be prepared in writing or in the form of electronic or magnetic records.
  - (3) The minutes of the council meeting must contain the following matters:
    - (i) the date and place when and where the council meeting was held (if any director, inspector or accounting auditor was not present at that place but attended a council meeting, the means of the attendance is included);
    - (ii) if the council meeting falls under any of the following, that effect:
      - (a) a meeting called at the request of a director made under the provisions of Article 93, paragraph (2) of the Act;
      - (b) a meeting called by a director pursuant to the provisions of Article 93, paragraph (3) of the Act;
      - (c) a meeting called at the request of an inspector made under the provisions of Article 101, paragraph (2) of the Act; or
      - (d) a meeting called by an inspector pursuant to the provisions of Article 101, paragraph (3) of the Act;
    - (iii) the points and results of the proceedings of the council meeting;
    - (iv) if any of the directors has a special interest in any matters that require a resolution, the name of the director;
    - (v) if any opinions or remarks were stated or made at the council meeting pursuant to the provisions set forth in the following, an outline of the relevant opinions or remarks:
      - (a) Article 92, paragraph (2) of the Act;
      - (b) Article 100 of the Act; and
      - (c) Article 101, paragraph (1) of the Act;
    - (vi) if the articles of incorporation include the provisions as set forth in Article 95, paragraph (3) of the Act, the name of the director other than the

- representative director (meaning the representative director prescribed in Article 21, paragraph (1) of the Act; the same applies in Article 19, item (ii), (b)), who attended the council meeting;
- (vii) the name of the accounting auditor who attended the council meeting; and
- (viii) if there was a chair of the council meeting, the name of the chair.
- (4) In the cases set forth in the following items, the minutes of the council meeting are to contain the matters specified respectively in these items:
- (i) if a resolution of the council is deemed to have been made, pursuant the provisions of Article 96 of the Act: the following matters:
- (a) the details of the matters on which a resolution of the council is deemed to have been made;
- (b) the name of the director who proposed the matters mentioned in (a);
- (c) the date on which a resolution of the council is deemed to have been made; and
- (d) the name of the director who performed the duty for preparing the minutes;
- (ii) if a report to the council is determined as being unnecessary pursuant to the provisions of Article 98, paragraph (1) of the Act: the following matters:
- (a) the details of the matters on which a report to the council is determined as being unnecessary;
- (b) the date on which a report to the council is determined as being unnecessary; and
- (c) the name of the director who performed the duty for preparing the minutes.

#### (Preparation of Audit Reports)

- Article 16 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 99, paragraph (1) of the Act are as specified in this Article.
- (2) An inspector must, for the purpose of performing their duties appropriately, ensure communication with the following persons and endeavor to collect information and improve the environment for conducting an audit. In this case, a director or the council must give consideration to setting up a necessary system for the execution of their duties by an inspector:
- (i) the director and employees of the general incorporated association;
- (ii) the directors, company directors, accounting advisors, executive officers, members in charge of the execution of business, persons in charge of performing the duties set forth in Article 598, paragraph (1) of the Companies Act, and any other persons equivalent to those persons, as well as employees, who belong to the subsidiaries of the general incorporated association; and
- (iii) any other persons with whom an inspector should ensure communication

in the course of performing their duties appropriately.

- (3) The provisions of the preceding paragraph must not be construed as allowing an inspector to create or maintain a relationship which is likely to prevent them from preserving their fair and impartial attitude or independence.
- (4) An inspector must, in the course of performing their duties, endeavor to ensure communication and an exchange of opinions with other inspectors of the general incorporated association, the inspectors, company auditors and any other persons equivalent thereto of the subsidiaries of the general incorporated association, when necessary.

(Subject of Inspector's Investigations)

Article 17 The items specified by a Ministry of Justice Order as prescribed in Article 102 of the Act are electronic or magnetic records and other materials.

(Preparation of Accounting Audit Report)

Article 18 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 107, paragraph (1) of the Act are as specified in this Article.

- (2) An accounting auditor must, for the purpose of performing their duties appropriately, ensure communication with the following persons and endeavor to collect information and improve the environment for conducting an audit; provided, however, that this must not be construed as allowing an accounting auditor to create or maintain a relationship which is likely to prevent them from preserving their fair and impartial attitude or independence:
  - (i) the director and employees of the general incorporated association;
  - (ii) the directors, company directors, accounting advisors, executive officers, members in charge of the execution of business, persons in charge of performing the duties set forth in Article 598, paragraph (1) of the Companies Act, and any other persons equivalent to those persons, as well as employees, who belong to the subsidiaries of the general incorporated association; and
  - (iii) any other persons with whom an accounting auditor should ensure communication in the course of performing their duties appropriately.

(Method for Calculating Amounts of Remuneration, etc.)

Article 19 The amount to be calculated by the method specified by a Ministry of Justice Order as prescribed in Article 113, paragraph (1), item (ii) of the Act are the total sum of the following amounts:

- (i) from among the total sums of the economic benefits which an officer, etc. has received or is to receive while in office from a general incorporated association as a remuneration, bonus, or any other consideration for the execution of their duties (including, if that officer, etc. also serves as an

employee of the general incorporated association, a remuneration, bonus, or any other consideration for the execution of the duties received or to be received as an employee) (excluding the economic benefits specified in the following item) for the respective business years (limited to the business year containing the days specified in (a) through (c) below for the respective categories of cases set forth in (a) through (c), and each business year preceding that business year) (if the period of any such business year is not one year, the amount obtained by converting that total sum into an amount per year), the highest of that total sums:

- (a) if the resolution of the general assembly set forth in Article 113, paragraph (1) of the Act was made: the date of the resolution of the general assembly;
  - (b) if a consent (in the case of a general incorporated association with council (meaning the general incorporated association with council prescribed in Article 16, paragraph (1) of the Act), a resolution of the council; the same applies in (b)) for exemption from liability was given based on the provisions of the articles of incorporation under the provisions of Article 114, paragraph (1) of the Act: the day on which that consent was given; and
  - (c) if the contract set forth in Article 115, paragraph (1) of the Act was concluded: the day on which the event causing the liability occurred (if there are two or more that days, the latest day);
- (ii) the amount obtained by dividing the amount set forth in (a) by the number set forth in (b):
- (a) the total sum of the following amounts:
    1. the amount of retirement bonus which the officer, etc. has received from the general incorporated association;
    2. if the officer, etc. has also served as an employee of the general incorporated association, the part of the retirement allowance received as an employee as the consideration for the execution of their duties during the period in which that officer, etc. also served as an officer, etc.; and
    3. the amount of economic benefits having the same nature as the amount set forth in 1. or 2. above;
  - (b) the number of years during which the officer, etc. remained in office (if the officer, etc. falls under any of the following categories of officer, etc. and the number specified below for each that category exceeds that number of years, that specified number):
    1. the representative director: six;
    2. a director other than the representative director, who falls under any of the following: four:
      - i. a director selected by a resolution of the council to execute the

- operations of the general incorporated association;
  - ii. a director who has executed the operations of the general incorporated association (excluding the director set forth in i.); or
  - iii. an employee of the general incorporated association;
3. a director (excluding those set forth in 1. and 2.), an inspector, or an accounting inspector: two.

(Retirement Bonuses to Be Received After Resolution for Exemption from Liability)

Article 20 The economic benefits specified by a Ministry of Justice Order as prescribed in Article 113, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 114, paragraph (5) and Article 115, paragraph (5) of the Act) are the following:

- (i) retirement bonuses;
- (ii) if the officer, etc. has also served as an employee of the general incorporated association, the part of the retirement allowance received as an employee, as the consideration for the execution of their duties during the period in which that officer, etc. also served as an officer, etc.; and
- (iii) any economic benefits having the same nature as those set forth in the preceding two items.

(Policies Excluded from Officer, etc. Liability Insurance Policies)

Article 20-2 Insurance policies specified by a Ministry of Justice Order as prescribed in Article 118-3, paragraph (1) of the Act are as follows:

- (i) insurance policies where the insured includes a general incorporated association which concludes an insurance policy with the insurer, and where the insurer is to compensate the general incorporated association for any damages incurred due to being liable for damages caused to a third party in connection with its business, or by being subject to a claim for that liability; entered into by the insurer primarily for the purpose of compensating the general incorporated association for damage caused to third parties in connection with its business; and
- (ii) insurance policies entered into by the insurer primarily for the purpose of compensating for damages incurred by an officer, etc. as a result of the officer, etc. being liable for damages caused to a third party or being subject to a claim in pursuance of that liability (excluding damages incurred by the officer, etc. due being held liable to compensate for damages caused to a third party as a result of a breach of or negligence in conducting their professional duties, or as a result of being subject to such a claim).

**Section 2 Accounts**

## **Subsection 1 General Provisions**

Article 21 With regard to the interpretation of terms used in this Section and the application of the provisions thereunder, generally accepted accounting standards and other accounting practices are taken into consideration.

## **Subsection 2 Account Books**

(Preparation of Account Books)

Article 22 (1) The values of assets, liabilities, and net assets to be noted in the account books which are to be prepared pursuant to the provisions of Article 120, paragraph (1) of the Act, and other matters concerning the preparation of the account books (including the matters to be specified by a Ministry of Justice Order pursuant to the provisions of Article 141, paragraph (2), item (ii) of the Act) are as specified in this subsection.

(2) The account books are prepared in writing or in the form of electronic or magnetic records.

(Valuation of Assets)

Article 23 (1) With regard to assets, unless otherwise provided for in laws and regulations other than this Order or the Act, the acquisition value must be noted in the account books.

(2) With regard to assets to be depreciated, a reasonable depreciation must be calculated as of the last day of a business year (if a valuation should be made as of a day other than the last day of a business year, such other day; hereinafter the same applies in this subsection).

(3) If the prices specified in the following items should be noted with regard to the assets set forth the respective items as of the last day of a business year, the prices specified in these items are noted with regard to the respective assets:

(i) an asset whose current price as of the last day of the business year is far below its acquisition cost at that time (excluding an asset whose current price is expected to recover to its acquisition cost at that time): the current price as of the last day of the business year; and

(ii) an asset which has been impaired to an unexpected level or on which a loss from the impairment should be recognized, as of the last day of the business year: the amount calculated by making a reasonable reduction from its acquisition cost at that time.

(4) With regard to a claim which is likely to be uncollectible, a deduction are made as of the last day of a business year, in an amount that is estimated to be uncollectible at that time.



- (5) A fair price may be noted with regard to a claim if its acquisition value is not equal to the amount of the claim or there are other reasonable grounds to do so.
- (6) With regard to the following assets, the current price or a fair price as of the last day of a business year may be noted at that time:
- (i) an asset whose current price as of the last day of the business year is lower than its acquisition cost at that time; and
  - (ii) beyond the asset set forth in the preceding item, any other asset for which it is appropriate to note, as of the last day of the business year, the current price or a fair price at that time.

(Valuation of Liabilities)

Article 24 (1) With regard to liabilities, unless otherwise provided for in laws and regulations other than this Order or the Act, the amount of obligations must be noted in the account books.

- (2) With regard to the following liabilities, the current price or a fair price as of the last day of a business year may be noted at that time:
- (i) a reserve to be recorded, in preparation for any expense or loss (including a deduction from profit; hereinafter the same applies in this item) to be generated in the future, by including the part of the reasonably estimated amount of the expense or loss which should be assumed as an expense or loss in the relevant business year; and
  - (ii) in addition to the liability set forth in the preceding item, any other liability for which it is appropriate to note, as of the last day of the business year, the current price or a fair price at that time.

(Valuation of Goodwill)

Article 25 Goodwill may be recorded as an asset or liability only if it is acquired by transfer for value or acquired by a merger.

### **Subsection 3 Financial Statements and Other Related Documents**

(Financial Statements and Other Related Documents)

Article 26 The financial statements and other related documents (meaning those set forth in the following; hereinafter the same applies in this Section) to be prepared pursuant to the provisions of Article 123, paragraphs (1) and (2) of the Act are as specified in this subsection; provided, however, that this does not apply when otherwise provided for in other laws and regulations:

- (i) the balance sheet as of the date of incorporation; and
- (ii) financial statements (meaning the financial statements prescribed in Article 123, paragraph (2) of the Act; hereinafter the same applies in this Section) for each business year, and the annexed detailed statements thereof.

(Unit for Indicating Amount)

Article 27 The amounts of the matters relating to the financial statements and other related documents are indicated in units of one yen, one thousand yen, or one million yen.

(Balance Sheets as of the Date of Incorporation)

Article 28 The balance sheet to be prepared pursuant to the provisions of Article 123, paragraph (1) of the Act are prepared based on the account books as of the date of incorporation of a general incorporated association.

(Financial Statements for Each Business Year)

Article 29 (1) The period relating to the preparation of financial statements for each business year and the annexed detailed statements thereof are between the day following the last day of the business year preceding the relevant business year (if there is no such business year preceding the relevant business year, the date of incorporation) and the last day of the relevant business year. In this case, this period may not exceed one year (or one year and six months in the case of the first business year after the last day of a business year is changed).

(2) The financial statements for each business year and the annexed detailed statements thereof to be prepared pursuant to the provisions of Article 123, paragraph (2) of the Act are prepared based on the account books for the relevant business year.

(Categorization of Balance Sheets)

Article 30 (1) A balance sheet are indicated as categorized into the following sections. In this case, the section set forth in item (iii) may be given a name that is suitable for representing net assets:

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

(2) The sections set forth in the items of the preceding paragraph may be sub-categorized into appropriate sub-sections. In this case, these sub-sections are given names that are suitable for representing assets, liabilities, or net assets.

(Fund)

Article 31 (1) The total amount of a fund (meaning the fund prescribed in Article 131 of the Act; hereinafter the same applies in this Chapter) and a substitute fund (meaning the amount recorded pursuant to the provisions of Article 144, paragraph (1) of the Act; hereinafter the same applies in this Chapter) are

recorded in the net assets section (including a section to which a name suitable for representing net assets is given pursuant to the provisions of the second sentence of paragraph (1) of the preceding Article) of a balance sheet.

- (2) The amount of obligations arising from the return of a fund may not be recorded in the liabilities section of a balance sheet.

(Categorization of Profit and Loss Statements)

Article 32 Profit and loss statements must indicate earnings or expenses, or profits or losses, as categorized into appropriate sections or sub-sections.

(Annexed Detailed Statements)

Article 33 Annexed detailed statements of financial statements for each business year must indicate important matters that are supplementary to the content of a balance sheet and a profit and loss statement, in addition to the following matters:

- (i) the breakdown of significant fixed assets; and
- (ii) the breakdown of reserves.

#### **Subsection 4 Business Reports**

Article 34 (1) A business report and the annexed detailed statements thereof to be prepared pursuant to the provisions of Article 123, paragraph (2) of the Act are as specified in this Article; provided, however, that this must not apply when otherwise provided for in other laws and regulations.

(2) A business report must contain the following:

- (i) important matters concerning the state of the general incorporated association (excluding the matters to be contained in the financial statements and the annexed detailed statements thereof); and
- (ii) if a decision or resolution is made for setting up the systems prescribed in Article 76, paragraph (3), item (iii) and Article 90, paragraph (4), item (v) of the Act, an outline of the content of the decision or resolution and an outline of the status of the operation of those systems.

(3) Annexed detailed statements of a business report must contain important matters that are supplementary to the content of the business report.

#### **Subsection 5 Audit of Financial Statements and Other Related Documents**

##### **Division 1 General Rules**

Article 35 (1) An audit (limited to an audit of financial statements and other related documents (excluding the balance sheet as of the date of incorporation;

hereinafter the same applies in this Subsection); hereinafter the same applies in this Subsection) to be conducted under the provisions of Article 124, paragraphs (1) and (2) of the Act are as specified in this Subsection.

- (2) The audit prescribed in the preceding paragraph must include the audit prescribed in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948), and also include procedures for verifying the degree of consistency between the information that is actually indicated in the financial statements and other related documents and the information that is required to be indicated in the financial statements and other related documents and for notifying the interested parties of the results of the verification.

### **Division 2 Audit at General Incorporated Association with Inspectors Other Than General Incorporated Association with Accounting Inspectors**

(Content of Audit Reports)

Article 36 (1) If an inspector (excluding an inspector of a general incorporated association with accounting auditors (meaning the general incorporated association with accounting auditors prescribed in Article 15, paragraph (2), item (ii) of the Act; hereinafter the same applies in this Section); hereinafter the same applies in this Division) receives financial statements and other related documents, they must prepare an audit report which contains the following matters:

- (i) the method and content of the audit conducted by the inspector;
  - (ii) the inspector's opinion as to whether or not the financial statements and other related documents properly indicate the state of the assets as well as the profits and losses of the general incorporated association in every important point;
  - (iii) if the inspector was unable to conduct a necessary investigation for the audit, that effect and the reasons therefor;
  - (iv) information with additional comments; and
  - (v) the date of when the audit report is prepared.
- (2) The "information with additional comments" prescribed in item (iv) of the preceding paragraph are matters that need to be accompanied by an explanation on an inspector's assessment or matters contained in the financial statements and other related documents that need to be emphasized, among the following matters and other matters:
- (i) a change to the accounting policy made on reasonable grounds;
  - (ii) any material contingencies existing as of the date of the balance sheet; and
  - (iii) any material contingencies occurring after the date of the balance sheet.

(Time Limit for Notification of Audit Reports)

Article 37 (1) A specified inspector must notify a specified director of the content of an audit report on the financial statements for each business year and the annexed detailed statements thereof, by any of the following days whichever comes later:

- (i) the day on which four weeks have passed from the day on which the specified inspector received the financial statements in whole;
  - (ii) the day on which one week has passed from the day on which the specified inspector received the annexed detailed statements of the financial statements; or
  - (iii) any day specified by agreement between the specified director and the specified inspector, if there is any such day.
- (2) The financial statements and other related documents are deemed to have been audited by an inspector as of the day on which a specified director is notified of the content of the audit report pursuant to the provisions of the preceding paragraph.
- (3) Notwithstanding the provisions of the preceding paragraph, if a specified inspector has not made a notification of the content of the audit report under the provisions of paragraph (1) by the day that is the time limit for making the notification under the provisions of that paragraph, the financial statements and other related documents are deemed to have been audited by an inspector as of the day that is the time limit for making the notification.
- (4) The term "specified director" prescribed in paragraphs (1) and (2) means the person specified in the following items according to the cases set forth in the respective items:
- (i) if a director who is to receive a notification under the provisions of paragraph (1) is specified: the director specified as a director who is to receive the relevant notification; or
  - (ii) in cases other than the case set forth in the preceding item: a director who performed the duty for preparing the financial statements and other related documents to be audited.
- (5) The term "specified inspector" prescribed in paragraphs (1) and (3) means the person specified in the following items according to the cases set forth in the respective items:
- (i) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of paragraph (1) is specified: the inspector specified as an inspector who is to make the relevant notification;
  - (ii) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of paragraph (1) is not specified: all inspectors; or

(iii) in cases other than the cases set forth in the preceding two items: any inspector.

### **Division 3 Audit at General Incorporated Association with Accounting Auditors**

(Provision of Financial Statements and Other Related Documents)

Article 38 When a director who has prepared financial statements and other documents intends to provide the financial statements and other related documents to an accounting auditor, they must also provide the financial statements and other related documents to an inspector.

(Content of Accounting Audit Report)

Article 39 (1) When an accounting auditor receives financial statements and other related documents, they must prepare an accounting audit report which contains the following matters:

- (i) the method and content of the accounting audit conducted by the accounting auditor;
- (ii) if the accounting auditor has an opinion as to whether or not the financial statements and other related documents properly indicate the state of the assets as well as the profits and losses of the general incorporated association in every important point, the matters specified in (a) through (c) below according to the types of opinion set forth respectively in (a) through (c):
  - (a) an opinion to confirm a proper indication unconditionally: a statement to the effect that the financial statements and other related documents subject to the audit are confirmed as complying with generally accepted accounting practices and properly indicate the state of the assets as well as the profits and losses of the general incorporated association in every important point;
  - (b) an opinion to confirm a proper indication on condition of some exceptions: a statement to the effect that the financial statements and other related documents subject to the audit, with some exceptions, are confirmed as complying with generally accepted accounting practices and properly indicate the state of the assets as well as the profits and losses of the general incorporated association in every important point, as well as the exceptions; and
  - (c) an opinion to declare an improper indication: a statement to the effect that the financial statements and other related documents subject to the audit are improper, and the reasons therefor;
- (iii) if the accounting auditor has none of the opinions set forth in the

- preceding item, a statement to that effect and the reasons therefor;
  - (iv) information with additional comments; and
  - (v) the date of when the accounting audit report is prepared.
- (2) The "information with additional comments" prescribed in item (iv) of the preceding paragraph are matters that need to be accompanied by an explanation on an accounting auditor's assessment or matters contained in the financial statements and other related documents that need to be emphasized, among the following matters and other matters:
- (i) a change to the accounting policy made on reasonable grounds;
  - (ii) any material contingencies existing as of the date of the balance sheet; and
  - (iii) any material contingencies occurring after the date of the balance sheet.

(Content of Audit Report by Inspector of General Incorporated Association with Accounting Auditors)

Article 40 When an inspector of a general incorporated association with accounting auditors receives financial statements and other related documents and an accounting audit report (in the case prescribed in paragraph (3) of the following Article, financial statements and other related documents), they must prepare an audit report which contains the following matters:

- (i) the method and content of the audit conducted by the inspector;
- (ii) if the inspector finds the method or result of the audit conducted by the accounting auditor to be inappropriate, a statement to that effect and the reasons therefor (in the case prescribed in paragraph (3) of the following Article, a statement to the effect that the inspector has not received an accounting audit report);
- (iii) any material contingencies occurring after the date of the balance sheet (excluding those contained in the accounting audit report);
- (iv) the matters concerning the system for ensuring that an accounting auditor will properly perform their duties;
- (v) if the inspector was unable to conduct a necessary investigation for the audit, that effect and the reasons therefor;
- (vi) the date of when the audit report is prepared.

(Time Limit for Notification of Accounting Audit Report)

Article 41 (1) An accounting auditor must notify a specified inspector and a specified director of the content of an accounting audit report on the financial statements for each business year and the annexed detailed statements thereof, by any of the following days whichever comes later:

- (i) the day on which four weeks have passed from the day on which the accounting auditor received the financial statements in whole;
- (ii) the day on which one week has passed from the day on which the

accounting auditor received the annexed detailed statements of the financial statements; or

- (iii) any day specified by agreement among the specified director, the specified inspector, and the accounting auditor, if there is any that day.
- (2) The financial statements and other related documents are deemed to have been audited by an accounting auditor as of the day on which a specified inspector and a specified director are notified of the content of the accounting audit report pursuant to the provisions of the preceding paragraph.
- (3) Notwithstanding the provisions of the preceding paragraph, if an accounting auditor has not made a notification of the content of the accounting audit report under the provisions of paragraph (1) by the day that is the time limit for making the notification under the provisions of that paragraph, the financial statements and other related documents are deemed to have been audited by an accounting auditor as of the day that is the time limit for making the notification.
- (4) The term "specified director" prescribed in paragraphs (1) and (2) must mean the person specified in the following items according to the cases set forth in the respective items (the same applies in Article 43):
- (i) if a director who is to receive a notification under the provisions of paragraph (1) is specified: the director specified as a director who is to receive the relevant notification; or
  - (ii) in cases other than the case set forth in the preceding item: a director who performed the duty for preparing the financial statements and other related documents to be audited.
- (5) The term "specified inspector" prescribed in paragraphs (1) and (2) must mean the person specified in the following items according to the cases set forth in the respective items (the same applies in this Division):
- (i) if there are two or more inspectors, and an inspector who is to receive a notification of the content of an accounting audit report under the provisions of paragraph (1) is specified: the inspector specified as an inspector who is to receive the relevant notification;
  - (ii) if there are two or more inspectors, and an inspector who is to receive a notification of the content of an accounting audit report under the provisions of paragraph (1) is not specified: all inspectors; or
  - (iii) in cases other than the cases set forth in the preceding two items: any inspector.

(Matters Concerning Performance of Duties of Accounting Auditor)

Article 42 Upon notifying a specified inspector of the content of an accounting audit report pursuant to the provisions of paragraph (1) of the preceding Article, an accounting auditor must, similarly, notify the following matters



regarding the accounting auditor (if no such matters are specified, the fact that no such matters are specified); provided, however, that this must not apply if all inspectors already know these matters:

- (i) matters concerning independence and other matters concerning compliance with laws and regulations as well as rules on auditing;
- (ii) matters concerning the policy for accepting and maintaining a contract for auditing, services equivalent to auditing, and services relating thereto; and
- (iii) any other matters concerning a system for ensuring that an accounting auditor will properly perform their duties.

(Time Limit for Notification of Audit Report by Inspector of General Incorporated Association with Accounting Auditor)

Article 43 (1) A specified inspector of a general incorporated association with accounting auditors must notify a specified director and an accounting auditor of the content of an audit report on the financial statements and other related documents, by any of the following days whichever comes later:

- (i) the day on which one week has passed from the day on which the specified inspector received the accounting audit report (in the case prescribed in Article 41, paragraph (3), the day on which the financial statements and other related documents are deemed to have been audited, pursuant to the provisions of that paragraph);
  - (ii) any day specified by agreement among the specified director and the specified inspector, if there is any that day.
- (2) The financial statements and other related documents are deemed to have been audited by an inspector as of the day on which a specified director and an accounting inspector are notified of the content of the audit report pursuant to the provisions of the preceding paragraph.
- (3) Notwithstanding the provisions of the preceding paragraph, if a specified inspector has not made a notification of the content of the audit report under the provisions of paragraph (1) by the day that is the time limit for making the notification under the provisions of that paragraph, the financial statements and other related documents are deemed to have been audited by an inspector as of the day that is the time limit for making the notification.

### **Subsection 6 Audit of Business Reports, etc.**

(Audit of Business Reports, etc.)

Article 44 An audit (limited to an audit of a business report and the annexed detailed statements thereof; hereinafter the same applies in this subsection) to be conducted under the provisions of Article 124, paragraphs (1) and (2) of the Act are as specified in this subsection.

(Content of Audit Report)

Article 45 When an inspector receives a business report and the annexed detailed statements thereof, they must prepare an audit report which contains the following matters:

- (i) the method and content of the audit conducted by the inspector;
- (ii) the inspector's opinion as to whether or not the business report and the annexed detailed statements thereof properly indicate the state of the general incorporated association in compliance with laws and regulations or the articles of incorporation;
- (iii) if there was misconduct or any material fact in violation of laws and regulations or the articles of incorporation in connection with the performance of their duties by a director of the general incorporated association, that fact;
- (iv) if the inspector was unable to conduct a necessary investigation for the audit, that effect and the reasons therefor;
- (v) if there is the matter set forth in Article 34, paragraph (2), item (ii) (excluding the matter that is not included in the scope of an audit), and the inspector finds the content of that matter to be inappropriate, a statement to that effect and the reasons therefor; and
- (vi) the date of when the audit report is prepared.

(Time Limit for Giving Notification of Audit Reports)

Article 46 (1) A specified inspector must notify a specified director of the content of an audit report, by any of the following days whichever comes later:

- (i) the day on which four weeks have passed from the day on which the specified inspector received the business report;
  - (ii) the day on which one week has passed from the day on which the specified inspector received the annexed detailed statements of the business report; or
  - (iii) any day specified by agreement between the specified director and the specified inspector, if there is any such day.
- (2) A business report and the annexed detailed statements thereof are deemed to have been audited by an inspector as of the day on which a specified director is notified of the content of the audit report pursuant to the provisions of the preceding paragraph.
- (3) Notwithstanding the provisions of the preceding paragraph, if a specified inspector has not made a notification of the content of the audit report under the provisions of paragraph (1) by the day that is the time limit for making the relevant notification under the provisions of that paragraph, the business report and the annexed detailed statements thereof are deemed to have been audited by an inspector as of the day that is the time limit for making the

notification.

- (4) The term "specified director" prescribed in paragraphs (1) and (2) means the person specified in the following items according to the cases set forth in the respective items:
- (i) if a director who is to receive a notification under the provisions of paragraph (1) is specified: the director specified as a director who is to receive the relevant notification; or
  - (ii) in cases other than the case set forth in the preceding item: a director who performed the duty for preparing the business report and the annexed detailed statements thereof.
- (5) The term "specified inspector" prescribed in paragraphs (1) and (3) means the person specified in the following items according to the cases set forth in the respective items:
- (i) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of paragraph (1) is specified: the inspector specified as an inspector who is to make the relevant notification;
  - (ii) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of paragraph (1) is not specified: all inspectors; or
  - (iii) in cases other than the cases set forth in the preceding two items: any inspector.

**Subsection 7 Requirements Concerning Special Provisions for  
Provision to Members and Approval of Financial Statements, etc.  
Division 1 Provision of Financial Statements, etc. to Members**

Article 47 (1) The provision of financial statements, business reports, and audit reports (in the case of a general incorporated association with accounting auditors, including accounting audit reports; hereinafter referred to as the "financial statements, etc. to be provided " in this Article) under the provisions of Article 125 of the Act are as specified in this Article.

- (2) In the case of issuing a notice of calling of an annual general assembly by any of the methods set forth in the following items, the financial statements, etc. to be provided must be provided by the method specified in the respective items:
- (i) provision of a document: either method specified in (a) or (b) below according to the cases set forth respectively in (a) or (b):
    - (a) if the financial statements, etc. to be provided are prepared in the form of documents: the provision of documents stating the matters that are stated in those documents; or
    - (b) if the financial statements, etc. to be provided are prepared in the form of

- electronic or magnetic records: the provision of documents stating the matters recorded in those electronic or magnetic records;
- (ii) provision by electronic or magnetic means: either method specified in (a) or (b) below according to the cases set forth respectively in (a) or (b):
    - (a) if the financial statements, etc. to be provided are prepared in the form of documents: the provision of the matters that are stated in those documents by electronic or magnetic means; or
    - (b) if the financial statements, etc. to be provided are prepared in the form of electronic or magnetic records: the provision of the matters recorded in those electronic or magnetic records by electronic or magnetic means.
- (3) A director may notify members, upon issuing a notice of calling of an annual general assembly, of the means of informing members of any revisions made to the matters to be contained in the financial statements or a business report if the necessity to make the revisions arises during the period after the date of issue of the notice of calling until the date preceding the date of the annual general assembly.

### **Division 2 Requirements Concerning Special Provisions for Approval of Financial Statements**

- Article 48 The requirement specified by a Ministry of Justice Order as prescribed in Article 127 of the Act are that all of the following are satisfied:
- (i) an accounting audit report on the financial statements prescribed in Article 127 of the Act contains the matter specified in Article 39, paragraph (1), item (ii), (a);
  - (ii) there is no such opinion that finds the method or result of the audit conducted by the accounting auditor to be inappropriate as the content of an audit report pertaining to the accounting audit report set forth in the preceding item; and
  - (iii) the financial statements prescribed in Article 127 of the Act are not those that are deemed to have been audited, pursuant to the provisions of Article 43, paragraph (3).

### **Subsection 8 Public Notice of Financial Statements**

(Matters to Be Contained in Public Notices When There Is an Opinion to Declare Improper Indication)

- Article 49 In any of the cases set forth in the following items, if a general incorporated association with accounting auditors gives public notice under the provisions of Article 128, paragraph (1) or paragraph (2) of the Act (including the measures prescribed in paragraph (3) of that Article; hereinafter the same

applies in this Article), it must clarify the matters specified respectively in these items in the public notice:

- (i) if there is no accounting auditor (excluding the case where there is a person who is to perform the duties of the temporary accounting auditor set forth in Article 75, paragraph (4) of the Act): the fact that there is no accounting auditor;
- (ii) if the financial statements and other related documents are deemed to have been audited, pursuant to the provisions of Article 41, paragraph (3): that effect;
- (iii) if an opinion to declare an improper indication is stated in an accounting audit report on the financial statements subject to the public notice: that effect; or
- (iv) the accounting audit report on the financial statements subject to the public notice contains the matter set forth in Article 39, paragraph (1), item (iii): that effect.

(Unit for Indicating Amounts)

Article 50 (1) The amounts of the matters relating to the summary of a balance sheet or summary of a profit and loss statement are indicated in units of one million yen or one billion yen.

(2) Notwithstanding the provisions of the preceding paragraph, if there is a risk of failure to accurately assess the state of the assets or profits and losses of a general incorporated association, the amounts of the matters relating to a summary of a balance sheet or summary of a profit and loss statement are indicated in appropriate alternative units.

(Method of Disclosure of Balance Sheet, etc. by Electronic or Magnetic Means)

Article 51 The measures prescribed in Article 128, paragraph (3) of the Act are taken by a method that uses an automatic public transmission server which is connected to the internet, in the category of the method set forth in Article 92, paragraph (1), item (i), (b).

### **Section 3 Fund**

(Matters of Which Persons Offering to Contribute Should Be Notified)

Article 52 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 133, paragraph (1), item (iv) of the Act are the following matters:

- (i) the provisions concerning the rights of contributors to the fund;
- (ii) procedures for the return of the fund; and
- (iii) the matters provided for in the articles of incorporation (excluding the matters set forth in Article 133, paragraph (1), items (i) through (iii) of the

Act and the preceding two items), about which a person who intends to offer to contribute to the fund requested the general incorporated association to notify them.

(2) Notwithstanding the provisions of the preceding paragraph, if a member at incorporation (meaning the member at incorporation prescribed in Article 10, paragraph (1) of the Act; the same applies hereinafter) makes a notification pursuant to the provisions of Article 133, paragraph (1) of the Act, the matters specified by a Ministry of Justice Order as prescribed in item (i) of that paragraph are the following matters:

- (i) the date of certification of the articles of incorporation, and the name of the notary who certified them;
- (ii) the matters set forth in Article 11, paragraph (1), items (i) through (iii) and item (vii) of the Act;
- (iii) the matters set forth in items (i) and (ii) of the preceding paragraph; and
- (iv) the matters provided for in the articles of incorporation (excluding the matters set forth in Article 133, paragraph (1), items (i) through (iii) of the Act and the preceding three items), about which a person who intends to offer to contribute to the fund requested the member at incorporation to notify them.

(Securities with Market Prices Not Required to Be Investigated by Inspectors)

Article 53 The method specified by a Ministry of Justice Order as prescribed in Article 137, paragraph (9), item (ii) of the Act are the means of using the higher of the amounts set forth in the following as the price of the securities prescribed in that item:

- (i) the closing price of the securities on the market if they are traded, as of the day on which the value set forth in Article 132, paragraph (1), item (ii) of the Act is determined (hereinafter referred to as the "date of valuation" in this Article) (if there was no trading on the date of valuation or if the date of valuation falls upon a non-business day of the market, the price of the first trading conducted thereafter); or
- (ii) if the securities, as of the date of valuation, are subject to a tender offer, etc. (meaning the tender offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (including the cases where applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of that Act) and an equivalent system under foreign laws and regulations; hereinafter the same applies in this item), the price of the securities under a contract for the tender offer, etc. as of the date of valuation.

(Banks)

Article 54 The equivalent to banks specified by a Ministry of Justice Order as prescribed in Article 138, paragraph (1) of the Act are the following:

- (i) agricultural cooperatives or federations of agricultural cooperatives that carry out the business set forth in Article 10, paragraph (1), item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
- (ii) fisheries cooperatives, federations of fisheries cooperatives, fishery processing cooperatives, or federations of fishery processing cooperatives that carry out the business set forth in Article 11, paragraph (1), item (iv), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii), or Article 97, paragraph (1), item (ii) of the Fishery Industry Cooperative Association Act (Act No. 242 of 1948);
- (iii) credit cooperatives or federations of credit cooperatives that carry out the business set forth in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949);
- (iv) Shinkin Banks or federations of Shinkin Banks;
- (v) labor banks or federations of labor banks; and
- (vi) The Norinchukin Bank.

(Substitute Funds of General Incorporated Associations Surviving an Absorption-Type Merger)

Article 55 The amount to be recorded by a general incorporated association surviving an absorption-type merger (meaning a general incorporated association which survives an absorption-type merger; hereinafter the same applies in this Article) upon the merger pursuant to the provisions of Article 144, paragraph (3) of the Act is the total sum of the following amounts:

- (i) the amount of the substitute fund of the general incorporated association surviving an absorption-type merger immediately prior to the absorption-type merger; and
- (ii) the amount specified by the general incorporated association surviving an absorption-type merger to the extent of the amount of the substitute fund of the general incorporated association absorbed in an absorption-type merger (meaning a general incorporated association which is absorbed in an absorption-type merger) immediately prior to the absorption-type merger.

(Substitute Funds of General Incorporated Associations Incorporated Through a Consolidation-Type Merger)

Article 56 The amount to be recorded by a general incorporated association incorporated through a consolidation-type merger (meaning a general incorporated association which is incorporated through a consolidation-type merger) upon the merger pursuant to the provisions of Article 144, paragraph (3) of the Act are the amount specified by the general incorporated association

consolidated through a consolidation-type merger (meaning general incorporated associations which are consolidated through a consolidation-type merger; hereinafter the same applies in this Article) to the extent of the total sum of the amounts of substitute funds of the general incorporated association consolidated through a consolidation-type merger immediately prior to the consolidation-type merger.

#### **Section 4 Dissolution**

Article 57 (1) The notification set forth in Article 149, paragraph (1) of the Act (hereinafter simply referred to as the "notification" in this Article) are made by means of a document.

(2) The document set forth in the preceding paragraph must state the following matters:

- (i) the name and the principal office the general incorporated association, and the name and address of its representative;
- (ii) if the notification is made by an agent, their name and address;
- (iii) a statement to the effect that the general incorporated association has not yet closed its business;
- (iv) the date of the notification; and
- (v) the indication of the registry office.

(3) When an agent makes the notification, they must attach a document proving their authority to the document set forth in paragraph (1).

### **Chapter III General Incorporated Foundations**

#### **Section 1 Organs**

##### **Subsection 1 Board of Councilors**

(Matters to Be Decided upon Calling)

Article 58 The matters specified by Order of the Ministry of Justice as prescribed in Article 181, paragraph (1), item (iii) of the Act are an outline of the proposals pertaining to the following matters if any of these matters is one which is the purpose of a meeting of the board of councilors (if the proposal is yet to be finalized, a statement to that effect):

- (i) election of an officer, etc. (meaning the officer, etc. prescribed in Article 111, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 198 of the Act; hereinafter the same applies in this Section);
- (ii) remuneration, etc. of an officer, etc.;
- (iii) transfer of the whole business;
- (iv) amendment to the articles of incorporation; and
- (v) merger.



(Obligation of Explanation of Director, etc.)

Article 59 The case specified by a Ministry of Justice Order as prescribed in Article 190 of the Act are any of the following cases:

- (i) if it is necessary to conduct an investigation in order to explain the matters on which a councilor requested an explanation (excluding the following cases):
  - (a) if the councilor has notified the general incorporated foundation of the matters well before the date of a meeting of the board of councilors; or
  - (b) if the investigation necessary for explaining certain matters is very easy to carry out;
- (ii) if explaining the matters on which a councilor requested an explanation could harm the rights of the general incorporated foundation or any other persons (excluding the relevant councilor);
- (iii) if a councilor repeatedly requests an explanation on virtually the same matters in the meeting of the board of councilors in question; and
- (iv) in addition to what is set forth in the preceding three items, if there are reasonable grounds for not explaining the matters on which a councilor requested an explanation.

(Minutes of Meetings of the Board of Councilors)

Article 60 (1) The preparation of the minutes of a meeting of the board of councilors under the provisions of Article 193, paragraph (1) of the Act are as specified in this Article.

- (2) The minutes of a meeting of the board of councilors must be prepared in writing or in the form of electronic or magnetic records.
- (3) The minutes of a meeting of the board of councilors must contain the following matters:
  - (i) the date and place when and where the meeting of the board of councilors was held (if any director, inspector, accounting auditor or councilor was not present at that place but attended a meeting of the board of councilors, the means of the relevant attendance is included);
  - (ii) the points and results of the proceedings of the meeting of the board of councilors;
  - (iii) if any of the councilors has a special interest in any matters that requires a resolution, the name of that councilor;
  - (iv) if any opinions or remarks were stated or made at the meeting of the board of councilors pursuant to the provisions set forth in the following, an outline of the opinions or remarks:
    - (a) Article 74, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 177 of the Act (including the cases where Article 74, paragraph

- (1) of the Act is applied mutatis mutandis pursuant to Article 74, paragraph (4) of the Act which is applied mutatis mutandis pursuant to Article 177 of the Act);
  - (b) Article 74, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 177 of the Act (including the cases where Article 74, paragraph (2) of the Act is applied mutatis mutandis pursuant to Article 74, paragraph (4) of the Act which is applied mutatis mutandis pursuant to Article 177 of the Act);
  - (c) Article 102 of the Act as applied mutatis mutandis pursuant to Article 197 of the Act;
  - (d) Article 105, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act;
  - (e) Article 109, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act; and
  - (f) Article 109, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act;
  - (v) the names of the councilor, director, inspector, or accounting auditor who attended the meeting of the board of councilors;
  - (vi) if there was a chair of the meeting of the board of councilors, the name of the chair; and
  - (vii) the name of the person who performed the duty for preparing the minutes.
- (4) In the cases set forth in the following items, the minutes of a meeting of the board of councilors is to contain the matters specified respectively in these items:
- (i) if a resolution of the board of councilors is deemed to have been made, pursuant the provisions of Article 194, paragraph (1) of the Act: the following matters:
    - (a) the details of the matters on which a resolution of the board of councilors is deemed to have been made;
    - (b) the name of the person who proposed the matters mentioned in (a);
    - (c) the date on which a resolution of the board of councilors is deemed to have been made; and
    - (d) the name of the person who performed the duty for preparing the minutes;
  - (ii) if a report to the board of councilors is deemed to have been made pursuant to the provisions of Article 195 of the Act: the following matters:
    - (a) the details of the matters on which a report to the board of councilors is deemed to have been made;
    - (b) the date on which a report to the board of councilors is deemed to have been made; and
    - (c) the name of the person who performed the duty for preparing the minutes.

## **Subsection 2 Officer, etc.**

(Application Mutatis Mutandis of Provisions Concerning Election of Substitutes for Officers)

Article 61 The provisions of Article 12 apply mutatis mutandis to the matters specified by a Ministry of Justice Order pursuant to the provisions of Article 63, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 177 of the Act. In this case, in Article 12, paragraph (3), the term "general assembly" are deemed to be replaced with "meeting of the board of councilors."

(Application Mutatis Mutandis of Provisions Concerning Council)

Article 62 The provisions of Articles 14 through 18 must apply mutatis mutandis to the matters specified by a Ministry of Justice Order pursuant to the provisions of Article 90, paragraph (4), item (v), Article 95, paragraph (3), Article 99, paragraph (1), Article 102, and Article 107, paragraph (1) of the Act, which are applied mutatis mutandis pursuant to Article 197 of the Act. In this case: in Article 15, paragraph (1), item (ii), (a), the phrase "Article 93, paragraph (2) of the Act" is deemed to be replaced with "Article 93, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in (b) of that item, the phrase "Article 93, paragraph (3) of the Act" is deemed to be replaced with "Article 93, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in (c) of that item, the phrase "Article 101, paragraph (2) of the Act" is deemed to be replaced with "Article 101, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in (d) of that item, the phrase "Article 101, paragraph (3) of the Act" is deemed to be replaced with "Article 101, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in item (v), (a), of that paragraph, the phrase "Article 92, paragraph (2) of the Act" is deemed to be replaced with "Article 92, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in (b) of that item, the phrase "Article 100 of the Act" is deemed to be replaced with "Article 100 of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in (c) of that item, the phrase "Article 101, paragraph (1) of the Act" is deemed to be replaced with "Article 101, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in item (vi) of that paragraph, the phrase "Article 95, paragraph (3) of the Act" is deemed to be replaced with "Article 95, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act," the phrase "Article 21, paragraph (1) of the Act" is deemed to be replaced with "Article 162, paragraph (1) of the Act," and the phrase "Article 19, item (ii), (b)" is deemed to be replaced with "Article 19, item

(ii), (b) as applied mutatis mutandis pursuant to Article 63"; in paragraph (4), item (i) of that Article, the phrase "Article 96 of the Act" is deemed to be replaced with "Article 96 of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; in item (ii) of that paragraph, the phrase "Article 98, paragraph (1) of the Act" is deemed to be replaced with "Article 98, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act"; and in Article 16, paragraphs (2) and (4) and in Article 18, paragraph (2), the term "general incorporated association" is deemed to be replaced with "general incorporated foundation."

(Application Mutatis Mutandis of Provisions Concerning Liability for Damages Assumed by Officer, etc.)

Article 63 The provisions of Articles 19 and 20 apply mutatis mutandis to the matters specified by a Ministry of Justice Order pursuant to the provisions of Article 113, paragraph (1), item (ii) and paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 198 of the Act (including the cases where Article 113, paragraph (1), item (ii) and paragraph (4) of the Act are applied mutatis mutandis pursuant to Article 114, paragraph (5) and Article 115, paragraph (5) of the Act, which are applied mutatis mutandis pursuant to Article 198 of the Act). In this case, in Articles 19 and 20 (excluding Article 19, item (i), (b)), the term "general incorporated association" is deemed to be replaced with "general incorporated foundation"; in Article 19, item (i), (a), the term "general assembly " is deemed to be replaced with "board of councilors" in (b) of that item, the phrase "Article 114, paragraph (1) of the Act" are deemed to be replaced with "Article 114, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 198 of the Act," the phrase "consent (in the case of a general incorporated association with council (meaning the general incorporated association with council prescribed in Article 16, paragraph (1) of the Act), a resolution of the council; the same applies in (b))" is deemed to be replaced with "resolution of the council," and the phrase "day on which that consent was given" is deemed to be replaced with "day on which that resolution was made"; and in (c) of that item, the phrase "Article 115, paragraph (1) of the Act" is deemed to be replaced with "Article 115, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 198 of the Act,"

(Mutatis Mutandis Application of Provisions Relating to Insurance Policies Concluded on Behalf of Officer, etc.)

Article 63-2 The provisions of Article 20-2 apply mutatis mutandis to matters to be prescribed by a Ministry of Justice Order pursuant to Article 118-3, paragraph (1) of the Act, as applied mutatis mutandis under Article 198-2 of the Act. In this case, the term "general incorporated association" is deemed to

be replaced with "general incorporated foundation".

## **Section 2 Accounts**

Article 64 The provisions of Section 2 of the preceding Chapter (excluding Article 31) must apply mutatis mutandis to the matters specified by a Ministry of Justice Order pursuant to the provisions of Article 120, paragraph (1), Article 123, paragraphs (1) and (2), Article 124, paragraphs (1) and (2), Article 125, Article 127, and Article 128, paragraphs (1) and (3) of the Act, which are applied mutatis mutandis pursuant to Article 199 of the Act. In this case: in Section 2 of the preceding Chapter (excluding Article 31, Article 36, paragraph (1), Article 40, Article 43, paragraph (1), and Article 49), the term "general incorporated association" is deemed to be replaced with "general incorporated foundation"; in Article 26, item (ii), the phrase "Article 123, paragraph (2) of the Act" is deemed to be replaced with "Article 123, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act"; in Article 34, paragraph (2), item (ii), the phrase "Article 76, paragraph (3), item (iii) and Article 90, paragraph (4), item (v) of the Act" is deemed to be replaced with "Article 90, paragraph (4), item (v) of the Act as applied mutatis mutandis pursuant to Article 197 of the Act" and the phrase "decision or resolution" is deemed to be replaced with "resolution"; in Article 36, paragraph (1), the phrase "General Incorporated Association with Accounting Auditor (meaning the General Incorporated Association with Accounting Auditor prescribed in Article 15, paragraph (2), item (ii) of the Act" is deemed to be replaced with "general incorporated foundation with accounting auditor (meaning the general incorporated foundation with accounting auditor prescribed in Article 153, paragraph (1), item (vii) of the Act"; in item (ii) of that paragraph, the term "general incorporated association" is deemed to be replaced with "general incorporated foundation"; in Article 40, Article 43, paragraph (1), and Article 49, the term "general incorporated association with accounting auditor" is deemed to be replaced with "general incorporated foundation with accounting auditor"; in Article 47, paragraphs (2) and (3), the phrase "general assembly" is deemed to be replaced with "meeting of the board of councilors"; in paragraph (2) of that Article, the term "notice of calling" is deemed to be replaced with "notice of calling (meaning the notice issued under the provisions of Article 182, paragraph (1) or paragraph (2) of the Act; the same applies in the following paragraph)"; in paragraph (3) of that Article, the term "members" is deemed to be replaced with "councilors"; and in Article 49, item (i), the phrase "Article 75, paragraph (4) of the Act" is deemed to be replaced with "Article 75, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 177 of the Act."

### **Section 3 Dissolution**

- Article 65 (1) The notification set forth in Article 203, paragraph (1) of the Act (hereinafter simply referred to as the "notification" in this Article) must be made by means of a document.
- (2) The document set forth in the preceding paragraph must state the following:
- (i) the name and the principal office the general incorporated foundation, and the name and address of its representative;
  - (ii) if the notification is made by an agent, their name and address;
  - (iii) a statement to the effect that the general incorporated foundation has not yet closed its business;
  - (iv) the date of the notification; and
  - (v) the indication of the registry office.
- (3) If an agent makes the notification, they must attach a document proving their authority to the document set forth in paragraph (1).

### **Chapter IV Liquidation**

(System for Ensuring Proper Operation of the Business of Corporations in Liquidation Other than Those With a Board of Liquidators)

- Article 66 (1) The systems specified by a Ministry of Justice Order as prescribed in Article 213, paragraph (3), item (iv) of the Act are the following systems:
- (i) a system concerning the preservation and management of information on the execution of their duties by a liquidator;
  - (ii) regulations or other systems concerning the management of risk of loss; and
  - (iii) a system for ensuring that employees will execute their duties in compliance with laws and regulations as well as the articles of incorporation.
- (2) In the case of a corporation in liquidation (meaning the corporation in liquidation prescribed in Article 207 of the Act; the same applies hereinafter) which has two or more liquidators, the systems prescribed in the preceding paragraph include a system for ensuring that decisions on business will be made properly.
- (3) In the case of a corporation in liquidation other than a corporation in liquidation with inspectors (meaning a corporation in liquidation with inspectors as prescribed in Article 214, paragraph (6) of the Act; the same applies in this Chapter), the systems prescribed in paragraph (1) is to include a system whereby a liquidator makes a report to members or councilors with regard to matters that should be reported to them.
- (4) In the case of a corporation in liquidation with inspectors, the systems

prescribed in paragraph (1) must include the following systems:

- (i) if an inspector requested an employee to be assigned to assist with their duties, the matters concerning the employee;
- (ii) the matters concerning the independence of the employee set forth in the preceding item from a liquidator;
- (iii) the matters concerning the assurance of the effectiveness of instructions given by an inspector to the employee set forth in item (i);
- (iv) a system whereby a liquidator and employee make reports to an inspector and any other system concerning the reporting to an inspector; and
- (v) a system for ensuring that a person who makes the reports set forth in the preceding item will not be treated unfavorably on account of having made the reports;
- (vi) the matters concerning a policy for the processing of expenses or obligations arising from the execution of duties by an inspector including the procedures for advanced payment or reimbursement of expenses arising from the execution of the duties; and
- (vii) any other system for ensuring that an inspector will conduct an audit effectively.

Article 67 (1) The systems specified by a Ministry of Justice Order as prescribed in Article 220, paragraph (6), item (v) of the Act are the following systems:

- (i) a system concerning the preservation and management of information on the execution of their duties by a liquidator;
  - (ii) regulations or other systems concerning the management of risk of loss; and
  - (iii) a system for ensuring that employees will execute their duties in compliance with laws and regulations as well as the articles of incorporation.
- (2) If a corporation with a board of liquidators (meaning the corporation with a board of liquidators prescribed in Article 209, paragraph (5) of the Act; the same applies in the following paragraph) is not a corporation in liquidation with inspectors, the systems prescribed in the preceding paragraph must include a system whereby a liquidator makes a report to members or councilors with regard to matters that should be reported to them.
- (3) If a corporation with a board of liquidators is a corporation in liquidation with inspectors, the systems prescribed in paragraph (1) must include the following systems:
- (i) if an inspector requested an employee to be assigned to assist with their duties, the matters concerning the employee;
  - (ii) the matters concerning the independence of the employee set forth in the preceding item from a liquidator;
  - (iii) the matters concerning the assurance of the effectiveness of instructions

- given by an inspector to the employee set forth in item (i);
- (iv) a system whereby a liquidator and employee make reports to an inspector and any other system concerning the reporting to an inspector; and
- (v) a system for ensuring that a person who makes the reports set forth in the preceding item will not be treated unfavorably on account of having made the reports;
- (vi) the matters concerning a policy for the processing of expenses or obligations arising from the execution of duties by an inspector including the procedures for advanced payment or reimbursement of expenses arising from the execution of the duties; and
- (vii) any other system for ensuring that an inspector will conduct an audit effectively.

(Minutes of Boards of Liquidators Meetings)

- Article 68 (1) The preparation of the minutes of a board of liquidators meeting under the provisions of Article 95, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 221, paragraph (5) of the Act are as specified in this Article.
- (2) The minutes of a board of liquidators meeting must be prepared in writing or in the form of electronic or magnetic records.
  - (3) The minutes of a board of liquidators meeting must contain the following matters:
    - (i) the date and place when and where the board of liquidators meeting was held (if any liquidator, inspector, member or councilor was not present at that place but attended aboard of liquidators meeting, the means of the attendance are included);
    - (ii) if the board of liquidators meeting falls under any of the following, that effect:
      - (a) a meeting called at the request of a liquidator made under the provisions of Article 221, paragraph (2) of the Act;
      - (b) a meeting called by a liquidator pursuant to the provisions of Article 221, paragraph (3) of the Act;
      - (c) a meeting called at the request of a member or councilor made under the provisions of Article 222, paragraph (1) of the Act;
      - (d) a meeting called by a member or councilor pursuant to the provisions of Article 221, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 222, paragraph (3) of the Act;
      - (e) a meeting called at the request of an inspector made under the provisions of Article 101, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act); or
      - (f) a meeting called by an inspector pursuant to the provisions of Article 101,



- paragraph (3) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (iii) the points and results of the proceedings of the board of liquidators meeting;
  - (iv) if any of the liquidators has a special interest in any matters that requires a resolution, the name of the liquidator;
  - (v) if any opinions or remarks were stated or made at the board of liquidators meeting pursuant to the provisions set forth in the following, an outline of the opinions or remarks:
    - (a) Article 100 of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
    - (b) Article 101, paragraph (1) (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
    - (c) Article 92, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 220, paragraph (10) of the Act; or
    - (d) Article 222, paragraph (4) of the Act;
  - (vi) if the articles of incorporation include the provision as set forth in Article 95, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 221, paragraph (5) of the Act, the name of the liquidator other than the representative liquidator (meaning the representative liquidator prescribed in Article 214, paragraph (1) of the Act), who attended the board of liquidators meeting;
  - (vii) the name of the member or councilor attended the board of liquidators meeting; and
  - (viii) if there was a chair of the board of liquidators meeting, the name of the chair.
- (4) In the cases set forth in the following items, the minutes of a board of liquidators meeting is to contain the matters specified respectively in these items:
- (i) if a resolution of the board of liquidators is deemed to have been made, pursuant the provisions of Article 96 of the Act as applied mutatis mutandis pursuant to Article 221, paragraph (5) of the Act: the following matters:
    - (a) the details of the matters on which a resolution of the board of liquidators is deemed to have been made;
    - (b) the name of the liquidator who proposed the matters mentioned in (a);
    - (c) the date on which a resolution of the board of liquidators is deemed to have been made; and
    - (d) the name of the liquidator who performed the duty for preparing the minutes;
  - (ii) if a report to the board of liquidators is determined as being unnecessary pursuant to the provisions of Article 98, paragraph (1) of the Act as applied

mutatis mutandis pursuant to Article 221, paragraph (6) of the Act: the following matters:

- (a) the details of the matters on which a report to the board of liquidators is determined as being unnecessary;
- (b) the date on which a report to the board of liquidators is determined as being unnecessary; and
- (c) the name of the liquidator who performed the duty for preparing the minutes.

(Inventory of Assets)

Article 69 (1) An inventory of assets to be prepared pursuant to the provisions of Article 225, paragraph (1) of the Act are as specified in this Article.

(2) With regard to the assets to be recorded in the inventory of assets set forth in the preceding paragraph, the disposal price as of the day on which the relevant general incorporated association or foundation falls under any of the cases set forth in the items of Article 206 of the Act are noted, unless it is difficult to note the disposal price. In this case, in connection with the account books of a corporation in liquidation, the price noted in the inventory of assets are deemed to be the acquisition value.

(3) The inventory of assets set forth in paragraph (1) are indicated as categorized into the following sections. In this case, the sections set forth in items (i) and (ii) may be given a name that is suitable for representing the respective contents:

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

(Balance Sheet upon Commencement of Liquidation)

Article 70 (1) A balance sheet to be prepared pursuant to the provisions of Article 225, paragraph (1) of the Act are as specified in this Article.

(2) The balance sheet set forth in the preceding paragraph must be prepared based on the inventory of assets.

(3) The balance sheet set forth in paragraph (1) are indicated as categorized into the following sections. In this case, the section set forth in item (iii) may be given names that are suitable for representing net assets:

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

(4) The sections set forth in the items of the preceding paragraph may be sub-categorized into appropriate sub-sections. In this case, these sub-sections must be given names that are suitable for representing assets, liabilities, or net

assets.

- (5) If there is any asset for which it is difficult to note the disposal price, an explanatory note to show the policy of asset valuation applicable to the asset must be added to the balance sheet set forth in paragraph (1).

(Balance Sheet for Each Liquidation Year)

Article 71 (1) A balance sheet to be prepared pursuant to the provisions of Article 227, paragraph (1) of the Act are prepared based on the account books for each liquidation year (meaning each liquidation year prescribed in that paragraph; the same applies in Article 73, paragraph (2)).

- (2) The provisions of paragraphs (3) and (4) of the preceding Article apply mutatis mutandis to the balance sheet set forth in the preceding paragraph.
- (3) Annexed detailed statements of a balance sheet to be prepared pursuant to the provisions of Article 227, paragraph (1) of the Act must contain important matters that are supplementary to the content of the balance sheet.

(Business Report for Each Liquidation Year)

Article 72 (1) An administrative report to be prepared pursuant to the provisions of Article 227, paragraph (1) of the Act must contain important matters relating to the status of the administration of liquidation.

- (2) Annexed detailed statements of an administrative report to be prepared pursuant to the provisions of Article 227, paragraph (1) of the Act must contain important matters that are supplementary to the content of the administrative report.

(Audit Reports of Corporations in Liquidation)

Article 73 (1) An audit conducted under the provisions of Article 228, paragraph (1) of the Act are as specified in this Article.

- (2) When an inspector of a corporation in liquidation receives a balance sheet for each liquidation year an administrative report as well as the annexed detailed statements of those documents, they must prepare an audit report which contains the following matters:
  - (i) the method and content of the audit conducted by the inspector;
  - (ii) the inspector's opinion as to whether or not the balance sheet for each liquidation year and the annexed detailed statements thereof properly indicate the state of the corporation in liquidation in every important point;
  - (iii) the inspector's opinion as to whether or not the administrative report for each liquidation year and the annexed detailed statements thereof properly indicate the state of the corporation in liquidation in compliance with laws and regulations or the articles of incorporation;
  - (iv) if there was misconduct or any material fact in violation of laws and

- regulations or the articles of incorporation in connection with the performance of their duties by a liquidator, such fact;
- (v) if the inspector was unable to conduct a necessary investigation for the audit, such fact and the reasons therefor; and
  - (vi) the date of when the audit report is prepared.
- (3) A specified inspector must notify a specified liquidator (meaning of the person specified in the following items according to the cases set forth in the respective items; hereinafter the same applies in this Article) of the content of an audit report, by the day on which four weeks have passed from the day on which the specified inspector received in whole both the balance sheet set forth in Article 71, paragraph (1) and the administrative report set forth in paragraph (1) of the preceding Article (or by any day specified by agreement between the specified liquidator and the specified director, if there is any such day):
- (i) if a liquidator who is to receive a notification under the provisions of this paragraph is specified: the liquidator specified as a liquidator who is to receive the relevant notification; or
  - (ii) in cases other than the case set forth in the preceding item: a liquidator who performed the duty for preparing the balance sheet set forth in Article 71, paragraph (1) and the administrative report set forth in paragraph (1) of the preceding Article as well as the annexed detailed documents of those documents.
- (4) The balance sheet set forth in Article 71, paragraph (1) and the administrative report set forth in paragraph (1) of the preceding Article as well as the annexed detailed documents of those documents are deemed to have been audited by an inspector as of the day on which a specified liquidator is notified of the content of the audit report pursuant to the provisions of the preceding paragraph.
- (5) Notwithstanding the provisions of the preceding paragraph, if a specified inspector has not made a notification of the content of the audit report under the provisions of paragraph (3) by the day that is the time limit for making such notification under the provisions of that paragraph, the balance sheet set forth in Article 71, paragraph (1) and the administrative report set forth in paragraph (1) of the preceding Article as well as the annexed detailed documents of those documents are deemed to have been audited by an inspector as of the day that is the time limit for making the notification.
- (6) The term "specified inspector" prescribed in paragraph (3) and the preceding paragraph means the person specified in the following items according to the cases set forth in the respective items:
- (i) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of

paragraph (3) is specified: the inspector specified as an inspector who is to make such notification;

- (ii) if there are two or more inspectors, and an inspector who is to make a notification of the content of an audit report under the provisions of paragraph (3) is not specified: all inspectors; or
- (iii) in cases other than the cases set forth in the preceding two items: any inspector.

(Statement of Accounts)

Article 74 (1) A statement of accounts to be prepared pursuant to the provisions of Article 240, paragraph (1) of the Act must contain the following: In this case, the matters set forth in items (i) and (ii) may be sub-categorized into appropriate sub-sections:

- (i) the amount of income obtained through collection or claims, disposition of assets or any other act;
  - (ii) the amount of expenses incurred through the performance of obligations, payment of expenses for liquidation or any other act; and
  - (iii) the amount of residual assets (if there is any amount of tax paid, such amount of tax and the amount of assets that remains after deducting the amount of tax from the amount of residual assets).
- (2) With regard to the matter set forth in item (iii) of the preceding paragraph, an explanatory note to show the day on which the delivery of residual assets is completed must be added.

## **Chapter V Mergers**

### **Section 1 Procedures by Corporation Absorbed in an Absorption-Type Merger**

(Matters Subject to Prior Disclosure by Corporation Absorbed in Absorption-Type Merger)

Article 75 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 246, paragraph (1) of the Act are the following:

- (i) the provisions in the articles of incorporation of the corporation surviving an absorption-type merger (meaning the corporation surviving an absorption-type merger prescribed in Article 244, item (i) of the Act; hereinafter the same applies in this Chapter);
- (ii) the following matters concerning the corporation surviving an absorption-type merger:
  - (a) the content of the financial statements, etc. for the most recent business year (meaning the most recent business year prescribed in Article 2, item (ii) or item (iii) of the Act; hereinafter the same applies in this Chapter) (if

- there is no most recent business year, the balance sheet as of the date of incorporation of the corporation surviving an absorption-type merger); and
- (b) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets (meaning the assets of a general incorporated association, etc.; hereinafter the same applies in this Chapter) occurs after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation surviving an absorption-type merger), the details of the event (if a new most recent business year is to start during the period from the date of commencement for keeping an absorption-type merger agreement (meaning the date of commencement for keeping an absorption-type merger agreement prescribed in Article 246, paragraph (2) of the Act; hereinafter the same applies in this paragraph) until the day on which the absorption-type merger becomes effective, limited to the details of any event that occurs after the last day of the relevant new most recent business year);
  - (iii) the following matters concerning the corporation absorbed in an absorption-type merger (meaning the corporation absorbed in an absorption-type merger prescribed in Article 244, item (i) of the Act; hereinafter the same applies in this Chapter) (excluding a corporation in liquidation; hereinafter the same applies in this item):
    - (a) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets occurs after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation absorbed in an absorption-type merger) on the part of the corporation absorbed in an absorption-type merger, the details of such event (if a new most recent business year is to start during the period from the date of commencement for keeping an absorption-type merger agreement until the day on which the absorption-type merger becomes effective, limited to the details of any event that occurs after the last day of the new most recent business year); and
    - (b) if the corporation absorbed in an absorption-type merger has no most recent business year, the balance sheet as of the date of incorporation of the corporation absorbed in an absorption-type merger;
  - (iv) the matters concerning the prospects for the performance of the obligations of the corporation surviving an absorption-type merger (limited to these obligations to be assumed for creditors who may state objections against the absorption-type merger pursuant to the provisions of Article 248, paragraph (1) of the Act) on or after the day on which the absorption-type merger becomes effective; and

- (v) if there is any change to the matters set forth in the preceding items on or after the date of commencement for keeping an absorption-type merger agreement, the matters as changed.
- (2) The term "financial statements, etc." prescribed in item (ii), (a) of the preceding paragraph must mean those specified in the following items according to the types of general incorporated association, etc. set forth respectively in these items (hereinafter the same applies in this Chapter):
  - (i) a general incorporated association: the financial statements (meaning the financial statements prescribed in Article 123, paragraph (2) of the Act) for each business year and a business report (including an audit report or accounting audit report if the provisions of Article 124, paragraph (1) or paragraph (2) of the Act apply); or
  - (ii) a general incorporated foundation: the financial statements (meaning the financial statements prescribed in Article 123, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act) for each business year and a business report (including an accounting audit report if the provisions of Article 124, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act apply).

(Matters Concerning Financial Statements)

Article 76 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 248, paragraph (2), item (iii) of the Act are the matters specified in the following items according to the cases set forth respectively in these items, as of the date of the public notice under the provisions of that paragraph or the date of the notice under the provisions of that paragraph, whichever comes earlier:

- (i) if the corporation subject to public notice (meaning the general incorporated association, etc. set forth in Article 248, paragraph (2), item (iii) of the Act; hereinafter the same applies in this Article) has given public notice with regard to its balance sheet for the most recent business year or the summary thereof pursuant to the provisions of Article 128, paragraph (1) or paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act) (excluding the case where the corporation has given public notice by the method set forth in Article 331, paragraph (1), item (iv) of the Act): the following matters:
  - (a) if the corporation has given public notice in an Official Gazette, the date of issue of the Official Gazette and the page on which the public notice appears;
  - (b) if the corporation has given public notice in a daily newspaper that publishes matters on current affairs, the name and the date of issue of the daily newspaper, and the page on which the public notice appears; or

- (c) if the corporation has given public notice by means of an electronic public notice (meaning the electronic public notice prescribed in Article 331, paragraph (1), item (iii) of the Act; the same applies hereinafter), the matters set forth in Article 301, paragraph (2), item (xv), (a) or Article 302, paragraph (2), item (xiii), (a) of the Act;
  - (ii) if the corporation subject to public notice has taken the measures prescribed in Article 128, paragraph (3) of the Act (including the case where applied mutatis mutandis pursuant to Article 199 of the Act) with regard to its balance sheet for the most recent business year: the matters set forth in Article 301, paragraph (2), item (xiii) or Article 302, paragraph (2), item (xi) of the Act;
  - (iii) if the corporation subject to public notice has no most recent business year: a statement to that effect;
  - (iv) if the corporation subject to public notice is a corporation in liquidation; a statement to that effect; and
  - (v) in cases other than the case set forth in the preceding items: the content of the summary of the balance sheet for the most recent business year.
- (2) The provisions of Article 50 must apply mutatis mutandis to the summary of the balance sheet set forth in item (v) of the preceding paragraph.

## **Section 2 Procedures by Corporations Surviving an Absorption-Type Merger**

(Matters Subject to Prior Disclosure by Corporations Surviving an Absorption-Type Merger)

Article 77 The matters specified by a Ministry of Justice Order as prescribed in Article 250, paragraph (1) of the Act are the following:

- (i) the following matters concerning the corporation absorbed in an absorption-type merger (excluding a corporation in liquidation):
  - (a) the content of the financial statements, etc. for the most recent business year (if there is no most recent business year, the balance sheet as of the date of incorporation of the corporation absorbed in an absorption-type merger); and
  - (b) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets occurs after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation absorbed in an absorption-type merger), the details of the event (if a new most recent business year is to start during the period from the date of commencement for keeping an absorption-type merger agreement (meaning the date of commencement for



keeping an absorption-type merger agreement prescribed in Article 250, paragraph (2) of the Act; hereinafter the same applies in this Article) until the day on which the absorption-type merger becomes effective, limited to the details of any event that occurs after the last day of the new most recent business year);

- (ii) a balance sheet prepared by the corporation absorbed in an absorption-type merger (limited to a corporation in liquidation) pursuant to the provisions of Article 225, paragraph (1) of the Act;
- (iii) the following matters concerning the corporation surviving absorption-type merger:
  - (a) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets occurs after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation surviving an absorption-type merger) on the part of the corporation surviving an absorption-type merger, the details of the event (if a new most recent business year is to start during the period from the date of commencement for keeping an absorption-type merger agreement until the day on which the absorption-type merger becomes effective, limited to the details of any event that occurs after the last day of the new most recent business year); and
  - (b) if the corporation surviving an absorption-type merger has no most recent business year, the balance sheet as of the date of incorporation of the corporation surviving an absorption-type merger;
- (iv) the matters concerning the prospects for the performance of the obligations of the corporation surviving an absorption-type merger (limited to these obligations to be assumed for creditors who may state objections against the absorption-type merger pursuant to the provisions of Article 252, paragraph (1) of the Act) on or after the day on which the absorption-type merger becomes effective; and
- (v) if there is any change to the matters set forth in the preceding items during the period from the date of commencement for keeping an absorption-type merger agreement until the day on which the absorption-type merger becomes effective, the matters as changed.

(Amount of Assets)

Article 78 (1) The amount specified by a Ministry of Justice Order as the amount of obligations, as prescribed in Article 251, paragraph (2) of the Act, is the amount obtained by subtracting the amount set forth in item (ii) from the amount set forth in item (i):

- (i) the amount to be recorded in the liabilities section of the balance sheet on

- the assumption that a balance sheet of the corporation surviving an absorption-type merger is prepared immediately after the absorption-type merger; and
- (ii) the amount to be recorded in the liabilities section of the balance sheet on the assumption that a balance sheet of the corporation surviving an absorption-type merger is prepared immediately before the absorption-type merger.
- (2) The amount specified by a Ministry of Justice Order as the amount of assets, as prescribed in Article 251, paragraph (2) of the Act, are the amount obtained by subtracting the amount set forth in item (ii) from the amount set forth in item (i):
- (i) the amount to be recorded in the assets section of the balance sheet on the assumption that a balance sheet of the corporation surviving an absorption-type merger is prepared immediately after the absorption-type merger; and
  - (ii) the amount to be recorded in the assets section of the balance sheet on the assumption that a balance sheet of the corporation surviving an absorption-type merger is prepared immediately before the absorption-type merger.

(Matters Concerning Financial Statements)

Article 79 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 252, paragraph (2), item (iii) of the Act are the matters specified in the following items according to the cases set forth respectively in these items, as of the date of the public notice under the provisions of that paragraph or the date of the notice under the provisions of that paragraph, whichever comes earlier:

- (i) if the corporation subject to public notice (meaning the general incorporated association, etc. set forth in Article 252, paragraph (2), item (iii) of the Act; hereinafter the same applies in this Article) has given public notice with regard to its balance sheet for the most recent business year or the summary thereof pursuant to the provisions of Article 128, paragraph (1) or paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act) (excluding the case where the corporation has given public notice by the method set forth in Article 331, paragraph (1), item (iv) of the Act): the following matters:
  - (a) if the corporation has given public notice in an official gazette, the date of issue of the official gazette and the page on which the public notice appears;
  - (b) if the corporation has given public notice in a daily newspaper that publishes matters on current affairs, the name and the date of issue of the daily newspaper, and the page on which the public notice appears; or
  - (c) if the corporation has given public notice by means of an electronic public

- notice, the matters set forth in Article 301, paragraph (2), item (xv), (a) or Article 302, paragraph (2), item (xiii), (a) of the Act;
- (ii) if the corporation subject to public notice has taken the measures prescribed in Article 128, paragraph (3) of the Act (including the case where applied *mutatis mutandis* pursuant to Article 199 of the Act) with regard to its balance sheet for the most recent business year: the matters set forth in Article 301, paragraph (2), item (xiii) or Article 302, paragraph (2), item (xi) of the Act;
  - (iii) if the corporation subject to public notice has no most recent business year: a statement to that effect;
  - (iv) if the corporation subject to public notice is a corporation in liquidation; a statement to that effect; and
  - (v) in cases other than the case set forth in the preceding items: the content of the summary of the balance sheet for the most recent business year.
- (2) The provisions of Article 50 must apply *mutatis mutandis* to the summary of the balance sheet set forth in item (v) of the preceding paragraph.

(Matters Subject to Subsequent Disclosure by Corporation Surviving an Absorption-Type Merger)

Article 80 The matters specified by a Ministry of Justice Order as prescribed in Article 253, paragraph (1) of the Act are the following:

- (i) the day on which the absorption-type merger became effective;
- (ii) the progress of the procedure under the provisions of Article 248 of the Act by the corporation absorbed in an absorption-type merger;
- (iii) the progress of the procedure under the provisions of Article 252 of the Act by the corporation surviving an absorption-type merger;
- (iv) the matters concerning important rights and obligations that the corporation surviving an absorption-type merger has taken over from the corporation absorbed in an absorption-type merger as a result of the absorption-type merger;
- (v) the matters stated or recorded in the document or electronic or magnetic records kept by the corporation absorbed in an absorption-type merger pursuant to the provisions of Article 246, paragraph (1) of the Act (excluding the details of the absorption-type merger agreement);
- (vi) the day on which the registration of change referred to in Article 306, paragraph (1) of the Act was made; and
- (vii) in addition to what is set forth in the preceding items, important matters concerning the absorption-type merger.

**Section 3 Procedures by Corporations Consolidated Through a Consolidation-Type Merger**

(Matters Subject to Prior Disclosure by Corporation Consolidated Through a Consolidation-Type Merger)

Article 81 The matters specified by a Ministry of Justice Order as prescribed in Article 256, paragraph (1) of the Act are the following:

- (i) the following matters concerning the other corporation consolidated through a consolidation-type merger (meaning the corporation consolidated through a consolidation-type merger prescribed in Article 254, item (i) of the Act; hereinafter the same applies in this Chapter) (excluding a corporation in liquidation; hereinafter the same applies in this item):
  - (a) the content of the financial statements, etc. for the most recent business year (if there is no most recent business year, the balance sheet as of the date of incorporation of the other corporation consolidated through a consolidation-type merger); and
  - (b) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets occurs on the part of the other corporation consolidated through a consolidation-type merger after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation consolidated through a consolidation-type merger), the details of the event (if a new most recent business year is to start during the period from the date of commencement for keeping a consolidation-type merger agreement (meaning the date of commencement for keeping a consolidation-type merger agreement prescribed in Article 256, paragraph (2) of the Act; hereinafter the same applies in this Article) until the day on which the consolidation-type merger becomes effective, limited to the details of any event that occurs after the last day of the new most recent business year);
- (ii) a balance sheet prepared by the corporation consolidated through a consolidation-type merger (limited to a corporation in liquidation) pursuant to the provisions of Article 225, paragraph (1) of the Act;
- (iii) the following matters concerning the corporation consolidated through a consolidation-type merger (excluding a corporation in liquidation; hereinafter the same applies in this item):
  - (a) if the disposition of any material asset, assumption of any material obligation, or any other event that would have a material influence on the state of a corporation's assets occurs after the last day of the most recent business year (if there is no most recent business year, the date of incorporation of the corporation consolidated through a consolidation-type merger) on the part of the corporation consolidated through a consolidation-type merger, the details of the event (if a new most recent

business year is to start during the period from the date of commencement for keeping a consolidation-type merger agreement until the day on which the consolidation-type merger becomes effective, limited to the details of any event that occurs after the last day of the new most recent business year); and

- (b) if the corporation consolidated through a consolidation-type merger has no most recent business year, the balance sheet as of the date of incorporation of the corporation consolidated through a consolidation-type merger;
- (iv) the matters concerning the prospects for the performance of the obligations of the corporation incorporated through a consolidation-type merger (meaning the corporation incorporated through a consolidation-type merger prescribed in Article 254, item (ii) of the Act; the same applies in Article 83, item (iii)) (excluding these obligations to be taken over from the other corporation consolidated through a consolidation-type merger, and limited to these obligations to be assumed for creditors who may state objections against the consolidation-type merger pursuant to the provisions of Article 258, paragraph (1) of the Act) on or after the day on which the consolidation-type merger becomes effective; and
- (v) if there is any change to the matters set forth in the preceding items on or after the date of commencement for keeping a consolidation-type merger agreement, the matters as changed.

(Matters Concerning Financial Statements)

Article 82 (1) The matters specified by a Ministry of Justice Order as prescribed in Article 258, paragraph (2), item (iii) of the Act are the matters specified in the following items according to the cases set forth respectively in these items, as of the date of the public notice under the provisions of that paragraph or the date of the notice under the provisions of that paragraph, whichever comes earlier:

- (i) where the corporation subject to public notice (meaning the general incorporated association, etc. set forth in Article 258, paragraph (2), item (iii) of the Act; hereinafter the same applies in this Article) has given public notice with regard to its balance sheet for the most recent business year or the summary thereof pursuant to the provisions of Article 128, paragraph (1) or paragraph (2) of the Act (including the cases where applied *mutatis mutandis* pursuant to Article 199 of the Act) (excluding the case where the corporation has given public notice by the method set forth in Article 331, paragraph (1), item (iv) of the Act): the following matters:
  - (a) if the corporation has given public notice in an Official Gazette, the date of issue of the Official Gazette and the page on which the public notice

- appears;
- (b) if the corporation has given public notice in a daily newspaper that publishes matters on current affairs, the name and the date of issue of the daily newspaper, and the page on which the public notice appears; or
  - (c) if the corporation has given public notice by means of an electronic public notice, the matters set forth in Article 301, paragraph (2), item (xv), (a) or Article 302, paragraph (2), item (xiii), (a) of the Act;
  - (ii) if the corporation subject to public notice has taken the measures prescribed in Article 128, paragraph (3) of the Act (including the case where applied *mutatis mutandis* pursuant to Article 199 of the Act) with regard to its balance sheet for the most recent business year: the matters set forth in Article 301, paragraph (2), item (xiii) or Article 302, paragraph (2), item (xi) of the Act;
  - (iii) if the corporation subject to public notice has no most recent business year: a statement to that effect;
  - (iv) if the corporation subject to public notice is a corporation in liquidation; a statement to that effect; and
  - (v) in cases other than the case set forth in the preceding items: the content of the summary of the balance sheet for the most recent business year.
- (2) The provisions of Article 50 must apply *mutatis mutandis* to the summary of the balance sheet set forth in item (v) of the preceding paragraph.

#### **Section 4 Procedures by corporation incorporated Through consolidation-type merger**

(Matters Subject to Subsequent Disclosure by Corporations Incorporated Through a Consolidation-type Merger)

Article 83 The matters specified by a Ministry of Justice Order as prescribed in Article 260, paragraph (1) of the Act are the following:

- (i) the day on which the consolidation-type merger became effective;
- (ii) the progress of the procedure under the provisions of Article 258 of the Act;
- (iii) the matters concerning important rights and obligations that the corporation incorporated through a consolidation-type merger has taken over from the corporation consolidated through a consolidation-type merger as a result of the consolidation-type merger;
- (iv) in addition to what is set forth in the preceding three items, important matters concerning the consolidation-type merger.

Article 84 The matters specified by a Ministry of Justice Order as prescribed in Article 260, paragraph (2) of the Act are the matters stated or recorded in the document or electronic or magnetic records kept by the corporation

consolidated through a consolidation-type merger pursuant to the provisions of Article 256, paragraph (1) of the Act (excluding the details of the consolidation-type merger agreement).

## **Chapter VI Miscellaneous Provisions**

### **Section 1 Litigation**

(Method of Demanding Filing of Actions to Claim Liability)

Article 85 The method specified by a Ministry of Justice Order set forth in Article 278, paragraph (1) of the Act are the submission of a document stating the following matters or provision of the matters by electronic or magnetic means:

- (i) a person to stand as a defendant; and
- (ii) the object of the claim and the facts necessary for identifying the claim.

(Method of Making Notifications of the Reason for Not Filing an Action)

Article 86 The method specified by a Ministry of Justice Order set forth in Article 278, paragraph (3) of the Act is the submission of a document stating the following matters or provision of the matters by electronic or magnetic means:

- (i) the content of the investigation conducted by the general incorporated association (including the materials used as the basis for making the determination set forth in the following item);
- (ii) the determination as to whether or not the alleged person in demand (meaning a member at incorporation, director at incorporation (meaning the director at incorporation prescribed in Article 15, paragraph (1) of the Act), officer, etc. or liquidator, who is the person set forth in item (i) of the preceding Article in relation to the demand made under the provisions of Article 278, paragraph (1) of the Act; the same applies in the following item) has any liability or obligation; and
- (iii) where the general incorporated association determines that the alleged person in demand has liability or an obligation but the association does not file an action to claim liability (meaning the action to claim liability prescribed in Article 278, paragraph (1) of the Act), the reasons for not filing the action.

### **Section 2 Registration**

Article 87 (1) The matters specified by a Ministry of Justice Order as prescribed in the provisions set forth in the following items are the characters, marks, codes, or combinations thereof, which are used to identify, on the Internet, the

portion of the automatic public transmission server that is used for performing the acts specified in the respective items, and which allows the recipient of information to inspect the content of the information and record the information in a file on the computer used by that recipient by entering the characters, marks, codes, or combinations thereof into that computer:

- (i) Article 301, paragraph (2), item (xiii) of the Act: the measure under the provisions of Article 128, paragraph (3) of the Act;
  - (ii) Article 301, paragraph (2), item (xv), (a) of the Act: an electronic public notice given by a general incorporated association;
  - (iii) Article 302, paragraph (2), item (xi) of the Act: the measure under Article 128, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 199 of the Act; and
  - (iv) Article 302, paragraph (2), item (xiii), (a) of the Act: an electronic public notice given by a general incorporated foundation.
- (2) In the cases prescribed in the provisions set forth in the following items, the matters set forth in the provisions specified in the respective items, which are to be used to receive the provision of information contained in the public notice of settlement of accounts (meaning the public notice given under the provisions of Article 128, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act; hereinafter the same applies in this paragraph)), may be registered separately from those matters which are to be used to receive the provision of information contained in a public notice other than the public notice of settlement of accounts:
- (i) Article 301, paragraph (2), item (xv) of the Act: (a) of that item; and
  - (ii) Article 302, paragraph ), item (xiii)of the Act: (a) of that item.

### **Section 3 Public Notices**

Article 88 (1) The method specified by a Ministry of Justice Order as one of the measures prescribed in Article 331, paragraph (1), item (iv) of the Act is posting the object in question at a place accessible to the public at the principal office of the general incorporated association, etc.

- (2) The public notice given by the means set forth in the preceding paragraph must be maintained by the day specified in the following items according to the types of public notice set forth respectively in these items:
- (i) a public notice under the provisions of Article 128, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act): the day on which one year has passed from the date of commencement of the public notice; and
  - (ii) a public notice under the provisions of Article 249, paragraph (2) of the Act: the effective date (meaning the effective date prescribed in Article 244, item



(ii) of the Act; hereinafter the same applies in this item) prior to the change set forth in that paragraph (if the effective date after the change precedes the effective date before the change, the effective date after the change).

#### **Section 4 Electronic or Magnetic Means and Electronic or Magnetic Records**

##### **Subsection 1 Electronic or Magnetic Means and Electronic or Magnetic Records**

(Electronic or Magnetic Records)

Article 89 The records specified by a Ministry of Justice Order as prescribed in Article 10, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 152, paragraph (3) of the Act) are those recording information in a file prepared using a magnetic disk or any other equivalent media on which certain information can be securely recorded.

(Electronic Signatures)

Article 90 (1) The measures specified by a Ministry of Justice Order as an alternative to signing or affixing the name and seal as prescribed in the following provisions is an electronic signature:

- (i) Article 10, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 152, paragraph (3) of the Act); and
- (ii) Article 95, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 and Article 221, paragraph (5) of the Act).

(2) The "electronic signature" prescribed in the preceding paragraph must mean the measure taken with regard to information that can be recorded in electronic or magnetic records, which meets all of the following requirements:

- (i) a measure to indicate that the information was created by the person who has taken the measure; and
- (ii) a measure to confirm whether or not the information has been altered.

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

Article 91 The method specified by a Ministry of Justice Order as prescribed in the following provisions is indicating on paper or on displaying on a screen the matters recorded in the electronic or magnetic records set forth in these provisions:

- (i) Article 14, paragraph (2), item (iii) of the Act;
- (ii) Article 32, paragraph (2), item (ii) of the Act;
- (iii) Article 50, paragraph (6), item (ii) of the Act;
- (iv) Article 52, paragraph (5) of the Act;

- (v) Article 57, paragraph (4), item (ii) of the Act;
- (vi) Article 58, paragraph (3), item (ii) of the Act;
- (vii) Article 97, paragraph (2), item (ii) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (viii) Article 107, paragraph (2), item (ii) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (ix) Article 121, paragraph (1), item (ii) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (x) Article 129, paragraph (3), item (iii) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (xi) Article 156, paragraph (2), item (iii) of the Act;
- (xii) Article 193, paragraph (4), item (ii) of the Act;
- (xiii) Article 194, paragraph (3), item (ii) of the Act;
- (xiv) Article 223, paragraph (2), item (ii) of the Act;
- (xv) Article 229, paragraph (2), item (iii) of the Act;
- (xvi) Article 246, paragraph (3), item (iii) of the Act;
- (xvii) Article 250, paragraph (3), item (iii) of the Act;
- (xviii) Article 253, paragraph (3), item (iii) of the Act;
- (xix) Article 256, paragraph (3), item (iii) of the Act; and
- (xx) Article 260, paragraph (3), item (iii) of the Act.

(Electronic or Magnetic Means)

Article 92 (1) The methods that use an electronic data processing system or methods that utilize any other information and communications technology which is specified by a Ministry of Justice Order as prescribed in Article 14, paragraph (2), item (iv) of the Act are the following:

- (i) a method that uses an electronic data processing system, which falls under (a) or (b):
    - (a) transmitting information via a telecommunications line that connects the computer used by the sender and the computer used by the recipient and recording the information in a file stored on the computer used by the recipient; or
    - (b) offering the content of the information which is recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line, and recording the information in a file stored on the computer used by that person who receives the provision of the information; and
  - (ii) delivering a file recording the information prepared using a magnetic disk or any other equivalent media on which certain information can be securely recorded.
- (2) The methods set forth in the items of the preceding paragraph are those that

enable the recipient to prepare documents by outputting the records to a file.

(Special Provisions for Keeping Electronic or Magnetic Records)

Article 93 The measures specified by a Ministry of Justice Order as prescribed in the following provisions are the method which uses an electronic data processing system that connects the computer used by a general incorporated association, etc. via a telecommunications line, and by which the content of the information recorded in a file stored on that computer is recorded in a file stored on the computer used at the secondary offices of the general incorporated association, etc. via a telecommunications line:

- (i) Article 14, paragraph (3) of the Act;
- (ii) Article 57, paragraph (3) of the Act;
- (iii) Article 129, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (iv) Article 156, paragraph (3) of the Act; and
- (v) Article 193, paragraph (3) of the Act.

(Electronic or Magnetic Records Provided by Inspector)

Article 94 The electronic or magnetic records specified by an Order of the Ministry of Justice as prescribed in the following provisions are electronic or magnetic recording media (limited to electronic or magnetic records) with a structure that falls under any of the items of Article 36, paragraph (1) of the Commercial Registration Order (a Ministry of Justice Order No. 23 of 1964) and electronic or magnetic records specified by the person who receives them pursuant to the following provisions:

- (i) Article 46, paragraph (4) of the Act;
- (ii) Article 86, paragraph (5) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (iii) Article 137, paragraph (4) of the Act; and
- (iv) Article 187, paragraph (4) of the Act.

(Provision by Inspector of Particulars Recorded in Electronic or Magnetic Records)

Article 95 The method specified by a Ministry of Justice Order as prescribed in the following provisions (hereinafter referred to as the "provisions on inspector provision of particulars") are the electronic or magnetic means specified by the person who receives the matters recorded in the electronic or magnetic records set forth in the respective provisions for inspector provision of particulars, pursuant to the relevant provisions:

- (i) Article 46, paragraph (6) of the Act;
- (ii) Article 86, paragraph (7) of the Act (including the cases where applied

- mutatis mutandis pursuant to Article 197 of the Act);
- (iii) Article 137, paragraph (6) of the Act; and
  - (iv) Article 187, paragraph (6) of the Act.

(Electronic or Magnetic Means Used for Giving Electronic Public Notice)

Article 96 The measures prescribed in Article 331, paragraph (1), item (iii) of the Act which is specified by a Ministry of Justice Order are the measure taken by the method set forth in Article 92, paragraph (1), item (i), (b), which uses an Automatic Public Transmission Server connected to the Internet.

(Electronic or Magnetic Means Relating to the Order for Enforcement of the General Incorporated Associations and General Incorporated Foundations Act)

Article 97 The type and details of electronic or magnetic means to be indicated pursuant to the provisions of Article 1, paragraph (1) or Article 2, paragraph (1) of the Order for Enforcement of the General Incorporated Associations and General Incorporated Foundations Act (Cabinet Order No. 38 of 2007) are the following:

- (i) any of the following methods which is used by the sender:
  - (a) the following method which uses an electronic data processing system:
    1. transmitting information via a telecommunications line that connects the computer used by the sender and the computer used by the recipient and recording the information in a file stored on the computer used by the recipient; or
    2. offering the content of the information which is recorded in a file stored on the computer used by the sender to the person who receives the provision of the information for inspection via a telecommunications line, and recording the information in a file stored on the computer used by that person who receives the provision of the information; and
  - (b) delivering a file recording the information prepared using a magnetic disk or any other equivalent media on which certain information can be securely recorded; or
- (ii) recording the information in a file.

## **Subsection 2 Use of Information and Communications Technology**

(Definitions)

Article 98 The terms used in this subsection must have the same meanings as the terms used in the Act on the Use of Information and Communications Technology in Preservation of Documents by Private Business Operators, etc. (Act No. 149 of 2004; hereinafter referred to as the "Electronic Document Act")

in this subsection).

(Designation of Type of Preservation)

Article 99 The preservation specified by Order of the competent ministry set forth in Article 3, paragraph (1) of the Electronic Document Act is the following:

- (i) the preservation of a document proving the authority of representation under the provisions of Article 50, paragraph (5) of the Act;
- (ii) the preservation of a voting cards under the provisions of Article 51, paragraph (3) of the Act;
- (iii) the preservation of the minutes of a general assembly under the provisions of Article 57, paragraph (2) of the Act;
- (iv) the preservation of a copy of the minutes of a general assembly under the provisions of Article 57, paragraph (3) of the Act;
- (v) the preservation of the document set forth in Article 58, paragraph (1) under the provisions of paragraph (2) of that Article;
- (vi) the preservation of minutes, etc. (meaning the minutes, etc. prescribed in Article 97, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act); the same applies in Article 101, items (vii) and (viii)) under the provisions of Article 97, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (vii) the preservation of the account books and materials under the provisions of Article 120, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (viii) the preservation of the financial statements (meaning the financial statements prescribed in Article 123, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act)) and the annexed detailed statements thereof, under the provisions of Article 123, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (ix) the preservation of financial statements, etc. (meaning the financial statements, etc. prescribed in Article 129, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act); hereinafter the same applies in this subsection) under the provisions of Article 129, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (x) the preservation of copies of the financial statements, etc. under the provisions of Article 129, paragraph (2) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (xi) the preservation of the minutes of a meeting of the board of councilors

- under the provisions of Article 193, paragraph (2) of the Act;
- (xii) the preservation of a copy of the minutes of a meeting of the board of councilors under the provisions of Article 193, paragraph (3) of the Act;
- (xiii) the preservation of the document set forth in Article 194, paragraph (1) of the Act under the provisions of paragraph (2) of that Article;
- (xiv) the preservation of minutes, etc. (meaning the minutes, etc. prescribed in Article 223, paragraph (1) of the Act); the same applies in Article 101, items (xiv) and (v)) under the provisions of that paragraph;
- (xv) the preservation of an inventory of assets, etc. (meaning the inventory of assets, etc. prescribed in Article 225, paragraph (1) of the Act) under the provisions of paragraph (4) of that Article;
- (xvi) the preservation of a balance sheet and the annexed detailed statements thereof under the provisions of Article 227, paragraph (3) of the Act;
- (xvii) the preservation of a balance sheet, etc. (meaning the balance sheet, etc. prescribed in Article 229, paragraph (1) of the Act; hereinafter the same applies in this subsection) under the provisions of that paragraph;
- (xviii) the preservation of accounting materials (meaning the accounting materials prescribed in Article 241, paragraph (1) of the Act) under the provisions of paragraphs (1) and (3) of that Article;
- (xix) the preservation of the document set forth in Article 253, paragraph (1) of the Act under the provisions of paragraph (2) of that Article; and
- (xx) the preservation of the document set forth in Article 260, paragraph (2) under the provisions of that paragraph.

(Method of Preservation)

Article 100 (1) Where a private business operator or other relevant party, in accordance with the provisions of Article 3, paragraph (1) of the Electronic Document Act, conducts the preservation of electronic or magnetic records relating to a document to be preserved, in lieu of preserving the document as set forth in the items of the preceding Article, the private business operator or other relevant party must conduct the preservation by reading the matters stated in the document by means of a scanner (including any equivalent image scanning device), producing electronic or magnetic records of those matters, and preserving those records in a file stored on the computer used by the private business operator or other relevant party or in a file prepared using a magnetic disk or any other equivalent media on which certain information can be securely recorded.

(2) If a private business operator or other relevant party conducts the preservation of electronic or magnetic records pursuant to the provisions of the preceding paragraph, the private business operator or other relevant party must take measures by which the matters recorded in the electronic or magnetic

records can be displayed on the computer or any other equipment used thereby, immediately and in a clear and orderly form, as well as measures by which documents can be prepared, by outputting those matters when necessary.

(Designation of Types of Public Inspections)

Article 101 The public inspection, etc. specified by Order of the competent ministry set forth in Article 5, paragraph (1) of the Electronic Document Act are the following types of public inspection, etc.:

- (i) public inspection, etc. of the articles of incorporation under the provisions of Article 14, paragraph (2), item (i) of the Act;
- (ii) public inspection, etc. of a member registry under the provisions of Article 32, paragraph (2), item (i) of the Act;
- (iii) public inspection, etc. of a document proving the authority of representation under the provisions of Article 50, paragraph (6), item (i) of the Act;
- (iv) public inspection, etc. of a voting cards under the provisions of Article 51, paragraph (4) of the Act;
- (v) public inspection, etc. of the minutes of a general assembly or a copy thereof under the provisions of Article 57, paragraph (4), item (i) of the Act;
- (vi) public inspection, etc. of the document set forth in Article 58, paragraph (2) of the Act under the provisions of paragraph (3), item (i) of that Article;
- (vii) public inspection, etc. of the minutes, etc. under the provisions of Article 97, paragraph (2), item (i) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (viii) public inspection, etc. of the minutes, etc. under the provisions of Article 97, paragraph (3) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (ix) public inspection, etc. of the account books or materials relating thereto under the provisions of Article 121, paragraph (1), item (i) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (x) public inspection, etc. of the financial statements, etc. or copies thereof under the provisions of Article 129, paragraph (3), item (i) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (xi) public inspection, etc. of the articles of incorporation under the provisions of Article 156, paragraph (2), item (i) of the Act;
- (xii) public inspection, etc. of the minutes of a meeting of the board of councilors or a copy thereof under the provisions of Article 193, paragraph (4), item (i) of the Act;
- (xiii) public inspection, etc. of the document set forth in Article 194, paragraph

- (2) of the Act under the provisions of paragraph (3), item (i) of that Article;
- (xiv) public inspection, etc. of the minutes, etc. under the provisions of Article 223, paragraph (2), item (i) of the Act;
- (xv) public inspection, etc. of the minutes, etc. under the provisions of Article 223, paragraph (4) of the Act;
- (xvi) public inspection, etc. of a balance sheet, etc. under the provisions of Article 229, paragraph (2), item (i) of the Act;
- (xvii) public inspection, etc. of the document set forth in Article 246, paragraph (1) of the Act under the provisions of paragraph (3), item (i) of that Article;
- (xviii) public inspection, etc. of the document set forth in Article 250, paragraph (1) of the Act under the provisions of paragraph (3), item (i) of that Article;
- (xix) public inspection, etc. of the document set forth in Article 253, paragraph (1) of the Act under the provisions of paragraph (3), item (i) of that Article;
- (xx) public inspection, etc. of the document set forth in Article 256, paragraph (1) of the Act under the provisions of paragraph (3), item (i) of that Article;
- and
- (xxi) public inspection, etc. of the document set forth in Article 260, paragraph (2) of the Act under the provisions of paragraph (3), item (i) of that Article.

(Method of Public Inspection)

Article 102 If a private business operator or other relevant party, in accordance with the provisions of Article 5, paragraph (1) of the Electronic Document Act, makes electronic or magnetic records relating to a document to be preserved available for public inspection, etc., in lieu of making the document available for public inspection, etc. as set forth in the items of the preceding Article, the private business operator or other relevant party must make the relevant electronic or magnetic records available for public inspection, etc. by displaying the matters subject to public inspection, etc. on a screen of the computer situated at the office of the private business operator or other relevant party or by making available for public inspection, etc. a document stating the matters recorded in the electronic or magnetic records.

(Designation of Type of Delivery)

Article 103 The delivery, etc. specified by Order of the competent ministry set forth in Article 6, paragraph (1) of the Electronic Document Act are the following types of delivery:

- (i) delivery, etc. of a transcript or extract of the articles of incorporation under the provisions of Article 14, paragraph (2), item (ii) of the Act;
- (ii) delivery, etc. of a copy of the document set forth in Article 46, paragraph (4) of the Act under the provisions of paragraph (6) of that Article;



- (iii) delivery, etc. of a copy of the document set forth in Article 86, paragraph (5) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act) under the provisions of Article 86, paragraph (7) of the Act (including the cases where applied mutatis mutandis pursuant to Article 197 of the Act);
- (iv) delivery, etc. of transcripts or extracts of the financial statement, etc. under the provisions of Article 129, paragraph (3), item (ii) of the Act (including the cases where applied mutatis mutandis pursuant to Article 199 of the Act);
- (v) delivery, etc. of a copy of the document set forth in Article 137, paragraph (4) of the Act under the provisions of paragraph (6) of that Article;
- (vi) delivery, etc. of a transcript or extract of the articles of incorporation under the provisions of Article 156, paragraph (2), item (ii) of the Act;
- (vii) delivery, etc. of a copy of the document set forth in Article 187, paragraph (4) of the Act under the provisions of paragraph (6) of that Article;
- (viii) delivery, etc. of transcripts or extracts of a balance sheet, etc. under the provisions of Article 229, paragraph (2), item (ii) of the Act;
- (ix) delivery, etc. of a transcript or extract of the document set forth in Article 246, paragraph (1) of the Act under the provisions of paragraph (3), item (ii) of that Article;
- (x) delivery, etc. of a transcript or extract of the document set forth in Article 250, paragraph (1) of the Act under the provisions of paragraph (3), item (ii) of that Article;
- (xi) delivery, etc. of a transcript or extract of the document set forth in Article 253, paragraph (1) of the Act under the provisions of paragraph (3), item (ii) of that Article;
- (xii) delivery, etc. of a transcript or extract of the document set forth in Article 256, paragraph (1) of the Act under the provisions of paragraph (3), item (ii) of that Article; and
- (xiii) delivery, etc. of a transcript or extract of the document set forth in Article 260, paragraph (2) of the Act under the provisions of paragraph (3), item (ii) of that Article.

(Method of Delivery)

Article 104 (1) If a private business operator or other relevant party, in accordance with the provisions of Article 6, paragraph (1) of the Electronic Document Act, conducts the delivery, etc. of electronic or magnetic records relating to a document subject to delivery, etc., in lieu of conducting the delivery, etc. as set forth in the items of the preceding Article, the private business operator or other relevant party must conduct the delivery, etc. by any of the following methods:

- (i) a method that uses an electronic data processing system, which falls under (a) or (b):
    - (a) the means of transmitting information via a telecommunications line that connects the computer used by the private business operator or other relevant party and the computer used by the person who receives the delivery, etc. and recording such information in a file stored on the computer used by the recipient.; or
    - (b) the means of offering the matters subject to the delivery, etc. which are recorded in a file stored on the computer used by the private business operator or other relevant party to the person who receives the delivery, etc. for inspection via a telecommunications line, and recording that matters in a file stored on the computer used by that person who receives the delivery, etc. (if the intended recipient of the delivery, etc. gives their consent to receive the delivery by the method prescribed in Article 6, paragraph (1) of the Electronic Document Act or notifies to the effect that they will not receive the delivery by the method, a method of recording to that effect in a file stored on the computer used by the private business operator or other relevant party); and
  - (ii) the means of delivering a file recording the matters subject to the delivery prepared using a magnetic disk or any other equivalent media on which certain matters can be securely recorded.
- (2) The methods set forth in the items of the preceding paragraph must be those that enable the recipient of the delivery, etc. to prepare documents by outputting the records to a file.

(Consent to Delivery)

Article 105 The type and details of a method to be indicated pursuant to the provisions of Article 2, paragraph (1) of the Order for Enforcement of the Act on the Use of Information and Communications Technology in Preservation of Documents by Private Business Operators, etc. (Cabinet Order No. 8 of 2005) are the following:

- (i) any of the methods prescribed in paragraph (1) of the preceding Article, which is used by a private business operator or other relevant party; and
- (ii) recording the information in a file.