Fishery Industry Cooperative Act

(Act No. 242 of December 15, 1948)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to promote the development of cooperative associations of fishermen and marine product processors, thereby improving their economic and social status, promoting the productivity of the fishery industry, and contributing to the overall advancement of the national economy.

(Types of Cooperatives)

Article 2 Fishery industry cooperatives (referred to as "cooperatives" in this Chapter and Chapters VII through X) mean fishery cooperatives, fishery production cooperatives, federation of fishery cooperatives, marine product processing industry cooperatives, federation of marine product processing industry cooperatives, and mutual aid insurance federation of fishery industry cooperatives.

(Name of Cooperatives)

Article 3 (1) A cooperative must use the words "fishery cooperative", "fishery production cooperative", "federation of fishery cooperatives", "marine product processing industry cooperative", "federation of marine product processing industry cooperatives", or "mutual aid insurance federation of fishery industry cooperatives" in its name.

(2) Any entity that is not a cooperative must not use the words "fishery cooperative", "fishery production cooperative", "federation of fishery cooperatives", "marine product processing industry cooperative", "federation of marine product processing industry cooperatives", or "mutual aid insurance federation of fishery industry cooperatives" in its name.

(Purpose of Cooperatives)

Article 4 The purpose of a cooperative is to provide direct support of the cooperative members or federation members through its business.

(Judicial Personality of Cooperatives)

Article 5 A cooperative is a corporation.

(Address of Cooperatives)

Article 6 The address of a cooperative is the location of its principal office.

(Relationship with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade)

Article 7 For the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) (referred to as the "Antimonopoly Act") to be applied, a cooperative is deemed to satisfy the requirements referred to in Article 22, items (i) and (iii) of the Antimonopoly Act.

(Special Provisions for Taxation on Dividends in Accordance with an Amount of Services Used)

Article 8 The amount of surplus that a cooperative (limited to a cooperative, etc. prescribed by Article 2, item (vii) of the Corporation Tax Act (Act No. 34 of 1965)) has distributed in accordance with the amount of the cooperative's services used or the percentage of engaging in the cooperative's services is included in the amount of deduction when the cooperative's amount of income for each fiscal year or the amount of consolidated income for each consolidated fiscal year as prescribed by that Act is calculated.

(Registration)

Article 9 (1) A cooperative must be registered as specified by Cabinet Order.

(2) Matters requiring registration pursuant to the preceding paragraph may not be asserted against a third party until after registration.

(Definitions)

Article 10 (1) The term "fishery" as used in this Act means the business of gathering or catching aquatic animals and plants or aquaculture, and the term "marine product processing business" means the business of producing food, feed, fertilizer, paste, oil, fats, or skins from aquatic animals and plants as raw materials or ingredients.

(2) The term "fishermen" as used in this Act means individuals engaged in fishery or individuals engaged in gathering or catching aquatic animals and plants or aquaculture for those engaged in fishery, and the term "marine product processors" means individuals engaged in the marine product processing business.

Chapter II Fishery Cooperatives

Section 1 Business

(Type of Business)

Article 11 (1) A fishery cooperative (referred to as a "cooperative" in this Chapter and Chapter IV) may engage in all or part of the following businesses:

(i) managing fishery resources and breeding aquatic animals and plants;

(ii) giving guidance on the improvement of management and technology related to fishery;

(iii) lending funds necessary for the cooperative member's business or livelihood;

(iv) accepting the cooperative member's deposit for their savings or fixed-term installment savings account;

(v) supplying goods necessary for the cooperative member's business or livelihood;

(vi) establishing shared facilities necessary for the cooperative member's business or livelihood;

(vii) transporting, processing, storing, or selling the cooperative member's catches and other products;

(viii) business related to the utilization of fishing areas (including those that promote the comprehensive utilization of fishing areas by utilizing the labor of cooperative members to ensure stable utilization relationships of fishing areas);

(ix) installing moorings, boat landing areas, fishing reefs, and other facilities necessary for the cooperative member's fishery;

(x) conducting conservation activities prescribed by Article 60, paragraph (8) of the Fishery Act (Act No. 267 of 1949) as a coastal fishing area management organization prescribed by Article 109, paragraph (1) of that Act or otherwise managing fishing areas;

(xi) business relating to prevention of shipwrecking of the cooperative members or life-saving in shipwrecking;

(xii) business relating to mutual aid insurance for the cooperative members;

(xiii) business relating to the welfare of the cooperative members;

(xiv) providing education to the cooperative members to improve their knowledge of the cooperative's business and also providing general information to them;

(xv) entering into collective bargaining agreements to improve the economic status of the cooperative members;

(xvi) acting as an insurance broker regarding insurance provided by a fishing boat insurance association or regarding mutual aid insurance provided by a fishery mutual aid insurance association or by a federation of fishery mutual aid insurance associations; and

(xvii) business incidental to the businesses referred to in the preceding items.

(2) Notwithstanding the preceding paragraph, a cooperative that does not require its members to make capital contribution (referred to as a "cooperative requiring capital contribution" in this Chapter) may not engage in the business referred to in item (iii), (iv) or (xii) of that paragraph.

(3) A cooperative engaged in the business referred to in paragraph (1), item (iv) may engage in all or part of the following businesses for the benefit of its members:

(i) discounting notes;

(ii) fund transfer transactions;

(iii) guaranteeing debts or underwriting notes;

(iii)-2 buying or selling securities or conducting other actions (limited to buying or selling securities (excluding when falling under securities-related derivative transactions prescribed by Article 28, paragraph (8), item (vi) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (referred to as "securities-related derivative transactions" in this item and item (xi))) or conducting securities-related derivative transactions that fall under the category of brokerage with written orders prescribed by Article 33-2, paragraph (2) of that Act; the same applies below);

(iv) lending securities;

(v) acquiring government bonds and other bonds (meaning government bonds, municipal bonds, corporate bonds for which the government guarantees to redeem the principal or pay the interest, and other bonds; the same applies below) (excluding the acquisition for the purpose of secondary distribution) or handling public offerings for government bonds and other bonds related to the acquisition;

(vi) handling private placement of securities (limited to the securities that fall under the category of government bonds and other bonds, and the securities stated in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act) (meaning the private placement as prescribed by Article 2, paragraph (3) of that Act; the same applies below);

(vii) acting as an agent or intermediary regarding the business (excluding the business that falls under the following item) of the Norinchukin bank or other person specified by the competent minister (excluding a person that conducts banking business prescribed by Article 2, paragraph (2) of the Banking Act (Act No. 59 of 1981) in a foreign state in accordance with the foreign laws or regulations (excluding banks and other entities prescribed by Article 4, paragraph (5) of that Act; referred to as a "foreign bank" below)) (limited to acting as an agent or intermediary as specified by the competent minister);

(vii)-2 acting as an agent or intermediary regarding the business of a foreign bank (limited to acting as an agent or intermediary for a foreign bank conducting its business in a foreign country as specified by an order of the competent ministry);

(viii) withholding money relating to the national government, local governments, companies, etc. and handling other monetary affairs;

(ix) safekeeping of securities, precious metals, and other articles;

(ix)-2 book-entry transfer business (meaning the book-entry transfer business conducted as an account management institution as prescribed by Article 2, paragraph (4) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001); the same applies below);

(x) currency exchange;

(xi) acting as an intermediary, broker, or agent for derivative transactions (meaning an intermediary, broker, or agent for derivative transactions prescribed by Article 2, paragraph (20) of the Financial Instruments and Exchange Act (excluding over-the-counter derivative transactions or securities-related derivative transactions prescribed by paragraph (22) of that Article), which is specified by an order of the competent ministry; the same applies below); and

(xii) business incidental to the businesses referred to in the preceding items.

(4) A cooperative engaged in both the businesses referred to in paragraph (1), items (iii) and (iv) may engage in the business activities prescribed by the following items regarding the securities stated in those items (excluding business conducted pursuant to the preceding paragraph), to the extent that it does not interfere with the businesses referred to in paragraph (1), items (iii) and (iv):

(i) securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act (limited to securities stated in Article 2, paragraph (1), items (i) and (ii) of that Act and securities or other bonds stated in item (v) of that paragraph for which the government guarantees to redeem the principal or pay the interest): an action specified in Article 33, paragraph (2), item (i) of that Act (in the case of an action stated in Article 2, paragraph (8), items (i) through (iii) of that Act, it is limited to buying or selling securities or conducting an action related to it);

(ii) securities stated in Article 33, paragraph (2), items (i), (iii) and (iv) of the Financial Instruments and Exchange Act (excluding securities stated in the preceding item): an action stated in Article 2, paragraph (11), items (i) through (iii) of that Act that is taken at the request and on behalf of a financial instruments business operator (meaning a financial instruments business operator as prescribed by Article 2, paragraph (9) of that Act, and limited to a person engaged in a Type I financial instruments business as prescribed by Article 28, paragraph (1) of that Act; the same applies below, except for Article 11-16, paragraph (2), Article 15-16, paragraph (2), and Article 87-2, paragraph (1), item (ii)); and

(iii) securities stated in Article 33, paragraph (2), item (ii) of the Financial Instruments and Exchange Act: an action prescribed by that item.

(5) A cooperative engaged in both the businesses referred to in paragraph (1), items (iii) and (iv) may engage in the following businesses to the extent that it does not interfere with the businesses referred to in paragraph (1), items (iii) and (iv):

(i) business related to a trust business prescribed by Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943) (hereinafter referred to below as a "trust business") that is conducted pursuant to that Act;

(ii) business related to affairs relative to trusts by the method stated in Article 3, item (iii) of the Trust Act (Act No. 108 of 2006); and

(iii) business related to an investment advisory business prescribed by Article 28, paragraph (6) of the Financial Instruments and Exchange Act.

(6) For the Trust Business Act (Act No. 154 of 2004) to be applied, a cooperative is deemed to be a company pursuant to Cabinet Order if it engages in the business referred to in item (ii) of the preceding paragraph.

(7) For the benefit of the cooperative members, a cooperative engaged in the business referred to in paragraph (1), item (xii) may act as an agent regarding the business operation of an insurance company (meaning an insurance company as prescribed by Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995); the same applies below) or other equivalent person designated by the competent minister, or substitute for their business chores (limited to the substitution specified by Order of the Ministry of Agriculture, Forestry and Fisheries).

(8) In accordance with the articles of association, a cooperative may allow a person other than its member to use its services (in the case of the services referred to in paragraph (3), item (iii) and item (iv), the services are limited to those specified by an order of the competent ministry); provided, however, that the total amount of services that can be used by persons that are neither the cooperative members nor other cooperatives' members in a single fiscal year must not exceed the total amount of services used by the cooperative members and other cooperatives' members in that fiscal year (and must not exceed the amount specified by Cabinet Order, in the case of the services specified by Cabinet Order), except for the services stated in paragraph (3), items (ii) through (x) and item (xii), paragraph (4), and the preceding paragraph.

(9) For the proviso to the preceding paragraph to be applied when the following persons use the services stated in the following items, they are deemed to be cooperative members:

(i) services referred to in paragraph (1), item (iii): a person who is in the same household with the cooperative member, or a non-profit corporation, if the cooperative lends funds to the person or non-profit corporation with their savings or fixed-term installment savings account pledged as a collateral;

(ii) services referred to in paragraph (1), item (iv): a person who is in the same household with the cooperative member, or a non-profit corporation; and

(iii) services referred to in paragraph (1), item (xii) and item (xiii): a person who is in the same household with the cooperative member.

(10) Notwithstanding paragraph (8), a cooperative may lend the following funds in accordance with the articles of association, to the extent that it does not interfere with the business for the benefit of the cooperative members:

(i) lending funds to local public entities as specified by Cabinet Order;

(ii) lending funds to a non-profit corporation of which a local public entity is the primary contributor or member, or of which a local public entity contributes the majority of the amount of the basic assets, as specified by Cabinet Order;

(iii) lending funds prescribed by Cabinet Order that are necessary for the development of industrial infrastructure or living environment in a fishing port area that the mayor of a municipality, prefectural governor, or Minister of Agriculture, Forestry and Fisheries has designated pursuant to Article 6, paragraphs (1) through (4) of the Act on Development of Fishing Ports and Areas (Act No. 137 of 1950) (referred to as a "fishing port area" below) (excluding the lending of funds stated in the preceding two items); and

(iv) lending funds to banks or other financial institutions.

(Consideration for Business)

Article 11-2 In carrying out its business, a cooperative must provide maximum consideration for the growth of fishery income while ensuring the sustainable utilization of fishery resources and the development of fishery productivity.

(Resource Management Regulations)

Article 11-3 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (i) must obtain approval from the administrative authority if the cooperative intends to provide for regulations on the matters with which the cooperative members are to comply when engaging in fishery (including the recreational fishing boat business as provided for in Article 2, paragraph (1) of the Act on the Proper Implication of the Recreational Fishing Boat Businesses (Act No. 99 of 1988); the same applies in this Article) (referred to as the "resource management regulations"), in order to appropriately managing the method and period for gathering or catching aquatic animals and plants on certain waters and other matters, and properly manage fishery resources. The same applies if the cooperative intends to make a change to the regulations.

(2) The following matters are to be provided for in the resource management regulations:

(i) an area of the waters, types of fishery resources and fishery types subject to the resource management regulations;

(ii) methods of managing fishery resources;

(iii) effective period of the resource management regulations;

(iv) matters concerning monetary sanctions in the case of violation of the resource management regulations;

(v) other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries.

(3) A cooperative that intends to obtain approval referred to in paragraph (1) (including approval of changes referred to in that paragraph; the same applies in paragraph (7)) must obtain the written consent of at least two-thirds of the cooperative members engaged in fishery covered by the resource management regulations in the waters covered by the resource management regulations, before the resolution at the general meeting under Article 48, paragraph (1), item (ii).

(4) In the case referred to in the preceding paragraph, if the articles of association provide that voting rights are to be exercised by an electronic or magnetic means (meaning a means using electronic information processing systems or other means using information and communication technologies as specified by Order of the Ministry of Agriculture, Forestry and Fisheries: the same applies below except for Article 126-4, paragraph (2), item (iii)), consent to the resource management regulations may be obtained by the electronic or magnetic means in lieu of the written consent. In this case, the cooperative is deemed to have obtained the written consent.

(5) A vote for consent to the resource management regulations obtained by an electronic or magnetic means referred to in the first sentence of the preceding paragraph (excluding the means prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries) is deemed to have reached the cooperative when it is saved in a file on a computer used by the cooperative.

(6) If the resource management agreement prescribed by Article 13, paragraph (1) of the Marine and Fisheries Resources Development Promotion Act (Act No. 60 of 1971), the rules for exercising fishery rights, or the rules for exercising rights to fish in waters belonging to another as prescribed by Article 105 of the Fishery Act (referred to as the "rules for exercising fishery rights or rights to fish in waters belonging to another" in this paragraph) have already been provided, the resource management regulations must be provided in accordance with the resource management agreement or the rules for exercising fishery rights or rights to fish in waters belonging to another.

(7) The provisions of Article 23 do not apply to monetary sanctions if the cooperative violates the resource management regulations approved under paragraph (1).

(8) Beyond what is provided for in the preceding paragraphs, matters necessary for the resource management regulations are specified by Cabinet Order.

(Minimum Amount of Total Capital Contribution)

Article 11-4 (1) The total amount of capital contribution of the cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) must be at least the amount specified by Cabinet Order depending on the categories specified by Cabinet Order.

(2) The amount specified by Cabinet Order as prescribed in the preceding paragraph must not be less than 100 million yen (or less than 10 million yen, if a cooperative satisfies the requirements by Cabinet Order regarding a number of its members (excluding cooperative members under Article 18, paragraph (5) (referred to as "associate members" in this Chapter and Chapter IV)), its geographical conditions and other particulars, or if a cooperative does not engage in the business referred to in Article 11, paragraph (1), item (iv)).

(Credit Business Provisions)

Article 11-5 (1) If a cooperative intends to engage in the business referred to in Article 11, paragraph (1), item (iv), it must provide for its credit business provisions and obtain approval from the administrative authority.

(2) The credit business provisions stated in the preceding paragraph must include or enter the information specified by an order of the competent ministry concerning its business type and implementation method regarding the credit business (meaning the business referred to in Article 11, paragraph (1), items (iii) and (iv), the business referred to in Article 11, paragraph (1), item (v) that is stated in the items of Article 87, paragraph (3) (including business incidental to that business), and the business referred to in Article 11, paragraphs (3) through (5); the same applies in Article 11-8, paragraph (1), Article 11-10, Article 11-12, paragraph (2), Article 11-17, Article 17-14, paragraph (1), paragraph (2), items (i) and (ii), and paragraph (4), Article 34, paragraphs (3), (13) and (14), Article 50, item (iii)-2, Article 54-2, paragraphs (1), (2), (4) and (7), Article 58-3, paragraphs (1) and (6), Article 118, paragraph (5), item (ii), Article 122, paragraph (2), Article 123-2, paragraphs (1) and (3), Article 126, item (xii), Article 126-3, Article 127, paragraph (1), Article 127-2, item (i), and Article 127-3, item (v)).

(3) Changes to the credit business provisions (excluding minor matters and other matters prescribed by an order of the competent ministry) or their repeal does not take effect unless approved by the administrative authority.

(4) If a cooperative makes any change to the credit business provisions regarding the matters prescribed by an order of the competent ministry as prescribed by the preceding paragraph, the cooperative must notify the administrative authority of the change without delay.

(5) An application for approval referred to in paragraphs (1) and (3) must be filed together with documents specified by an order of the competent ministry.

(Approval for Foreign Bank Agency Business)

Article 11-6 If a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) intends to engage in the business referred to in paragraph (3), item (vii)-2 of that Article, it must obtain approval from the administrative authority as prescribed by an order of the competent ministry for each foreign bank with which to enter into an agreement under which the cooperative is requested to engage in the business referred to in Article 11, paragraph (3), item (vii)-2.

(Maximum Limit for Loans to Local Governments)

Article 11-7 If a cooperative lends the funds pursuant to Article 11, paragraph (10), and the total amount of the loans to persons that are neither its members nor other cooperatives' members in a fiscal year exceeds the total amount of loans given to its members and other cooperatives' members in that fiscal year multiplied by a percentage prescribed by Cabinet Order, the cooperative must obtain approval from the administrative authority each fiscal year regarding the maximum limit for loans to the persons that are neither its members nor other cooperatives' members in that fiscal year.

(Ensuring Sound Management Related to Credit Business)

Article 11-8 (1) In order to contribute to the sound management of the credit business by a cooperative engaged in the business stated in Article 11, paragraph (1), item (iv), the competent minister may provide for the following standards and other standards for the cooperative to determine the soundness of its management:

(i) the standards to determine whether the cooperative has adequate capital considering its assets or other items;

(ii) the standards to determine whether the cooperative, its subsidiary, and other companies having a special relationship with the cooperative as prescribed by an order of the competent ministry have adequate capital considering their assets or other items; and

(iii) the standards to determine whether the method of appropriating the cooperative's surplus is appropriate.

(2) The term "subsidiary" as used in the preceding paragraph means a company of which a cooperative has more than 50 percent of the voting rights vested in all shareholders or equity holders (meaning the voting rights vested in all shareholders or all equity holders; the same applies below) (in the case of a stock company, those voting rights exclude the voting rights affixed to the shares which do not entitle the holders to vote on all matters on which a resolution may be reached at a general meeting of shareholders, and include the voting rights affixed to the shares that are deemed to have voting rights pursuant to Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); the same applies in this Article, Article 17-15, Article 87-2, Article 87-3, Article 100-3, Article 101, Article 122, and Article 130, paragraph (1), item (l)). In this case, a company is deemed to be a subsidiary of the cooperative, if the cooperative and one or more of its subsidiaries have more than 50 percent of the voting rights vested in all shareholders or equity holders of the company, or if one or more subsidiaries of the cooperative have more than 50 percent of the voting rights vested in all shareholders or equity holders of the company.

(3) In the case referred to in the preceding paragraph, voting rights vested in a cooperative or its subsidiary do not include the voting rights relating to shares or equity held by the cooperative or subsidiary as assets in trust relating to a trust of cash or securities (limited to voting rights which the settlor or beneficiary is entitled to exercise or entitled to instruct the cooperative or subsidiary to exercise) and other voting rights prescribed by an order of the competent ministry, and include the voting rights that relate to shares or equity in trust, and that the cooperative or subsidiary is entitled to exercise as a settlor or beneficiary, or entitled to give instructions for exercising as a settlor or beneficiary (excluding the voting rights prescribed by an order of the competent ministry), and voting rights relating to shares on which priority may not be claimed over the issuer pursuant to the provisions of Article 147, paragraph (1) or Article 148, paragraph (1) of the Act on the Transfer of Corporate Bonds, Shares, etc.

(Prohibition of Name Lending)

Article 11-9 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must not allow another person to engage in the business of lending funds, accepting a deposit for a savings or fixed-term installment savings account, discounting notes, or conducting fund transfer transactions under the cooperative's name.

(Actions Prohibited in Connection with Credit Business)

Article 11-10 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must not take any of the following actions in relation to the credit business (excluding the actions stated in item (iv) in relation to the business of entering into a specified savings agreement prescribed by the following Article):

(i) providing false information to the user;

(ii) providing the user with a definitive judgment on an uncertain matter, or telling the user something that may mislead the user into believing it to be certain;

(iii) extending credit or promising to extend credit to the user on condition that the user conducts a transaction with the cooperative, with a specified relevant person of the cooperative (meaning a subsidiary of the cooperative (meaning a subsidiary as prescribed by Article 11-8, paragraph (2); the same applies in Article 11-14, paragraph (2), Article 17-14, Article 17-15, Article 34, paragraph (13), item (ii), Article 39, paragraph (5) and Article 58-2, paragraph (2)), a specified credit agent (meaning a specified credit agent as prescribed by Article 106, paragraph (3); the same applies in Article 11-16, paragraph (1)) for whom the cooperative is the principal cooperative (meaning a principal cooperative as prescribed by Article 106, paragraph (3); the same applies in Article 11-16, paragraph (1)), or any other person having a special relationship with the cooperative as prescribed by Cabinet Order; the same applies in Article 11-15), or with any other person having a close relationship with the cooperative as prescribed by an order of the competent ministry (excluding actions specified by an order of the competent ministry as being not likely to fail to protect the users); and

(iv) in addition to what is stated in the preceding three items, actions specified by an order of the competent ministry as likely to fail to protect the users.

(The Provisions of Mutatis mutandis application of the Financial Instruments and Exchange Act That Apply Mutatis Mutandis to Entering into Specified Savings Agreements)

Article 11-11 The provisions of Chapter III, Section 1, Subsection 5 of the Financial Instruments and Exchange Act (excluding Article 34-2, paragraphs (6) through (8) and Article 34-3, paragraphs (5) and (6)), Section 2, Subsection 1 of that Chapter (excluding the following: Articles 35 through 36-4; Article 37, paragraph (1), item (ii); Article 37-2; Article 37-3, paragraph (1), items (ii) and (vi) and paragraph (3); Article 37-5; Article 37-7; Article 38, items (i),(ii), (vii), and (viii); Article 38-2; the proviso to Article 39, paragraph (3); Article 39, paragraphs (4), (6), and (7); and Articles 40-2 through 40-7), and Article 45 of that Act (excluding items (iii) and (iv)) apply mutatis mutandis to a specified savings agreement with a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) (the specified savings agreement means an agreement under which the cooperative accepts a deposit for a specified savings account; the same applies in Article 109 (the specified savings mean the savings or fixed-term installment savings specified by an order of the competent ministry with a risk of loss of their principal due to fluctuations in interest rates, currency prices, market prices in the financial instruments market prescribed by Article 2, paragraph (14) of that Act, or other indicators; the same applies in paragraph (1) of the following Article)). In this case, in these provisions, the term "financial instruments transaction contract" is deemed to be replaced with "specified savings agreement", and the term "financial instruments business" is deemed to be replaced with "business for entering into a specified savings agreement"; the term "Cabinet Office Order" in these provisions (excluding the provisions of the main clause of Article 39, paragraph (3) of that Act) is deemed to be replaced with "an order of the competent ministry"; the term "financial instruments transaction" in these provisions (excluding the provisions of Article 34 of that Act) is deemed to be replaced with "entering into a specified savings agreement"; the term "a contract for the financial instruments business operator, etc. to perform an act that constitutes a financial instruments transaction (meaning an act as set forth in the items of Article 2, paragraph (8); the same applies hereinafter) with the customer as the other party or on behalf of the customer" in Article 34 of that Act is deemed to be replaced with "a specified savings agreement prescribed by Article 11-11 of the Fishery Industry Cooperative Act"; the phrase "must deliver a document stating the following particulars to the customer in advance, pursuant to the provisions of Cabinet Office Order'' in Article 37-3, paragraph (1) of that Act is deemed to be replaced with "must deliver a document stating the following particulars to the customer pursuant to the provisions of an order of the competent ministry, and provide the customer with the details of the specified savings agreement and other information that is to serve as a reference for persons having savings or fixed-term installment savings account (referred to as "account holders" in this paragraph) in order to contribute to their protection, pursuant to the provisions of an order of the competent ministry"; in Article 39, paragraph (1), item (i) of that Act, the phrase "a purchase and sale or other transactions of securities (excluding a purchase and sale with a repurchase agreement and a permitted repurchase price, and other transactions specified by Cabinet Order) or a derivative transaction (collectively referred to as a 'purchase and sale or other transaction of securities, etc.' in this Article)" is deemed to be replaced with "entering into a specified savings agreement", the phrase "securities or derivative transactions (collectively referred to as 'securities, etc.' in this Article)" is deemed to be replaced with "specified savings agreements ", the phrase "customer (if a trust company, etc. (meaning a trust company or a financial institution that has obtained the authorization referred to in Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institutions; the same applies hereinafter) conducts the purchase and sale of securities or a derivatives transaction on the account of a person that establishes a trust based on a trust contract, this includes the person that establishes the trust; the same applies in this Article)" is deemed to be replaced with "user", and the phrase "to supplement its profits" is deemed to be replaced with "to supplement its profits other than as under the specified savings agreement"; in Article 39, paragraph (1), item (ii) of that Act, the phrase "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified savings agreement", the term "securities, etc." is deemed to be re placed with "specified savings agreement", and the phrase "will add to the profits that the customer has accrued in connection with those securities, etc." is deemed to be replaced with "will add to the profits that the customer has accrued in connection with the specified savings agreement, other than as under the specified savings agreement"; in Article 39, paragraph (1), item (iii) of that Act, the phrase "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified savings agreement", the term "securities, etc." is deemed to be replaced with "specified savings agreement", and the phrase "to add to the profit that the customer has accrued in connection with those securities, etc." is deemed to be replaced with "to add to the profit that the customer has accrued in connection with the specified savings agreement, other than as under the specified savings agreement"; in Article 39, paragraph (2) of that Act, the phrase "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified savings agreement"; in Article 39, paragraph (3) of that Act, the phrase "which is specified by Cabinet Office Order as a potential cause of" is deemed to be replaced with "which may cause"; in Article 45-2 of that Act, the phrase "Articles 37-2 through 37-6, Article 40-2 paragraph (4), and Article 43-4" is deemed to be replaced with "Article 37-3 (limited to the part relating to the delivery of documents as referred to in paragraph (1) and excluding paragraph (1), items (ii) and (vi), and paragraph (3)), Article 37-4, and Article 37-6"; and necessary technical replacement of terms is specified by Cabinet Order.

(Provision of Information to Account Holders)

Article 11-12 (1) If a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) accepts a deposit for a savings or fixed-term installment savings account (excluding the acceptance of a deposit for a specified savings account), the cooperative must provide the details of an agreement related to savings or fixed-term installment savings and other information that is to serve as a reference to a person having a savings or fixed-term installment savings account (referred to as an "account holder" in this paragraph and Article 110, paragraph (2), item (ii)) in order to contribute to the protection of the account holder, in accordance with the provisions of an order of the competent ministry.

(2) In addition to what is provided for in the preceding Article, the preceding paragraph, and other laws, a cooperative referred to in the preceding paragraph must explain important matters related to the credit business to the users, properly handle the information acquired on the users in relation to the credit business, appropriately carry out the credit business when requesting a third party to engage in the credit business, and take other measures to ensure the sound and appropriate operations, in accordance with the provisions of an order of the competent ministry.

(Obligation to Enter Into an Agreement with a Designated Credit Business Dispute Resolution Organization)

Article 11-13 (1) A cooperative engaged in the businesses referred to in Article 11, paragraph (1), item (iv) must take the measures stated in the following items in accordance with the categories of cases stated in those items:

(i) when there is a designated credit business dispute resolution organization (meaning the designated credit business dispute resolution organization prescribed in Article 120, paragraph (1); the same applies in this Article): entering into a master agreement for implementation of dispute resolution procedures with a designated credit business dispute resolution organization (the agreement means a master agreement for implementation of dispute resolution procedures as prescribed by Article 108, paragraph (1), item (viii); the same applies in paragraph (3) of this Article and Article 15-15, paragraph (1), items (i) and (iii)) in relation to a credit business or its related business (meaning a credit business or its related business as prescribed by Article 118, paragraph (5), item (ii); the same applies in the following item);

(ii) when there is no designated credit business dispute resolution organization: taking measures for processing grievances and dispute resolution measures in relation to a credit business or its related business.

(2) In the preceding paragraph, the meanings of the terms stated in the following items are as prescribed in those items:

(i) measures for processing grievances: giving advice or guidance to employees and other workers engaged in processing grievances from the users through a person specified by an order of the competent ministry as having expert knowledge and experience in consumer affairs, including consultation relating to grievances between consumers and businesses; or taking measures prescribed by an order of the competent ministry as equivalent to the above-mentioned action;

(ii) dispute resolution measures: resolving disputes with users through certified dispute resolution procedures (meaning the certified dispute resolution procedures as prescribed by Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies in Article 15-15, paragraph (2), item (ii)); or taking measures prescribed by an order of the competent ministry as equivalent to the above-mentioned action.

(3) If a cooperative referred to in paragraph (1) takes measures to enter into a master agreement for implementation of dispute resolution procedures pursuant to that paragraph, the cooperative must publicize the trade name or the name of the designated credit business dispute resolution organization with which to enter into the master agreement.

(4) The provisions of paragraph (1) do not apply during the period specified in the following items in accordance with the categories of the cases stated in those items:

(i) when the case stated in paragraph (1), item (i) has come to fall under item (ii) of that paragraph: a period specified by the competent minister as necessary to take the measures specified in paragraph (1), item (ii) at the time of approval of discontinuation of the dispute resolution services (meaning dispute resolution services as prescribed by Article 118, paragraph (5), item (i); the same applies in the following item and Article 15-15, paragraph (4), items (i) and (ii)) under Article 52-83, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or at the time of revocation of the designation under Article 52-84, paragraph (1), item (ii) of that Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act;

(ii) when, in the case stated in paragraph (1), item (i), a designated credit business dispute resolution organization referred to in that item is approved to discontinue its dispute resolution service pursuant to the provisions of Article 52-83, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or its designation under Article 118, paragraph (1) is revoked pursuant to the provisions of Article 52-84, paragraph (1) of that Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act (excluding the cases stated in the preceding item): a period specified by the competent minister as necessary to take the measures specified in paragraph (1), item (i) at the time of that approval or revocation; and

(iii) when the case stated in paragraph (1), item (ii) has come to fall under item (i) of that paragraph: a period specified by the competent minister as necessary to take the measures specified by item (i) of that paragraph at the time of designation as a designated credit business dispute resolution organization under Article 118, paragraph (1).

(Extending Credit to the Same Person)

Article 11-14 (1) An amount of credit or financial contribution (meaning credit or financial contribution specified by Cabinet Order (including those equivalent to credit or financial contribution); the same applies in this Article) that is to be extended or made to the same person (including any person having a special relationship with the same person as specified by Cabinet Order; the same applies in this Article) by a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must not exceed the amount of the cooperative's capital multiplied by a percentage specified by Cabinet Order (referred to as a "maximum amount of credit or contribution" in this Article), depending on the categories specified by Cabinet Order; provided, however, this does not apply if the amount of credit or financial contribution exceeds its maximum amount due to a merger of a person receiving the credit or financial contribution, their joint incorporation-type company split (meaning an incorporation-type company split in which a corporation jointly conducts a company split with another corporation), their absorption-type company split, or their acquisition of business, or there are other unavoidable reasons specified by Cabinet Order, and if the cooperative obtains approval from the administrative authority.

(2) If the cooperative referred to in the preceding paragraph has a subsidiary other than a company specified by an order of the competent ministry, or has a special relationship with any other person as specified by an order of the competent ministry (the subsidiary and the other person are referred to as a "subsidiary or other affiliated person" in this Article), the total amount of credit or financial contribution extended or made to the same person either by both the cooperative and its subsidiary or other affiliated person or by the subsidiary or other affiliated person solely must not exceed the net total of the capital amount of the cooperative and its subsidiary or other affiliated person multiplied by a percentage specified by Cabinet Order (referred to as the "combined maximum amount for credit or contribution" in this Article), depending on the categories specified by Cabinet Order. In this case, the provisions of the proviso to the preceding paragraph apply mutatis mutandis.

(3) The provisions of the preceding two paragraphs do not apply to extending or making the following credit or financial contribution:

(i) credit to the national government and local governments, credit for which the government guarantees to redeem the principal or pay the interest, or other equivalent credit or financial contribution specified by Cabinet Order; and

(ii) credit or financial contribution extended or made by a cooperative, its subsidiary or other affiliated person to a person recognized as the cooperative, subsidiary or other affiliated person itself in reality, or other credit or financial contribution specified by Cabinet Order.

(4) In the case referred to in paragraph (2), if the total amount of the credit or financial contribution extended or made to the same person either by both a cooperative and its subsidiary or other affiliated person or by the subsidiary or other affiliated person solely exceeds the combined maximum amount for credit or contribution, the amount of the excessive portion is deemed to be extended or made solely by the cooperative.

(5) If a cooperative referred to in paragraph (1) or its subsidiary or other affiliated person extends credit or makes financial contribution under any name or in any manner whatsoever for the purpose of evading the application of the main clause of paragraph (1) or the first sentence of paragraph (2), and any person other than the intended beneficiary receives the credit or financial contribution in reality, the credit or financial contribution is deemed to be extended or made to the person receiving it in reality, and those provisions apply.

(6) Beyond what is provided for in the preceding paragraphs, the method of calculating the amount of credit or financial contribution, the amount of the capital prescribed in paragraph (1), the maximum amount for credit or contribution, the net total of the capital amount prescribed in paragraph (2), and the combined maximum amount for credit or contribution and other matters necessary for the application of paragraphs (1) and (2) are prescribed by an order of the competent ministry.

(Transactions with Specified Relevant Persons)

Article 11-15 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) must not engage in the following transactions or take the following actions in connection with its specified relevant person or the service user of that person; provided, however, that this does not apply if there are unavoidable reasons as prescribed by an order of the competent ministry for the transaction or action, and if the cooperative obtains approval from the administrative authority:

(i) a transaction with the specified relevant person as prescribed by an order of the competent ministry as a transaction with the terms which cause the cooperative to suffer a loss, when compared with the ordinary terms of the cooperative's transactions;

(ii) a transaction or action in connection with the specified relevant person or with the service user of that person, which is equivalent to the transaction stated in the preceding item and is provided for by an order of the competent ministry as likely to impair the cooperative in performing the sound and proper business operations.

(Establishment of a System for the Protection of the Interests of Users in Connection with Credit Business)

Article 11-16 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must establish a system for properly managing information concerning the business or services of the cooperative, a specified credit agent for whom the cooperative is the principal cooperative, or the cooperative's subsidiary financial institution or other prescribed person (limited to the business stated in item (iii) or (iv) of that paragraph, the specified credit agency business as prescribed by Article 106, paragraph (2), and other business or services prescribed by an order of the competent ministry) and appropriately monitoring the status of implementation of the businesses or services, and take other necessary measures pursuant to the provisions of an order of the competent ministry, in order to ensure that the interests of the users or customers relating to the business or services are not unjustifiably infringed in connection with the transactions conducted by the cooperative, the specified credit agent, the subsidiary financial institution or other prescribed person.

(2) The term "subsidiary financial institution or other prescribed person" referred to in the preceding paragraph means a person of which a cooperative holds a majority of the voting rights vested in all shareholders or equity holders or any other person designated by Cabinet Order as having a close relationship with the cooperative, such as a bank, financial instruments business operator (meaning a financial instruments business operator as prescribed by Article 2, paragraph (9) of the Financial Instruments and Exchange Act; the same applies in Article 15-16, paragraph(2)), insurance company, or other person engaged in financial business as specified by Cabinet Order.

(Separate Accounting)

Article 11-17 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must separate its accounting for credit business from its accounting for other businesses.

(Issuance of Warehouse Receipts)

Article 12 (1) A cooperative engaged in the storage business stated in Article 11, paragraph (1), item (vii) may issue warehouse receipts for the deposited goods of its members with the approval of the competent minister.

(2) A cooperative approved under the preceding paragraph must issue warehouse receipts for the deposited goods upon the demand of the depositor.

(3) The provisions of Articles 601 through 608 and Articles 613 and 614 of the Commercial Code (Act No. 48 of 1899) apply mutatis mutandis to warehouse receipts referred to in paragraph (1).

(4) The provisions of Article 8, paragraph (2), Article 12, Article 22 and Article 27 of the Warehousing Business Act (Act No. 121 of 1956) apply mutatis mutandis to the case referred to in paragraph (1). In this case, the term "Minister of Land, Infrastructure, Transport and Tourism" in these provisions is deemed to be replaced with "the competent minister", and the term "standards referred to in Article 6, paragraph (1), item (iv)" in Article 12 of that Act is deemed to be replaced with "standards specified by an order of the competent ministry".

(Matters to be Contained in Warehouse Receipts)

Article 13 (1) Warehouse receipts prepared by a cooperative approved under paragraph (1) of the preceding Article must contain the words "warehouse receipts" together with the name of the cooperative.

(2) Warehouse receipts prepared by a person who is not a cooperative must not contain the words "Fishery Cooperative Warehouse Receipt".

(Period of Custody of Deposited Goods)

Article 14 (1) The period of custody of deposited goods for which a cooperative has issued warehouse receipts is six months from the date of deposit.

(2) The period of custody of the deposited goods referred to in the preceding paragraph may be renewed for a period of up to six months; provided, however, that if a person holding the warehouse receipts at the time of renewal is not a cooperative member, it is renewed unless there is no impediment to the use of the warehouse by a cooperative member.

(The Provisions of the Commercial Code That Apply Mutatis Mutandis)

Article 15 The provisions of Articles 609 through 612 and 615 through 617 of the Commercial Code apply mutatis mutandis to the issuance of warehouse receipts by a cooperative.

(Mutual Aid Insurance Provisions)

Article 15-2 (1) If a cooperative intends to engage in the business referred to in Article 11, paragraph (1), item (xii), the cooperative must provide for the mutual aid insurance provisions stating the matters prescribed by Order of Ministry of Agriculture, Forestry and Fisheries regarding the types and implementation methods of its mutual aid insurance business (meaning the business referred to in that item (including business incidental to that business) and the business referred to in Article 11, paragraph (7); the same applies below), mutual aid insurance agreements, mutual aid insurance premiums, and methods for calculating the amount of policy reserves, and must obtain approval from the administrative authority.

(2) Changes to the mutual aid insurance provisions (excluding minor matters and other matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries) or their repeal does not take effect unless approved by the administrative authority.

(3) If a cooperative makes changes to the mutual aid insurance provisions regarding the matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in the preceding paragraph, the cooperative must notify the administrative authority of the change without delay.

(Standards to Determine the Soundness of Management Relating to Mutual Aid Insurance Business)

Article 15-3 In order to contribute to the sound management of the mutual aid insurance business by a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii), the competent minister may use the following amounts and provide for the standards to determine whether a cooperative has an adequate ability to pay mutual aid insurance proceeds, refunds, and other benefits (referred to as "mutual aid insurance proceeds or other amounts" below), and other standards for the cooperative to determine the soundness of its management:

(i) the total amount of the total capital contribution, the retained earnings reserves and other amounts prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries; and

(ii) the amount calculated as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as the amount reserved for corresponding to any risk that may occur due to an accident covered by a mutual aid insurance agreement or due to any other reason, but exceeds what is normally expected.

(Withdrawal of Application or Cancelation of a Mutual Aid Insurance Agreement)

Article 15-4 (1) A person that has applied for a mutual aid insurance agreement with a cooperative engaged in the business referred to in Article 11, paragraph (1), item (vii), or a mutual aid insurance policyholder that has entered into a mutual aid insurance agreement with the cooperative (referred to as "applicant or policyholder" in this Article) may withdraw the application or cancel the mutual aid insurance agreement in writing (referred to as "withdrawal of application or cancelation" in this Article), except for the following cases:

(i) the applicant or policyholder has received a document including information concerning withdrawal of application or cancelation of the mutual aid insurance agreement pursuant to the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries, and eight days have passed since the latter of either the date of the issuance of the document or the date of the application;

(ii) the period covered by the mutual aid insurance agreement is one year or less;

(iii) the applicant or policyholder is obligated to become a party to the mutual aid insurance agreement by laws and regulations;

(iv) the applicant or policyholder has applied for the mutual insurance agreement at an office of the cooperative or its mutual aid insurance agent (meaning a person that acts as an agent or intermediary for the cooperative entering into a mutual aid insurance agreement at the request of the cooperative, and is not an officer or employee of the cooperative; the same applies below) or at a place prescribed by Order or the Ministry of Agriculture, Forestry and Fisheries; or

(v) other cases prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) In the case referred to in item (i) of the preceding paragraph, in lieu of issuing a document under that item, a cooperative referred to in that paragraph may use an electronic or magnetic means to provide the information to be included in the document with the consent of the applicant or policyholder in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries. In this case, the cooperative that has used the electronic or magnetic means to provide the information to be included in the document is deemed to have issued the document.

(3) If the information to be to be included in the document as prescribed by paragraph (1), item (i) is provided by an electronic or magnetic means referred to in the first sentence of the preceding paragraph (excluding the means prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in Article 11-3, paragraph (5)) in lieu of being provided by the document, the information is deemed to have reached the applicant or policyholder when the information is saved in a file on a computer used by the applicant or policyholder.

(4) The withdrawal of application or cancelation of a mutual aid insurance agreement takes effect when the document relating to the withdrawal or cancelation is issued.

(5) In the case of withdrawal of application or cancellation of a mutual aid insurance agreement, a cooperative referred to in paragraph (1) may not demand the applicant or policyholder make any payments such as damages or penalties due to the withdrawal or cancelation; provided, however, that, if a mutual aid insurance agreement is cancelled pursuant to the provisions of that paragraph, this does not apply to the amount of mutual aid insurance premiums prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as the premiums to be paid for the period until the cancellation.

(6) In the case of withdrawal of application or cancellation of a mutual aid insurance agreement, if a cooperative referred to in paragraph (1) has received any payments in connection with the application or agreement, the cooperative must promptly return the payments to the applicant or policyholder; provided, however, that this does not apply to the amount prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in the proviso to the preceding paragraph which are received as advance payment of mutual aid insurance premiums in connection with the agreement.

(7) In the case of withdrawal of application or cancellation of a mutual aid insurance agreement, if a mutual aid insurance agent has already received any payments in connection with the agreement, the agent must promptly return the payments to the applicant or policyholder.

(8) If a mutual aid insurance agent has made any payments such as damages to a cooperative referred to paragraph (1) in connection with the withdrawal of application or cancelation of a mutual aid insurance agreement, the mutual aid insurance agent may not demand the withdrawing or cancelling person make any payments such as damages to the agent in connection with what the agent has paid.

(9) If the bases for mutual aid insurance proceeds payment have already existed at the time of withdrawal of application or cancelation of a mutual aid insurance agreement, the withdrawal or cancellation does not take effect; provided, however, that this does not apply if the withdrawing or cancelling person has known that the bases for mutual aid insurance proceeds payment have already existed at the time of withdrawal or cancelation.

(10) Any special provisions contrary to paragraph (1) and paragraphs (4) through preceding Article are invalid if they are detrimental to the applicant's or policyholder's interests.

(Provision of Information to Mutual Aid Insurance Policyholders or Relevant Persons)

Article 15-5 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) or its mutual aid insurance agent must provide the details of a mutual aid insurance agreement or other information that is to serve as a reference for a mutual aid insurance policyholder, person covered by the mutual insurance policy, person who is to receive the mutual aid insurance proceeds, or other persons concerned (collectively referred to as a "mutual aid insurance policyholder or relevant person" below) pursuant to the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries for their protection, in relation to the following actions: entering into a mutual aid insurance agreement; acting as an agent or intermediary regarding a mutual aid insurance agreement; soliciting a person to become a party to an agreement for mutual aid group insurance (meaning mutual aid group insurance under which an organization or its representative is made the policyholder, and persons belonging to the organization are made the persons covered by the insurance policy; the same applies below), into which the cooperative or its mutual aid insurance agent has entered or for which they have acted as an agent or intermediary; or other actions that the cooperative or its mutual aid insurance agent takes in order to have a person become a party to an agreement for mutual aid group insurance (the other actions mentioned above include actions to have a person become a party to an agreement for mutual aid group insurance, which are taken by a person other than those acting as an agent or intermediary regarding the agreement, and do not include actions to have a person become a party to an agreement for mutual aid group insurance, when a mutual aid group insurance policyholder or a person having a special relationship with the policyholder as specified by Order of the Ministry of Agriculture, Forestry and Fisheries takes those actions in the case specified by Order of the Ministry of Agriculture, Forestry and Fisheries in which the person becoming a party to the agreement is expected to be provided with the necessary information by the policyholder in an appropriate manner; the same applies in the following Article and Article 15-9); provided, however, that this does not apply to the case prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as being not likely to fail to protect a mutual aid insurance policyholder or relevant person.

(2) The provisions of the preceding paragraph do not apply to entering into a specified mutual aid insurance agreement as prescribed by Article 15-12.

(3) If a mutual aid insurance agent intends to act as an agent or intermediary for a cooperative entering into a mutual aid insurance agreement, the mutual aid insurance agent must clarify the following matters to the users in advance:

(i) the name of the cooperative requesting the mutual aid insurance agent to act as an agent or intermediary when entering into a mutual aid insurance agreement;

(ii) whether the mutual aid insurance agent enters into a mutual aid insurance agreement as an agent or acts as an intermediary for the cooperative entering into a mutual aid insurance agreement; and

(iii) other matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Understanding the Intentions of Users)

Article 15-6 With the understanding of the intentions of the users and in accordance with the intentions, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) or its mutual aid insurance agent must make a proposal for a mutual aid insurance agreement to be entered into or otherwise reached (meaning when the user enters into a mutual aid insurance agreement or becomes a party to the agreement; the same applies in this Article), explain the details of the agreement, and provide an opportunity in which the users can confirm whether the details of the agreement reflect their intentions, when the agreement is entered into or otherwise reached, in relation to the following actions: entering into a mutual aid insurance agreement; acting as an agent or intermediary regarding a mutual aid insurance agreement; soliciting a person to become a party to an agreement for mutual aid group insurance, into which the cooperative or its mutual aid insurance agent has entered or for which they have acted as an agent or intermediary; or other actions that the cooperative or its mutual aid insurance agent takes in order to have a person become a party to an agreement for mutual aid group insurance; provided, however, that this does not apply to the cases prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as being not likely to fail to protect a mutual aid insurance policyholder or relevant person.

(Measures Related to Business Operations)

Article 15-7 In addition to what is provided for in this Act and other laws, a mutual aid insurance agent must explain important matters to the users in relation to operation of their business when acting as an agent or intermediary regarding a mutual aid insurance agreement, or otherwise take measures to ensure the sound and appropriate operation of their business pursuant to the provisions of Order of the Ministry of Agriculture, and Fisheries (the business mentioned above includes the business related to actions to have a person becoming a party to an agreement for mutual aid group insurance for which the mutual aid insurance agent has acted as an agent or intermediary, and other business closely related to acting as an agent or intermediary regarding a mutual aid insurance agreement).

(Prohibition of a Self-dealing Agreement)

Article 15-8 (1) A mutual aid insurance agent must not act as an agent or intermediary mainly for purpose of a mutual aid insurance agreement under which the mutual aid insurance agent is made the policyholder or person covered by the insurance policy (this agreement is referred to as a "self-dealing agreement" in the following paragraph).

(2) For the provisions of the preceding paragraph to be applied, a mutual aid insurance agent is deemed to be acting as an agent or intermediary mainly for the purpose of a self-dealing agreement, if the total mutual aid insurance premium amount calculated as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries for the self-dealing agreements for which the mutual aid insurance agent has acted as an agent or intermediary exceeds 50% or more of the total mutual aid insurance premium amount calculated as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries for all the mutual aid insurance agreements for which the mutual aid insurance agent has acted as an agent or intermediary.

(Actions Prohibited in Relation to Entering into a Mutual Aid Insurance Agreement)

Article 15-9 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) or its mutual aid insurance agent must not take the actions stated in the following items (the actions are limited to those stated in item (i) (limited to when related to a person covered by the mutual aid insurance policy) in relation to soliciting a person to become a party to an agreement for mutual aid group insurance or in relation to other actions taken in order to have a person become a party to the agreement; and the actions include neither the failure to provide the mutual aid insurance policyholder or person covered by the mutual aid insurance policy with the important matters included in the terms of the mutual aid insurance agreement that would affect their decision-making, nor the actions stated in item (iv) in relation to entering into a specified mutual aid insurance agreement as prescribed by Article 15-12), in relation to entering into a mutual aid insurance agreement, in relation to acting as an agent or intermediary regarding a mutual aid insurance agreement, in relation to soliciting a person to become a party to an agreement for mutual aid group insurance into which the cooperative or its mutual aid insurance agent has entered or for which they have acted as an agent or intermediary, or in relation to other actions taken in order to having a person become a party to an agreement for mutual aid group insurance; provided, however, that this does not apply to failure to provide the important matters stated in item (i) in the cases prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in the proviso to Article 15-5, paragraph (1):

(i) providing false information to the mutual aid insurance policyholder or person covered by the mutual aid insurance policy, or failing to provide them with the important matter included in the terms of the mutual aid insurance agreement that would affect their decision-making;

(ii) recommending the mutual aid insurance policyholder or person covered by the mutual aid insurance policy to provide false information to the cooperative regarding the important matters;

(iii) preventing the mutual aid insurance policyholder or person covered by the mutual aid insurance policy from providing the cooperative with the important facts, or recommending them to fail to provide the cooperative with the important facts; or

(iv) beyond what is provided for in the preceding three items, actions prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as likely to fail to protect the mutual aid insurance policyholders or relevant persons.

(The Provisions of the Insurance Business Act That Apply Mutatis Mutandis to Mutual Aid Insurance Agents)

Article 15-10 (1) The provisions of Article 303, Article 304, Article 305, paragraph (1), Article 306, and Article 307, paragraph (1) (limited to the part relating to item (iii)) of the Insurance Business Act apply mutatis mutandis to a mutual aid insurance agent. In this case, in Article 303 of that Act, the term "Cabinet Office Order" is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries" and the phrase "limited to a large-sized agent specified by Cabinet Office Order; in case of a life insurance agent, limited to a person entrusted from a life insurance company or a person who received re-entrustment from the relevant person, or in case of a small amount and short term insurance agent, limited to a person entrusted from a small amount and short term insurer a person who received re-entrustment from the relevant person" is deemed to be replaced with "limited to a large-sized agent specified by Order of the Ministry of Agriculture, Forestry and Fisheries"; in Article 304 of that Act, the term "Cabinet Office Order" is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries", the phrase "within three months" is deemed to be replaced with "within three months (on within two weeks from the date on which a regular general meeting is closed, in the case of a fishery cooperative)", and the term "the Prime Minister" is deemed to be replaced with "the administrative authority"; in Article 305, paragraph (1) and Article 306, the term "the Prime Minister" is deemed to be replaced with "the administrative authority"; in Article 307, paragraph (1), the term "the Prime Minister" is deemed to be replaced with "the administrative authority" and the phrase "revoke the registration under Article 276 or 286, or order total or partial suspension of its business for a period not exceeding six months if a specified insurance agent or an insurance broker falls under any of the following items" is deemed to be replaced with "order a specified insurance agent or an insurance broker to be suspended from acting as an agent or intermediary regarding a mutual aid insurance agreement for a period not exceeding six months if they fall under item (iii)".

(2) The provisions of Article 311 of the Insurance Business Act apply mutatis mutandis to the officials who enter the office, question the relevant persons, or inspect the relevant status or documents pursuant to the provision of Article 305, paragraph (1) of that Act as applied mutatis mutandis pursuant to the preceding paragraph.

(Prohibition of a Cooperative from Requesting Another Person to Act as an Agent When Entering into a Specified Mutual Aid Insurance Agreement)

Article 15-11 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must not request a mutual aid insurance agent to act as an agent or intermediary when entering into a specified mutual aid insurance agreement as prescribed by the following Article.

(The Provisions of the Financial Instruments and Exchange Act That Apply Mutatis Mutandis to Entering into the Specified Mutual Aid Insurance Agreements)

Article 15-12 The provisions of Chapter III, Section 1, Subsection 5 of the Financial Instruments and Exchange Act (excluding Article 34-2, paragraphs (6) through (8), Article 34-3, paragraphs (5) and (6)) and Section 2, Subsection 1 (excluding Articles 35 through 36-4, Article 37, paragraph (1), item (ii), Article 37-2, Article 37-3, paragraph (1), items (ii) and (vi) and paragraph (3), Articles 37-5 through 37-7, Article 38, items (i), (vii) and (viii), Article 38-2, the proviso to Article 39, paragraph (3), Article 39, paragraphs (4), (6), and (7), Articles 40-2 through 40-7) and Article 45 (excluding items (iii) and (iv)) apply mutatis mutandis to a specified mutual aid insurance agreement with a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) (the specified mutual aid insurance agreement means an agreement prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries with a risk of a deficit due to fluctuations in interest rates, currency prices, market prices in the financial instruments market prescribed in Article 2, paragraph (14) of that Act, or other indicators (the risk of a deficit refers to a risk as a result of total mutual aid insurance premium payments exceeding a total of mutual aid insurance proceeds and other amounts received as under a mutual aid insurance agreement)). In this case, in these provisions, the term "financial instruments transaction contracts" is deemed to be replaced with "specified mutual aid insurance agreements", and the term "financial instruments business" is deemed to be replaced with "business of entering into a specified mutual aid insurance agreement"; the term "Cabinet Office Order" in these provisions (excluding the main clause of Article 39, paragraph (3) of that Act) is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; the term "an act that constitutes a financial instruments transaction" in the provisions of these provisions (excluding Article 34 of that Act) is deemed to be replaced with "entering into a specified mutual aid insurance agreement"; and the phrase "an act that constitutes a financial instruments transaction (meaning an action stated in the items of Article 2, paragraph (8)) with or for a customer" in Article 34 of that Act is deemed to be replaced with "a specified mutual aid agreement prescribed by Article 15-12 of the Fishery Industry Cooperative Act"; and the phrase "must deliver a document stating the following particulars to the customer in advance, pursuant to the provisions of Cabinet Office Order" in Article 37-3, paragraph (1) of that Act is deemed to be replaced with "must deliver a document stating the following particulars to the customer in advance, pursuant to the provisions of Order of Ministry of Agriculture, Forestry and Fisheries, and must also provide the details of a mutual aid insurance agreement or other information that is to serve as a reference for a mutual aid insurance policyholder or relevant person (meaning a mutual aid insurance policyholder or relevant person as prescribed by Article 15-5, paragraph (1) of the Fishery Industry Cooperative Act; the same applies below) in order to contribute to their protection, pursuant to the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries"; in Article 39, paragraph (1), item (i) of that Act, the phrase "a purchase and sale or other transaction of securities (excluding a purchase and sale with a repurchase requirement and a predetermined repurchase price, and other transactions specified by Cabinet Order) or a derivatives transaction (hereinafter collectively referred to as a 'purchase and sale or other transaction of securities, etc.' in this Article)" is deemed to be replaced with "entering into a specified mutual aid insurance agreement", and the phrase "the securities or derivatives transaction (hereinafter collectively referred to as "securities, etc." in this Article)" is deemed to be replaced with "the specified mutual aid insurance agreement", the term "the customer (if a trust company, etc. (meaning a trust company or a financial institution that has obtained the authorization referred to in Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution; the same applies hereinafter) conducts the purchase and sale of securities or a derivatives transaction on the account of a person that establishes a trust based a trust contract, this includes the person that establishes the trust; hereinafter the same applies in this Article)" is deemed to be replaced with "the user", the term "a loss" is deemed to be replaced with "a loss (meaning the amount arrived at when the total amount of mutual aid insurance proceeds and other amounts (meaning mutual aid insurance proceeds and other amounts prescribed by Article 15-3 of the Fishery Industry Cooperative Act) are deducted from the total amount of mutual aid premiums, if the user's total mutual aid insurance premium payments exceed the total mutual aid insurance proceeds and other amounts received as under the mutual aid insurance agreement)", and the phrase "to supplement its profits" is deemed to be replaced with "to supplement its profits other than as under the specified mutual aid insurance agreement"; in item (ii) of that paragraph, the term "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified mutual aid insurance agreement", the term "securities, etc." is deemed to be replaced with "the specified mutual aid insurance agreement", and the phrase "to add to the profits that" is deemed to be replaced with "to add to the profits other than as under the specified mutual aid insurance agreement, which"; in item (iii) of that paragraph, the term "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified mutual aid insurance agreement", the term "securities, etc." is deemed to be replaced with "the specified mutual aid insurance agreement", and the phrase "to add to the profit that" is deemed to be replaced with "to add to the profit other than as under the specified mutual aid insurance agreement, which"; in paragraph (2) of that Article, the term "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified mutual aid insurance agreement", and the phrase "which is specified by Cabinet Office Order as a potential cause of" is deemed to be replaced with "which may cause"; in Article 45, item (ii), the phrase "Articles 37-2 through 37-6, Article 40-2, paragraph (4), and Article 43-4" is deemed to be replaced with "Article 37-3 (limited to the part relating to the matters stated in the items of paragraph (1), and excluding items (ii) and (vi) of that paragraph, and paragraph (3)), Article 37-4"; and the necessary technical replacement is specified by Cabinet Order.

(Liability for Damage Caused by Mutual Aid Insurance Agents)

Article 15-13 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) is liable to compensate for any damage that its mutual aid insurance agent has caused to a mutual aid insurance policyholder when acting as an agent or intermediary for the cooperative entering into a mutual aid insurance agreement.

(2) The provisions of the preceding paragraph do not apply if the cooperative referred to in the preceding paragraph has paid due attention when requesting the mutual aid insurance agent to act as an agent or intermediary for the cooperative, and the cooperative has also tried to prevent any damage to the mutual aid insurance policyholder by the mutual aid insurance agent when acting as an agent or intermediary for the cooperative entering into the mutual aid insurance agreement.

(3) The provisions of paragraph (1) do not preclude the cooperative referred to in that paragraph from exercising its right to indemnification from its mutual aid insurance agent.

(4) The provisions of Articles 724 and 724-2 of the Civil Code (Act No. 89 of 1896) apply mutatis mutandis to the right to claim damages under paragraph (1).

(Measures to Ensure the Appropriate Operation of Mutual Aid Insurance Business)

Article 15-14 In addition to what is provided for by this Act and other laws, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must explain important matters related to the mutual aid insurance business to the users, properly handle information acquired on the users in relation to the mutual aid insurance business, appropriately carry out the mutual aid insurance business when requesting a third party to engage in the mutual aid insurance business, and take other measures to ensure sound and appropriate operations, in accordance with the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries.

(Obligation to Enter Into an Agreement With a Designated Mutual Aid Insurance Business Dispute Resolution Organization)

Article 15-15 (1) A cooperative engaged in the businesses referred to in Article 11, paragraph (1), item (xii) must take the measures stated in the following items in accordance with the categories of cases stated in the item:

(i) when there is a designated mutual aid insurance business dispute resolution organization (meaning the designated mutual aid insurance business dispute resolution organization as prescribed in Article 121, paragraph (1); the same applies in this Article): entering into a master agreement for implementation of dispute resolution procedures with a designated mutual aid insurance business dispute resolution organization in relation to a mutual aid insurance business or its related business (meaning a mutual aid business insurance business or its related business as prescribed in Article 118, paragraph (5), item (iii); the same applies in the following item); and

(ii) when there is no designated mutual aid insurance business dispute resolution organization: taking measures for processing grievances and dispute resolution measures in relation to a mutual aid insurance business or its related business.

(2) In the preceding paragraph, the meanings of the terms stated in the following items are as prescribed in those items:

(i) measures for processing grievances: giving advice or guidance to employees and other workers engaged in processing grievances from users (including a mutual aid insurance policyholder or relevant person other than the users; the same applies in the following item) through a person specified by Order of the Ministry of Agriculture, Forestry and Fisheries as having expert knowledge and experience in consumer affairs, including consultation relating to grievances between consumers and businesses; or taking measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as equivalent to the above-mentioned action; and

(ii) dispute resolution measures: resolving disputes with users through certified dispute resolution procedures; or taking measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as equivalent to the above-mentioned action.

(3) If a cooperative referred to in paragraph (1) takes measures to enter into a master agreement for implementation of dispute resolution procedures pursuant to that paragraph, the cooperative must publicize the trade name or the name of the designated mutual aid insurance business dispute resolution organization with which to enter into the master agreement.

(4) The provisions of paragraph (1) do not apply during the period specified in the following items in accordance with the categories of the cases stated in the items:

(i) when the case stated in paragraph (1), item (i) has come to fall under item (ii) of that paragraph: a period specified by the Minister of Agriculture, Forestry and Fisheries as necessary to take the measures specified in paragraph (1), item (ii) at the time of approval of discontinuation of the dispute resolution services under Article 308-23, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or at the time of revocation of the designation under Article 308-24, paragraph (1) as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act;

(ii) when, in the case stated in paragraph (1), item (i), a designated mutual insurance business dispute resolution organization referred to in that item is approved to discontinue its dispute resolution service pursuant to Article 308-23, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or its designation under Article 118-24, paragraph (1) of that Act is revoked pursuant to the provisions of Article 308-24, paragraph (1) as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act (excluding the cases stated in the preceding item): a period specified by the Minister of Agriculture, Forestry and Fisheries as necessary to take the measures specified in paragraph (1), item (i) at the time of that approval or revocation; and

(iii) when the case stated in paragraph (1), item (ii) has come to fall under item (i) of that paragraph: a period specified by the Minister of Agriculture, Forestry and Fisheries as necessary to take the measures specified in item (i) of that paragraph at the time of designation as a designated mutual aid business dispute settlement organization under Article 118, paragraph (1).

(Establishment of a System for the Protection of the Interests of Users in Connection with Mutual Aid Insurance Business)

Article 15-16 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must establish a system for properly managing information concerning the business or services of the cooperative or its subsidiary financial institution or other prescribed person (limited to the business referred to in that item, and other business or services prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries) and appropriately monitoring the status of implementation of the business or services, and take other necessary measures in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries, in order to ensure that the interests of the users or customers relating to the business or services are not unjustifiably infringed in connection with the transactions conducted by the cooperative, the subsidiary financial institution or other prescribed person.

(2) The term "subsidiary financial institution or other prescribed person" referred to in the preceding paragraph means a person of which a cooperative holds a majority of the voting rights vested in all shareholders or equity holders or any other person designated by Cabinet Order as having close relationship with the cooperative, such as an insurance company, bank, financial instruments business operator, or other person engaged in financial business as specified by Cabinet Order.

(Policy Reserves)

Article 15-17 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must set aside policy reserves at the end of each fiscal year pursuant to Order of the Ministry of Agriculture, Forestry and Fisheries in order to be in a position to provide for the future performance obligated under the mutual aid insurance agreement.

(Reserves for Accounts Payable)

Article 15-18 At the end of each fiscal year, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must set aside reserves for accounts payable in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries, if any mutual aid insurance proceeds or other amounts are obliged to be paid under the mutual aid insurance agreement or otherwise in an equivalent state prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, and if any funds have not been allocated for their disbursement.

(Reserves for Price Fluctuation)

Article 15-19 (1) At the end of each fiscal year, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must set aside reserves for price fluctuation, if its assets classified under an account for mutual aid insurance business pursuant to Article 15-21 contain assets specified by Order of the Ministry of Agriculture, Forestry and Fisheries as those that may cause a loss due to price fluctuations (the contained assets are referred to as "specified assets" in the following paragraph); provided, however, that, if the cooperative has obtained approval from the administrative authority for being released from setting aside all or part of the reserves, this does not apply to the amounts so approved.

(2) A cooperative must not use reserves for price fluctuation referred to in the preceding paragraph, unless the cooperative's loss due to buying, selling or other actions related to specified assets (meaning loss due to buying, selling, re-rating, fluctuations in foreign exchange rates, and redeeming) exceeds the cooperative's profit arising from buying, selling or other actions related to specified assets (meaning profits arising from buying, selling, re-rating, fluctuations in foreign exchange rates, and redeeming), and the cooperative uses the reserves to cover the difference between the profit and loss; provided, however, that, this does not apply if the cooperative has obtained approval form the administrative authority.

(Distribution to Mutual Aid Insurance Policyholders)

Article 15-20 (1) If a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) provides distribution to mutual aid insurance policyholders (the provision of the distribution refers to distributing amounts of money to mutual aid insurance policyholders, if the mutual insurance aid insurance provisions have prescribed that the cooperative distributes all or part of the gain yielded from the investment of the mutual aid insurance premiums or the money received as the mutual aid insurance premiums, if the gain cannot be allocated for payment of mutual aid insurance proceeds and other amounts, expenditure of business expenses, or payment of other expenses; the same applies below), the cooperative must provide distribution in accordance with the standards prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as those for fair and equitable distribution.

(2) Matters necessary for setting aside reserves or otherwise necessary for providing distribution to mutual aid insurance policyholders are prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Separate Accounting)

Article 15-21 A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must separate its accounting for the mutual aid insurance business from its accounting for other businesses.

(Special Accounts)

Article 15-22 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must establish a special account only for the assets to be used for policy reserves in connection with mutual aid insurance agreements prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, which is separately from other assets (referred to as a "special account" in the following paragraph).

(2) Except as provided by Order of the Ministry of Agriculture, Forestry and Fisheries, a cooperative referred to in the preceding paragraph must not engage in the following actions:

(i) transferring assets recorded under a special account to an account other than the special account or to any another special account

(ii) transferring assets other than the assets recorded under a special account to the special account.

(Restrictions on the Method of Investing Assets)

Article 15-23 A cooperative engaged in the businesses referred to in Article 11, paragraph (1), item (xii) must not invest its assets classified under an account for mutual aid insurance business pursuant to Article 15-21, except in a manner prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Appointment of a Mutual Aid Insurance Actuary)

Article 15-24 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) (excluding a cooperative satisfying the requirements prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries) must appoint a mutual aid insurance actuary at a meeting of its board of directors (or at its supervisory committee meeting, in the case of a cooperative with supervisory committee members as prescribed by Article 34-2, paragraph (4)) and have the actuary engage in matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries related to the actuarial calculation for mutual aid insurance such as a method for calculating mutual aid insurance premiums or other matters.

(2) A mutual aid insurance actuary must satisfy the requirements specified by Order of the Ministry of Agriculture, Forestry and Fisheries for persons having the necessary knowledge and experience regarding actuarial calculation for mutual aid insurance.

(Duties of a Mutual Aid Insurance Actuary)

Article 15-25 (1) At the end of each fiscal year, a mutual aid insurance actuary must confirm the following matters as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, and must submit a written opinion including the accounting results to the board of directors:

(i) whether the policy reserves for mutual aid insurance agreements as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries are set aside based on sound actuarial calculation for mutual aid insurance;

(ii) whether distribution is provided to the mutual aid insurance policyholders in a fair and equitable manner; and

(iii) other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) If a mutual aid insurance actuary submits the written opinion referred to in the preceding paragraph to the board of directors, the actuary must submit its copy to the administrative authority without delay.

(3) The administrative authority may request a mutual aid insurance actuary to explain the copy of the written opinion referred to in the preceding paragraph and also give opinions on other actuary matters relevant to actuary's duties.

(4) Beyond what is provided for in the preceding three paragraphs, matters necessary for the written opinion referred to in paragraph (1) are prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Dismissal of a Mutual Aid Insurance Actuary)

Article 15-26 If a mutual aid insurance actuary violates this Act or any disposition by the administrative authority based on this Act, the administrative authority may order the cooperative to dismiss the mutual aid insurance actuary.

(Effect of Collective Bargaining Agreements)

Article 16 (1) A collective bargaining agreement referred to in Article 11, paragraph (1), item (xv) takes effect when it is in writing.

(2) If the details of an agreement entered into by a cooperative member are in violation of the provisional standards prescribed by a collective bargaining agreement referred to in the preceding paragraph, the details are substituted for by the provisional standards for the portion of the agreement that is in violation of the provisional standards.

(Management of Fishery)

Article 17 (1) A cooperative may engage in fishery and any incidental business in addition to the businesses prescribed by Article 11, if the cooperative requires its members to make capital contribution pursuant to Article 19, paragraph (1), and its members and persons in the same household with them account for one-third or more of the persons to be regularly engaged in the cooperative's fishery or any incidental business.

(2) In order for a cooperative to engage in fishery pursuant to the preceding paragraph, the written consent of two-thirds or more of its members is required.

(3) In the case referred to in the preceding paragraph, if the articles of association provide for voting by an electronic or magnetic means, consent to engage in the fishery may be obtained by the electronic or magnetic means in lieu of the written consent. In this case, the cooperative is deemed to have obtained the written consent.

(4) If a cooperative engaged in fishery and any incidental business pursuant to the preceding three paragraphs no longer satisfies the condition referred to in paragraph (1), it must notify the administrative authority to that effect and change its articles of association as necessary to discontinue the businesses, without delay. In that case, the cooperative may continue its businesses until the articles of association are changed.

Section 2 Amendments to the Terms of Mutual Aid Insurance Agreements

(Proposal for an Amendment to the Terms of an Agreement)

Article 17-2 (1) Upon facing a possibility to discontinue the mutual aid insurance business due to the status of its business operations or assets, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (vii) may propose to the administrative authority an amendment to the terms of its mutual aid insurance agreement (excluding agreements not subject to an amendment) such as reduction of the mutual aid insurance proceeds (referred to as an "amendment to the terms of an agreement" below).

(2) If a cooperative referred to in the preceding paragraph makes a proposal referred to in that paragraph, the cooperative must state in writing that it would be possible to discontinue the mutual aid insurance business without an amendment to the terms of its agreement and it is unavoidable to make the amendment for the protection of its mutual aid insurance policyholders or relevant persons, together with the reasons.

(3) If the administrative authority finds that there are reasonable grounds for a proposal referred to in paragraph (1), the administrative authority is to approve the proposal.

(4) The "agreement not subject to an amendment" prescribed by paragraph (1) means a mutual aid insurance agreement for which an accident to be covered by it has already occurred on or before the base date of an amendment to the terms of its agreement (this agreement is limited to an agreement that is to expire upon paying out mutual aid insurance proceeds for an accident covered by it), and other mutual aid insurance agreements specified by Cabinet Order.

(Suspension of Business)

Article 17-3 If the administrative authority grants approval under paragraph (3) of the preceding Article and finds it necessary for the protection of mutual aid insurance policyholders or relevant persons, the administrative authority may order the cooperative to suspend its business relating to cancellation of a mutual aid insurance agreement or take other necessary measures within a specified period.

(Restrictions on an Amendment to the Terms of an Agreement)

Article 17-4 (1) An amendment to the terms of an agreement must not affect any rights under a mutual aid agreement in connection with policy reserves to be set aside until the base date of the amendment.

(2) An assumed interest rate serving as a basis for calculating mutual aid insurance proceeds and other amounts subject to an amendment to the terms of an agreement must not be less than a rate prescribed by Cabinet Order, in consideration of the status of asset investment and other circumstances regarding a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) from the standpoint of protecting mutual aid insurance policyholders or relevant persons.

(Resolution to Amend the Terms of an Agreement)

Article 17-5 (1) If a cooperative engaged in the business stated in Article 11, paragraph (1), item (xii) intends to amend the terms of its agreement, the cooperative must obtain approval under Article 17-2, paragraph (3) and pass a resolution on the amendment at a general meeting.

(2) The provisions of Article 50 apply mutatis mutandis to a resolution referred to in the preceding paragraph.

(3) For a resolution referred to in paragraph (1), a cooperative referred to in that paragraph must issue notification referred to in Article 47-5, paragraph (1) or (2), stating the unavoidable grounds for the amendment to the terms of the agreement, details of the amendment, the projected status of the business operations and assets after the amendment, matters related to servicing debts to creditors other than mutual aid insurance policyholders or relevant persons, matters related to management responsibility, and other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries, in addition to the purpose of the general meeting.

(4) For a resolution referred to in paragraph (1), if there is a policy concerning distribution to mutual aid insurance policyholders or other payments under a mutual aid insurance agreement subject to an amendment to the terms, the details of the policy must be stated in the notification referred to in the preceding paragraph.

(5) The details of the policy referred to in the preceding paragraph must be included or entered in the articles of association.

(Provisional Resolution on an Amendment to the Terms of an Agreement)

Article 17-6 (1) Notwithstanding Article 50 (including as applied mutatis mutandis pursuant to paragraph (2) of the preceding Article), a resolution referred to in paragraph (1) of the preceding Article and a resolution on the matters referred to in Article 50, paragraph (1), item (i), (ii) or (iii)-2, introduced together with the aforementioned resolution, may be reached provisionally by two-thirds or more of the votes cast by the cooperative members present at a general meeting.

(2) If a resolution is reached provisionally pursuant to the preceding paragraph (the resolution is referred to as a "provisional resolution" in this Article), a notice of a summary of the provisional resolution must be given to the cooperative members (excluding associate members), and the general meeting must be convened again within one month of the date of the provisional resolution.

(3) If the provisional resolution is approved at the general meeting convened again as referred to in the preceding paragraph by the same percentage of votes as provided in paragraph (1), a formal resolution is deemed to have been reached on the matters provisionally resolved, at the time of the approval at the general meeting convened again.

(Keeping Documents Related to Amendments to the Terms of Agreements)

Article 17-7 (1) From two weeks before the date of adaptation of a resolution referred to in Article 17-5, paragraph (1) until the date of public notice under Article 17-13, paragraph (1), a director of a cooperative engaged in the business referred to in Article 11, paragraph(1), item (xii) must keep documents or electronic or magnetic records stating the following information at each office (the electronic or magnetic records mean records that are created by an electronic means, magnetic means, or other means that cannot be recognized by human perception, and that are specified by Order of the Ministry of Agriculture, Forestry and Fisheries as used for information processing by computers; the same applies below): the unavoidable grounds for an amendment to the terms of an agreement; details of the amendment ; the projected status of the business operations and assets after the amendment; matters related to servicing debts to creditors other than mutual aid insurance policyholders and relevant persons; matters related to management responsibility; other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries; and a policy referred to in Article 17-5, paragraph (4), if the policy has been prepared.

(2) At any time during the business hours of a cooperative, any of its members or mutual aid insurance policyholders may make the following demands to the cooperative director; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or policyholder to inspect the documents referred to in the preceding paragraph;

(ii) a demand for delivering a transcript or extract of the documents referred to in the preceding paragraph;

(iii) a demand for allowing the member or policyholder to inspect the information that is entered in the electronic or magnetic record referred to in the preceding paragraph and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries; or

(iv) a demand for providing the information entered in the electronic or magnetic records referred to in the preceding paragraph by an electronic or magnetic method as determined by the cooperative, or a demand for delivering a document including the relevant information.

(3) A cooperative member or mutual aid insurance policyholder must pay the expenses determined by the cooperative in order to make a demand stated in item (ii) or (iv) of the preceding paragraph.

(Mutual Aid Insurance Investigators)

Article 17-8 (1) If the administrative authority has given approval under Article 17-2, paragraph (3) and has also found it necessary, the administrative authority may appoint a mutual aid insurance investigator and have the investigator investigate the details of the amendment to the terms of the agreement or other matters.

(2) In the case referred to in the preceding paragraph, the administrative authority must specify the matters to be investigated by a mutual aid insurance investigator and the time limit by which the results of the investigation should be reported to the administrative authority.

(3) The administrative authority may dismiss a mutual aid insurance investigator if it finds that the investigator is not properly conducting the investigation.

(4) The provisions of Article 60 and Article 61, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999) apply mutatis mutandis to a mutual aid insurance investigator. In this case, the term "court" in the paragraph is deemed to be replaced with "administrative authority".

(5) The expenses and remuneration referred to in Article 61, paragraph (1) of the Civil Rehabilitation Act as applied mutatis mutandis pursuant to the preceding paragraph is to be borne by a cooperative with the approval under Article 17-2, paragraph (3) (referred to as a "cooperative subject to investigation" below).

(Investigation by a Mutual Aid Insurance Investigator)

Article 17-9 (1) A mutual aid insurance investigator may require the officers, counselors, and other employees of the cooperative subject to the investigation or the persons who have served in the above-mentioned positions to report the status of the business operations and assets of the cooperative subject to the investigation (in the case of the persons who have served in the above-mentioned positions, the status to be reported is limited to that which they were able to known while they were engaged in the business of the cooperative subject to the investigation), or may inspect the books, documents, and other items of the cooperative subject to the investigation.

(2) If necessary to perform their duties, a mutual aid insurance investigator may contact government offices, public organizations or other persons for confirmation, or request their cooperation.

(Obligation of Confidentiality of a Mutual Aid Insurance Investigator)

Article 17-10 (1) A mutual aid insurance investigator must not divulge any secrets that come to the investigator's knowledge in the course of their duties. The same applies even after the mutual aid insurance investigator has retired from the position.

(2) If the mutual aid insurance investigator is a corporation, its officers and employees who are engaged in the duties of the mutual aid insurance investigator must not divulge any secrets that come to their knowledge in the course of their duties. The same applies even after the officers or employees have ceased to engage in the duties of the mutual aid insurance investigator.

(Approval for an Amendment to the Terms of an Agreement)

Article 17-11 (1) If a resolution referred to in Article 17-5, paragraph (1) is reached (including when a resolution referred to in Article 17-5, paragraph (1) is deemed to have been reached pursuant to Article 17-6, paragraph (3)), a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must seek approval from the administrative authority without delay for any amendments to the terms of its agreement as under the resolution.

(2) The administrative authority must not give the approval referred to in the preceding paragraph unless the cooperative has already taken the necessary measures to continue its mutual aid insurance business, and the amendment to the terms of the agreement as under the resolution referred to in Article 17-5, paragraph (1) is found still necessary for the cooperative to continue its mutual aid insurance business and also appropriate from the standpoint of protecting the mutual aid insurance policyholders or relevant persons.

(Notification of Amendments to the Terms of Agreements and Filing of Objections)

Article 17-12 (1) If a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) has obtained approval referred to in paragraph (1) of the preceding Article, it must issue public notice regarding essential details of an amendment to the terms of an agreement as under a resolution referred to in Article 17-5, paragraph (1), and notify the mutual aid insurance policyholders affected by the amendment (referred to as "persons holding insurance policy subject to an amendment" in this Article) of the details in writing, within two weeks of the date of the approval.

(2) In the case referred to in the preceding paragraph, a document referred to in the preceding paragraph must be accompanied by documents showing the unavoidable grounds for an amendment to the terms of an agreement, documents stating the projected status of business operations and assets after the amendment, documents stating matters related to servicing debts to creditors other than the mutual aid insurance policyholders or relevant persons, documents showing matters related to management responsibility, other documents specified by Order of the Ministry of Agriculture, Forestry and Fisheries, and, if a policy referred to in Article 17-5, paragraph (4) is prepared, documents stating the details of that policy, and must indicate that a person holding insurance policy subject to the amendment should raise an objection within a certain period, if there is any objection.

(3) The period referred to in the preceding paragraph must not be less than one month.

(4) The terms of an agreement must not be amended if one-tenth or more of all persons holding insurance policy subject to the amendment have raised objections within a period referred to in paragraph (2), and an amount specified by Order of the Ministry of Agriculture, Forestry and Fisheries as equivalent to the claims under the mutual aid insurance agreements by the persons raising the objections accounts for one-tenth or more of the total amount of the claims under the agreements by all persons holding insurance policy subject to the amendment.

(5) If either a number of persons holding insurance policy subject to an amendment who have raised objections within a period referred to in paragraph (2) or an amount of their claims specified by the Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in the preceding paragraph does not exceed a percentage specified in the preceding paragraph, all the persons holding insurance policy subject to the amendment are deemed to have approved the amendment to the terms of the agreement.

(Public Notice Regarding an Amendment to the Terms of an Agreement)

Article 17-13 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) must issue public notice regarding an amendment to the terms of its agreement and other matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries without delay after the amendment. The same applies if the cooperative has decided not to amend the terms of the agreement.

(2) A cooperative referred to in the preceding paragraph must notify its mutual aid insurance policyholders of the details of the rights and obligations under the mutual aid insurance agreements after the amendment to the terms, within three months after the amendment.

Section 3 Subsidiaries

(Scope of Subsidiaries)

Article 17-14 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) must not acquire as its subsidiary a company engaged in the business equivalent to a specified business or engaged in the services appended, incidental or related to a specified business, except for a domestic company that exclusively engages in the services stated in the following items (if the domestic company engages in the services stated in item (i), it is limited to either of the following companies: a company exclusively engaged in the services appended to the credit business, in aiding the business or services of the cooperative or other person specified by an order of the competent ministry similar to the cooperative; or any other company engaged in its services mainly in aiding the cooperative's business; the domestic company exclusively engaging in the services stated in the following items as mentioned above is referred to as a "subsidiary candidate" in paragraph (3)):

(i) services prescribed by an order of the competent ministry as appended to a specified business conducted by the cooperative (referred to as "appended services" in paragraph (4) of this Article and paragraph (1) of the following Article); or

(ii) services prescribed by an order of the competent ministry (or by Order of the Ministry of Agriculture, Forestry and Fisheries, in the case of the cooperative stated in item (iii) of the following paragraph) as incidental or related to the following businesses: the business referred to in Article 11, paragraph (1), items (iii), (iv) or (xii), in the case of a cooperative stated in item (i) of the following paragraph; the business referred to in Article 11, paragraph (1), item (iii) or (iv), in the case of a cooperative stated in item (ii) of the following paragraph; or the business referred to in Article 11, paragraph (1), item (xii), in the case of a cooperative stated in item (iii) of the following paragraph.

(2) The term "specified business" as prescribed by the preceding paragraph means the business stated in the following items depending on the categories of a cooperative stated in the relevant item:

(i) a cooperative engaged in both the businesses referred to in Article 11, paragraph (1), items (iv) and (xii): credit business or mutual aid insurance business;

(ii) a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) (excluding a cooperative stated in the preceding item): credit business; and

(iii) a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) (excluding a cooperative stated in item (i)): mutual aid insurance business.

(3) The provisions of paragraph (1) do not apply if a cooperative referred to in that paragraph acquires as its subsidiary a company other than the subsidiary candidates upon the cooperative's or its subsidiary's exercising their security interests and acquiring shares or equity of that company, or due to any other event specified by an order of the competent ministry; provided, however, that the cooperative must take necessary measures to ensure that the company held as its subsidiary ceases to be its subsidiary by the day on which one year has elapsed from the date of the relevant event.

(4) In the case referred to in paragraph (1), the standards to judge whether a company is engaging in the appended services (excluding services appended to a credit business) mainly in aiding a cooperative's business are to be determined by the competent minister, in consideration of the percentage of the income from the appended services to the cooperative in relation to the total income from the appended services provided by the company.

(Restrictions on Acquisition of Voting Rights)

Article 17-15 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) or its subsidiary must not acquire or hold the voting rights of a domestic company (excluding a company exclusively engaged in the appended services or services stated in paragraph (1), item (ii) of the preceding Article; the same applies in this Article) that falls under the category of a specified business company (meaning a company engaged in the business equivalent to the specified business (meaning the specified business prescribed by paragraph (2) of the preceding Article; the same applies in this paragraph) or engaged in the business appended, incidental or related to the specified business; the same applies in this Article), in excess of the threshold number of the voting rights in total (meaning one-tenth of a total number of the voting rights vested in all shareholders or equity holders of the domestic company falling under the category of a specified business company; the same applies in this Article).

(2) The provisions of the preceding paragraph do not apply if a cooperative referred to in the preceding paragraph or its subsidiary acquires or holds the voting rights of a domestic company falling under the category of a specified business company in excess of the threshold number of the voting rights due to having acquired the shares or equity in that company upon exercising their security interests, or due to any other event specified by an order of the competent ministry; provided, however, that the cooperative or its subsidiary must not hold the portion of the voting rights acquired or held in excess of the threshold number of the voting rights in total, for a period exceeding one year from the date on which the cooperative acquired or held the voting rights, unless the cooperative has obtained approval from the administrative authority in advance.

(3) In the case of the proviso to the preceding paragraph, if a cooperative referred to in paragraph (1) or its subsidiary acquires or holds more than fifty percent of the voting rights vested in all shareholders or equity holders of a domestic company falling under the category of a specified business company, the approval granted by the administrative authority as prescribed by the preceding paragraph does not cover the portion of the voting rights that exceeds fifty percent of the voting rights vested in all shareholders or equity holders; and the approval granted by the administrative authority must be conditioned upon the cooperative's or its subsidiary's promptly disposing of the portion of the voting rights acquired or held in excess of the threshold number of the voting rights.

(4) Notwithstanding paragraph (1), in the cases stated in the following items, even if a cooperative referred to in paragraph (1) or its subsidiary holds the voting rights of a domestic company falling under the category of a specified business company in excess of the threshold number of the voting rights on a date stated in the following items, the cooperative or subsidiary may retain the voting rights in excess of the threshold number on and after that date; provided, however, that the administrative authority must not grant the approval stated in the following items, if the cooperative or subsidiary holds more than fifty percent of the voting rights vested in all shareholders or equity holders of a domestic company falling under the category of a specified business company in total in the cases stated in the following items:

(i) if the cooperative has acquired all or part of the credit business prescribed in Article 54-2, paragraph (2) upon obtaining the approval referred to in Article 54-2, paragraph (3) (limited to the case specified by an order of the competent ministry): the date on which the cooperative acquired all or part of the credit business;

(ii) if the cooperative has been founded through a merger upon the approval referred to in Article 69, paragraph (2): the date on which the cooperative was found; or

(iii) if the cooperative has carried out a merger upon the approval referred to in Article 69, paragraph (2) (limited to the case in which the cooperative survives): the date of the merger.

(5) The administrative authority's approval as prescribed by the items of the preceding paragraph must be granted upon condition that a cooperative referred to in paragraph (1) or its subsidiary disposes of the portion of the voting rights held on a date stated in those items in excess of the threshold number of the voting rights of a domestic company falling under the category of a specified business company, in accordance with the standards provided for by the administrative authority, by a date on which five years have elapsed from the date stated in those items.

(6) If a cooperative referred to in paragraph (1) or its subsidiary holds the voting rights of a domestic company falling under the category of a specified business company in excess of the threshold number of voting rights in total, the excess portion of the voting rights are deemed to be acquired or held by the cooperative.

(7) The provisions of Article 11-8, paragraph (3) apply mutatis mutandis to the voting rights acquired or held by a cooperative referred to in paragraph (1) or its subsidiary in the cases referred to in the preceding paragraphs.

Section 4 Cooperative Members

(Eligibility to be a Cooperative Member)

Article 18 (1) Persons eligible to be cooperative members are the following persons:

(i) a fisherman who has their address within the districts of the cooperative and who engages in fishery for more than a number of days specified in the articles of association between 90 and 120 days in a year;

(ii) a fishery production cooperative having its address or place of business within the districts of the cooperative; and

(iii) a corporation engaged in a fishery (excluding a cooperative and a fishery production cooperative), having its address or place of business within the districts of the cooperative, with 300 regular employees or less and fishing vessels in service (meaning fishing vessels prescribed by Article 2, paragraph (1) of the Fishing Vessel Act (Act No. 178 of 1950); the same applies below) whose gross tonnage is equal to or less than a tonnage specified in the articles of association between 1,500 and 3,000 tons.

(2) Notwithstanding item (i) of the preceding paragraph, in case of a cooperative primarily consisting of persons engaged in gathering or catching aquatic animals or plants or aquaculture or breeding in the inland waters prescribed by Article 60, paragraph (5), item (v) of the Fishery Act (simply referred to as "inland waters" in Article 5, item (i) and Article 52, paragraph (8); and the cooperative is referred to as an "inland water fishing cooperative" in the following item), an individual is eligible to be a cooperative member, if the individual has their address in the districts of the cooperative and is engaged in gathering or catching aquatic animals or plants or aquaculture or breeding for more than a number of days specified in the articles of association between 30 and 90 days in a year.

(3) In accordance with its articles of association, a cooperative may restrict the eligible individuals under paragraph (1), item (i) or the preceding paragraph as specified in each of the following items, depending on the category of the cooperative stated in those items:

(i) a cooperative (excluding an inland water fishing cooperative): a person engaged in fishery for more than a number of days specified in the articles of association between 90 and 120 days in a year; and

(ii) an inland water fishing cooperative: a person engaged in fishery for more than a number of days specified in the articles of association between 30 and 90 days in a year (referred to as a "fishery operator" in this item), or a person working for a fishery operator in line of fishery for more than a number of days specified in the articles of association between 30 and 90 days in a year.

(4) If the districts of a cooperative extend beyond municipalities or special wards, the cooperative may restrict eligible membership under the preceding three paragraphs to persons engaged in a specific type of fishery, in accordance with in its articles of association.

(5) In addition to the persons prescribed by the preceding paragraphs, a cooperative may consider the following persons specified in its articles of association to be its eligible members:

(i) a fisherman, or an individual engaged in gathering or catching aquatic animals and plants or aquaculture or breeding within inland waters, other than those eligible to be cooperative members pursuant to the preceding paragraphs;

(i)-2 an individual who is in the same household as the member under the preceding paragraphs or the preceding item, or other individual specified by Cabinet Order as deserving the services of the cooperative;

(ii) a corporation engaged in fishery, having its address or place of business within the districts of the cooperative (excluding a cooperative and a corporation eligible to be its member pursuant to paragraph (1), item (ii) or (iii) or the preceding paragraph), with 300 regular employees or less and fishing vessels in service whose gross tonnage is 3,000 tons or less;

(iii) a marine product processor having their address or place of business within the districts of the cooperative, or a corporation engaged in the marine product processing business with 300 regular employees or less;

(iii)-2 a person engaged in the recreational fishing boat business (meaning the recreational fishing boat business as prescribed by Article 11-3, paragraph (1)), having their address or place of business within the districts of the cooperative, with 50 regular employees or less; and

(iv) a cooperative whose districts are a part of or the same as the districts of the first-mentioned cooperative.

(Capital Contribution)

Article 19 (1) A cooperative may require its members to make capital contribution in accordance with its articles of association.

(2) In a cooperative that requires its members to make capital contribution pursuant to the preceding paragraph (referred to as a "cooperative requiring capital contribution" in this Chapter), the members must hold at least one unit of capital contribution.

(3) The amount of one unit of capital contribution must be fixed.

(4) The liability of a member of a cooperative requiring capital contribution is limited to the amount of their capital contribution.

(5) A cooperative member may not assert offsetting for their capital contribution to the cooperative requiring the capital contribution.

(Transfer of Ownership Interest in a Cooperative)

Article 20 (1) A member of a cooperative requiring capital contribution may not transfer their ownership interest in the cooperative without the approval of the cooperative.

(2) Transferring ownership interest in a cooperative to a non-member must be made in accordance with the rules for becoming a cooperative member.

(3) A transferee of ownership interest in a cooperative takes over the rights and obligations of a transferor regarding the ownership interest.

(4) Persons may not jointly become a member of ownership unit in a cooperative.

(Voting Rights and Election Rights)

Article 21 (1) Each cooperative member has one voting right and one right to elect officers and representatives; provided, however, that an associate member does not have a voting right or election right.

(2) A cooperative member may exercise their voting right or election right (referred to as "right to vote or elect" in paragraph (4) or (7)) in writing or by proxy regarding matters for which a notification has been issued in advance pursuant to the provisions of Article 47-5, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 43, paragraph (2)), in accordance with the articles of association. In this case, a person may not act as a proxy, unless that person is in the same household with the member, is an employee of the member, or is also a cooperative member themselves (excluding an associate member).

(3) In accordance with the articles of association, a cooperative member may exercise their voting right by an electronic or magnetic means in lieu of exercising their voting right in writing as under the preceding paragraph.

(4) A person exercising a right to vote or elect pursuant to the preceding two paragraphs is deemed present at the meeting.

(5) A proxy may not represent more than five cooperative members.

(6) A proxy must submit to the cooperative a written document evidencing their authority to act as a proxy.

(7) The provisions of Article 310 (excluding paragraphs (1) and (5)) of the Companies Act apply mutatis mutandis to the exercise of a right to vote or elect by proxy, the provisions of Article 311 of that Act (excluding paragraph (2)) apply to the exercise of a right to vote or elect in writing, and the provisions of Article 312 of that Act (excluding paragraph (3)) apply to the exercise of a voting right by an electronic or magnetic means. In this case, the term "the preceding paragraph" in Article 310, paragraph (2) of that Act is deemed to be replaced with "Article 21, paragraph (2) of the Fishery Industry Cooperative Act"; the term "paragraph (1)" in Article 310, paragraph (3) of that Act is deemed to be replaced with "Article 21, paragraph (6) of the Fishery Industry Cooperative Act"; the term "Article 299, paragraph (3)" in Article 310, paragraph (4) of that Act is deemed to be replaced with "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act"; the term "Order of the Ministry of Justice" in Article 310, paragraph (7), items (ii), paragraph (8), items (iii) and (iv), Article 311, paragraph (1), and Article 312, paragraphs (1), (5), and (6), items (iii) and (iv) of that Act is deemed to be replaced with "Order of Ministry of Agriculture, Forestry and Fisheries"; and the term "Article 299, paragraph (3)" in Article 312, paragraph (2) of that Act is deemed to be "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act", and the other necessary technical replacement of terms is prescribed by Cabinet Order.

(Expenses)

Article 22 (1) A cooperative may impose expenses on its members in accordance with its articles of association.

(2) A cooperative member may not assert offsetting for their expenses referred to in the preceding paragraph to the cooperative.

(Monetary Sanctions)

Article 23 A cooperative may impose monetary sanctions on its members in accordance with its articles of association.

(Prohibition of Membership Restriction)

Article 24 If an eligible person seeks to become a cooperative member, the cooperative must not refuse to accept the person, or accept the person upon conditions that are more burdensome in comparison with the conditions required of the current members, without a justifiable reason.

(Voluntary Withdrawal)

Article 25 (1) A member of a cooperative requiring capital contribution may withdraw from the cooperative at any time by transferring all of their ownership interest in the cooperative. In this case, if there is no one to take the transfer of the ownership interest, the member may demand the cooperative take the transfer of the ownership interest in accordance with the articles of association.

(2) A member of a cooperative not requiring capital contribution may give a prior notice by 60 days before the end of the fiscal year and withdraw on that date.

(3) The notice period referred to in the preceding paragraph may be extended by the articles of association; provided, however, that the period must not exceed one year.

(4) The provisions of Article 20, paragraphs (1) and (2) do not apply if a cooperative requiring capital contribution takes a transfer of its member's ownership interest in the cooperative pursuant to paragraph (1).

(Statutory Withdrawal)

Article 26 (1) A cooperative member withdraws from the cooperative for the following reasons:

(i) loss of eligibility to be a cooperative member;

(ii) death or dissolution; or

(iii) expulsion.

(2) A cooperative member that falls under any of the following items may be expelled by a resolution at a general meeting; in this case, the cooperative must notify the member to that effect seven days before the date of the general meeting, and must give the member an opportunity to respond at the general meeting:

(i) a cooperative member who does not use the services of the cooperative for an extended period of time;

(ii) a cooperative member who has failed to make their capital contribution, pay expenses, or otherwise perform their obligations to the cooperative; or

(iii) a cooperative member who falls under any of the cases specified in the articles of association.

(3) Expulsion of a cooperative member may not be asserted unless a notification has not been given to the member.

(Payment for the Ownership Interest of a Withdrawing Member in a Cooperative)

Article 27 (1) If a member of a cooperative requiring capital contribution withdraws pursuant to paragraph (1) of the preceding Article, the member may demand the cooperative pay for all or part of their ownership interest in the cooperative in accordance with the articles of association.

(2) The ownership interest in the cooperative to be paid for as referred to in the preceding paragraph is determined according to the assets of the cooperative requiring capital contribution at the end of the fiscal year during which the cooperative member has withdrawn.

(Payment Obligation for Withdrawing Members)

Article 28 If, at the end of a fiscal year, the assets of a cooperative requiring capital contribution are insufficient to satisfy its obligations, the cooperative may demand the members who have already withdrawn within that fiscal year pursuant to Article 26, paragraph (1) pay all or part of the unpaid amount of the capital contribution in accordance with its articles of association.

(Statute of Limitations)

Article 29 The right to make a demand under the preceding two Articles expires by statute of limitations if the demand is not made within two years from the time of withdrawal.

(Withhold of Payment for Ownership Interest in a Cooperative)

Article 30 A cooperative requiring capital contribution may withhold payment for ownership interest in the cooperative held by a withdrawing member under Article 26, paragraph (1), until the member has satisfied their obligation to the corporative.

(Decrease in the Number of Units of Capital Contribution)

Article 31 (1) A member of a cooperative requiring capital contribution may reduce the number of their units of capital contribution in accordance with the articles of association, if the member suspends their business or discontinues a part of their business, or any other particularly unavoidable reasons are recognized.

(2) In the case referred to in the preceding paragraph, the provisions of Articles 27 through 29 apply mutatis mutandis.

(Keeping the List of Cooperative Members; and Inspecting the List)

Article 31-2 (1) A director must prepare a list of cooperative members with the following information included or entered for each member in the list; provided, however, that a director is not required to include or enter the information stated in items (iii) and (iv) in the list of members of a cooperative not requiring capital contribution:

(i) the name and address;

(ii) the date of becoming a cooperative member and classification as a cooperative member;

(iii) the number of units of capital contribution and the date for acquisition of each unit; and

(iv) the amount of capital contribution paid in by a cooperative member and the date of the payment.

(2) The director must keep a list of cooperative members at the principal office.

(3) At any time during the business hours of the cooperative, any of its members or creditors may make the following demands to the cooperative's director; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect or copy the written list of cooperative members, if the list is in writing; or

(ii) a demand for allowing the member or creditor to inspect or print the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, if the list of cooperative members is prepared in a form of an electronic or magnetic record.

Section 5 Administration

(Information to be Included or Entered in the Articles of Association)

Article 32 (1) The articles of association of a cooperative must include or enter the following information; provided, however, that the articles of association of a cooperative not requiring capital contribution that does not engage in the businesses referred to in Article 11, paragraph (1), items (v) through (vii) are not required to include or enter the information referred to in items (vi), (viii) and (ix), and the articles of association of any other cooperative not requiring capital contribution are not required to include or enter the information referred to in item (vi):

(i) the business;

(ii) the name;

(iii) the districts;

(iv) the location of the office;

(v) the provisions regarding eligibility to be a cooperative member and the acceptance and withdrawal of cooperative members;

(vi) the amount of one unit of capital contribution, the method of making capital contribution, and the maximum number of units of capital contribution that may be made by a cooperative member;

(vii) the provisions for sharing expenses;

(viii) the provisions for appropriation of surplus and disposition of losses;

(ix) the amount of reserves and funding method of the reserves;

(x) the provisions for the fixed number of officers, division of their duties, and election or appointment of officers;

(xi) the fiscal year; and

(xii) the method of issuing public notice (meaning the method by which a cooperative issues public notice (excluding public notice required to be given in an official gazette pursuant to the provisions of this Act or any other law); the same applies below).

(2) The provisions regarding eligibility to be a cooperative member as referred to in item (v) of the preceding paragraph must specify the eligibility to be a cooperative member and the method of examining the eligibility.

(3) In addition to the information referred to in paragraph (1), the articles of association of a cooperative must include or enter a period during which a cooperative exists, if the period is fixed; and the name of a person who is to make an in-kind contribution, the assets to be contributed in kind, the comparable value of the assets, and the number of units of capital contribution given for the assets, if there is any in-kind contributor.

(4) The competent minister may prescribe examples of model articles of association.

(Matters that May Be Provided For in the Bylaws)

Article 33 The following matters may be provided for in the bylaws except those required to be specified in the articles of association:

(i) provisions for a general meeting or a meeting of representatives;

(ii) provisions for executing business and accounting;

(iii) provisions for officers;

(iv) provisions concerning cooperative members; and

(v) other necessary matters.

(Keeping the Articles of Association and Other Documents; and Inspecting Those Articles and Documents)

Article 33-2 (1) A director must keep articles of association and bylaws (meaning articles of association, bylaws, credit business provisions, and mutual aid insurance provisions; the same applies below) in each office. The same applies if a cooperative decides rules and regulations (meaning the following rules and regulations: the rules for exercising fishery rights under Article 105 of the Fishery Act (referred to simply as the "rules for exercising fishery rights" below); the rules for exercising rights to fish in waters belonging to another under that Article (referred to simply as the "rules for exercising rights to fish in waters belonging to another" in Article 48, paragraph (1), item (ix) and Article 50, item (v)); the coastal fishing area management regulations under Article 111, paragraph (1) of that Act (referred to simply as the "coastal fishing area management regulations" in Article 48, paragraph (1), item (xi)); the recreational fishing regulations under Article 107, paragraph (1) of that Act (referred to simply as the "recreational fishing regulations" in Article 48, paragraph (1), item (ix) and Article 51-2, paragraph (1)); the resource management regulations; and the area of waters under Article 8, paragraph (2) of the Coastal Fishing Area Improvement and Development Act (Act No. 49 of 1974) (referred to simply as the "breeding waters" in Article 48, paragraph (1), item (xii)) and the rules for using breeding waters under Article 8, paragraph (2) of that Act (referred to simply as the "rules for using breeding waters" in Article 48, paragraph (1), item (xiii)); the same applies in this Article).

(2) At any time during the business hours of a cooperative, any of its members or creditors may make the following demands to the cooperative's director; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the articles of association and bylaws, or the rules and regulations, if made in writing;

(ii) a demand for delivering a transcript or extract of the documents referred to in the preceding item;

(iii) a demand for allowing the member or creditor to inspect the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, if the articles of association and bylaws, or the rules and regulations are prepared in a form of an electronic or magnetic record; or

(iv) a demand for providing the information entered in the electronic or magnetic record referred to in the preceding item by an electronic or magnetic method as determined by the cooperative, or a demand for delivering a document including the information.

(3) A cooperative member or its creditor must pay the expenses determined by the cooperative in order to make a demand referred to in items (ii) or (iv) of the preceding paragraph.

(4) If a cooperative has prepared the articles of association and bylaws, or the rules and regulations in a form of an electronic or magnetic record, and has taken the measures specified by Order of the Ministry of Agriculture Forestry and Fisheries for enabling each office (excluding the principal office) to respond to the demand referred to in paragraphs (2), items (iii) and (iv), the term "each office" in paragraph (1) is deemed to be replaced with "the principal office" regarding the application the provisions of paragraph (1).

(Officers)

Article 34 (1) A cooperative must have directors and auditors as its officers.

(2) The fixed number of directors is to be five or more, and the fixed number of auditors is to be two or more.

(3) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) must have, as its officers, full-time directors in charge of the credit business. In this case, one or more of those directors must be other than a director representing the cooperative.

(4) The officers are elected by the cooperative members (excluding associate members) at a general meeting (or at the inaugural meeting, in the case of the officers at the time of founding) in accordance with the articles of association; provided, however, that the officers (excluding officers at the time of founding) may be elected other than at the general meeting, in accordance with the articles of association.

(5) The election of officers is conducted by secret ballot; provided, however, that voting may be omitted in accordance with the articles of association if the number of candidates for officers is within the fixed number of the officers to be elected.

(6) Each person has one vote.

(7) The candidate who receives a majority of the votes as a result of the election by the method of voting as specified in the articles of association (or if voting is omitted pursuant to the proviso to paragraph (5), the candidate) is the elected person.

(8) If the election of officers is held other than at a general meeting, a polling place must be set up in a location that does not interfere with the proper exercise of the election rights of the cooperative members.

(9) Notwithstanding paragraph (4), the officers may be elected by the cooperative members (excluding associate members) at a general meeting (or at the inaugural meeting in the case of the officers at the time of founding) in accordance with the articles of association.

(10) At least two-thirds of the fixed number of directors of the cooperative must be its members other than associate members (or must be the member's officers, if the member is a corporation); provided, however, that at least two-thirds of the fixed number of the directors of the cooperative at the time of its founding must be persons eligible to be its members (other than associate members) that have given their consent to founding the cooperative (or must be officers of the persons eligible to be the cooperative member, if the person is a corporation).

(11) In the case of a cooperative engaged in the business of selling the catches or other products of its members as prescribed by Article 11, paragraph (1), item (vii), one or more of its directors must have practical ability in selling the marine products, engaging in the business related to it, or managing the corporation.

(12) A cooperative must ensure that there is no significant bias in the age and gender of its directors.

(13) In the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) (excluding a cooperative engaged in the credit business or mutual aid insurance business falling short of the standard of the scale established by Cabinet Order), one or more of its auditors must satisfy all of the following requirements:

(i) the person is other than a member of the cooperative or an officer or employee of a corporation that is a member of the cooperative;

(ii) the person has not been the cooperative's director or employee or its subsidiary's company director, accounting advisor (or employee who is to perform the duties of an accounting advisor, if the accounting advisor is a corporation), executive officer, or employee, for a period of five years before assuming the office of auditor; and

(iii) the person is other than a spouse or a relative within the second degree of kinship of a director, counselor, or other important employee of the cooperative.

(14) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) (excluding a cooperative engaged in the credit business or mutual aid insurance business falling short of the standard of the scale established by Cabinet Order) must appoint full-time auditors by mutual elections.

(Management Committee Members)

Article 34-2 (1) A cooperative may have management committee members as its officers, in addition to its directors and auditors, in accordance with its articles of association.

(2) The fixed number of the management committee members is to be five or more.

(3) The provisions of paragraphs (10) and (12) of the preceding Article apply mutatis mutandis to the management committee members. In this case, the term "two-thirds" in paragraph (10) of that Article is deemed to be replaced with "three-fourths".

(4) Notwithstanding paragraph (2) of the preceding Article, the fixed number of directors of a cooperative with management committee members (referred to as a "cooperative with management committee members" below) is to be three or more.

(5) Notwithstanding paragraphs (4) and (9) of the preceding Article, the directors of a cooperative with management committee members are to be appointed by the management committee referred to in Article 38, paragraph (1).

(6) The provisions of paragraphs (10) and (12) of the preceding Article do not apply to the directors of a cooperative with management committee members.

(Relationship Between a Cooperative and its Officers)

Article 34-3 The relationship between a cooperative and its officers is governed by the provisions on mandate.

(Eligibility to Be an Officer)

Article 34-4 (1) The following persons may not become officers:

(i) a corporation;

(ii) a person specified by Order of the Ministry of Agriculture, Forestry and Fisheries as incapable of properly performing the relevant duties due to a mental or physical disorder;

(iii) a person sentenced to punishment due to violating this Act, the Companies Act, or the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006), or committing a crime referred to in Articles 255, 256, 258 through 260, or 262 of the Civil Rehabilitation Act or a crime referred to in Articles 265, 266, 268 through 272, or 274 of the Bankruptcy Act (Act No. 75 of 2004), for whom two years have not passed since the date on which the sentence has been completed or the sentence has ceased to be subject to enforcement;

(iv) a person who violates the provisions of laws and regulations other than those prescribed by the preceding item, and is sentenced to imprisonment without work or severer punishment, for whom the sentence has not been completed or the sentence has not ceased to be subject to enforcement (excluding those for whom the enforcement of the sentence is suspended); and

(v) a person who is a member of an organized crime group prescribed Article 2, item (vi) of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991) (referred to as an "organized crime group member" in this item), or a person who ceased to be an organized crime group member on a day that is not yet five years in the past.

(2) In addition to the persons stated in the items of the preceding paragraph, the following persons may not become officers of a cooperative engaged in the business specified in the relevant items:

(i) a person subject to an order commencing bankruptcy proceedings that has not been released from bankruptcy restrictions: business referred to in Article 11, paragraph (1), item (iv) or (xii); and

(ii) a person who commits a crime referred to in Article 197, Article 197-2, items (i) through (x)-3 or items (xiii) through (xv), Article 198, item (viii), Article 199, Article 200, items (i) through (xii)-2, item (xx), or item (xxi), Article 203, paragraph (3), or Article 205, items (i) through (vi), item (xix), or item (xx) of the Financial Instruments and Exchange Act and is sentenced to punishment, for whom two years have not passed from the day on which the sentence has been completed or the sentence has ceased to be subject to enforcement: business referred to in Article 11, paragraph (1), item (iv).

(Restrictions on an Officer's Concurrent Holding of Positions or Engaging in Other Businesses)

Article 34-5 (1) A director representing a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) (excluding a director representing a cooperative with management committee members), an officer engaged in the management of the cooperative (excluding directors of a cooperative with management committee members, and its management committee members), and its counselor must not engage in the management of another cooperative or corporation, or engage in a business; provided, however, that this does not apply if approval has been obtained from the administrative authority.

(2) If an application for approval under the proviso to the preceding paragraph is filed, the administrative authority must not grant the approval unless it finds that the matters under the application are not likely to interfere with the sound and proper management of the cooperative's business.

(3) A director of a cooperative with management committee members must not engage in the management of another cooperative or corporation, or engage in a business.

(4) A member of a management committee may not serve as a director, auditor, or employee of a cooperative at the same time.

(5) An auditor may not serve as a director or employee of a cooperative at the same time.

(Term of Office Regarding Officers)

Article 35 (1) Term of office is specified in the articles of association regarding officers for a period not exceeding three years; provided, however, that this does not preclude the term to be extended by the articles of association until the conclusion of the regular general meeting in the last fiscal year during the term.

(2) Notwithstanding the preceding paragraph, the term of office is provided at the inaugural meeting regarding officers at the time of founding the cooperative for a period not exceeding one year; provided, however, that this does not preclude the term to be extended by a resolution of the inaugural meeting until the conclusion of the regular general meeting in the last fiscal year during the term.

(3) For the provisions of the preceding paragraph to be applied to the case of founding upon merger, the phrase "at the inaugural meeting" in that paragraph is deemed to be replaced with "by the founding members", and the phrase "by a resolution of the inaugural meeting" in the proviso to that paragraph is deemed to be replaced with "by the founding members".

(Duties of the Board of Directors)

Article 36 (1) A cooperative must have the board of directors.

(2) The board of directors is to consist of all directors.

(3) The board of directors decides on the cooperative's business to be executed and supervises the director's duties to be performed.

(4) The board of directors at a cooperative with management committee members must follow the decisions of the management committee referred to in Article 38, paragraph (1) when deciding on the cooperative's business to be executed and supervising the director's duties to be performed.

(Resolutions of the Board of Directors)

Article 37 (1) A resolution of the board of directors is to be reached by a majority (if a higher percentage is specified in the articles of association, that percentage applies) of the votes cast by the directors present at a meeting when a majority (if a higher percentage is specified in the articles of association, that percentage applies) of the directors who may vote are present.

(2) A director who has a special interest in the resolution referred to in the preceding paragraph may not participate in the voting.

(3) Minutes of the board of directors must be prepared regarding the matters discussed in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries, and if the minutes are in writing, the directors and auditors present must give their signatures or affix their names and seals upon the minutes.

(4) If the minutes referred to in the preceding paragraph are prepared in a form of an electronic or magnetic record, alternative measures must be taken regarding information entered in the electronic or magnetic record, in lieu of giving signatures or affixing names and seals as prescribed by the Order of the Ministry of Agriculture, Forestry and Fisheries.

(5) A director who participates in the resolution of the board of directors but who does not express an objection in the minutes referred to in paragraph (3) is presumed to have consented to the resolution.

(6) The provisions of Articles 366 and 368 of the Companies Act apply mutatis mutandis to the convocation of a meeting of the board of directors. In this case, the other necessary technical replacement of terms is prescribed by Cabinet Order.

(Duties of the Management Committee)

Article 38 (1) A cooperative with management committee members must have a management committee.

(2) The management committee is to consist of all management committee members.

(3) The management committee determines the basic policies for the cooperative's operations, the acquisition and disposition of important assets, and other important matters concerning the cooperative's business to be executed as specified in the articles of association, in addition to the matters otherwise provided for in this Act.

(4) The management committee may have a director attend its meetings and ask for any necessary explanations.

(5) The board of directors may convene a meeting of the management committee when necessary.

(6) The provisions of Article 368, paragraph (1) of the Companies Act apply mutatis mutandis to the convocation under the preceding paragraph.

(7) The management committee may demand dismissal of a director at a general meeting if the director has violated Article 39-2, paragraph (1).

(8) The management committee must send a written statement of the reasons for the dismissal to the director subjected to the demand under the preceding paragraph by seven days before the date of the general meeting, and must give the director an opportunity to respond at the general meeting.

(9) If a majority of persons present at the general meeting referred to in paragraph (7) consent to the demand under that paragraph, the director subjected to the demand loses their position at that time.

(10) The provisions of the preceding Article apply mutatis mutandis to the management committee. In this case, the necessary technical replacement of terms is prescribed by Cabinet Order.

(Keeping the Minutes of the Board of Directors; and Inspecting the Minutes)

Article 39 (1) The directors must keep the minutes of the board of directors at the principal office for ten years from the date of the meeting of the board of directors (or the date of the meeting of the board of directors and the management committee in the case of a cooperative with management committee members; the same applies in this paragraph and the following paragraph).

(2) A director must keep a copy of the minutes referred to in the preceding paragraph at the secondary office for five years from the date of the meeting of the board of directors; provided, however, that this does not apply if the minutes are prepared in a form of an electronic or magnetic record, and the measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries are taken to enable the secondary office to respond to a demand stated in item (ii) of the following paragraph.

(3) At any time during the business hours of a cooperative, any of its members may make the following demands to the cooperative's director; in this case, the director may not refuse the demand without a justifiable reason:

(i) a demand for allowing the member to inspect the minutes referred to in paragraph (1) in original or copy, to copy the minutes in original or copy, if the minutes are in writing; or

(ii) a demand for allowing the member to inspect or print the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, if the minutes referred to in paragraph (1) are prepared in a form of an electronic or magnetic record.

(4) A creditor of a cooperative may make a demand stated in the items of the preceding paragraph to the cooperative's director regarding the minutes of the meeting referred to in paragraph (1), with the permission of the court, if it is necessary to pursue their liability.

(5) If the court finds that the inspection or copying of the minutes as demanded in the preceding paragraph is likely to cause a significant damage to a cooperative or its subsidiary, the court may not grant the permission referred to in that paragraph.

(6) The provisions of Article 868, paragraph (1), Article 869, Article 870, paragraph (2) (limited to the part relating to item (i)), Article 870-2, main clause of Article 871, Article 872 (limited to the part relating to item (v)), Article 872-2, main clause of Article 873, and Articles 875 and 876 of the Companies Act apply mutatis mutandis to the permission referred to in paragraph (4). In this case, the necessary technical replacement of terms is prescribed by Cabinet Order.

(Duty of Loyalty of Directors and Management Committee Members)

Article 39-2 (1) A director (or director and management committee member, in the case of a cooperative with management committee members; the same applies in the following paragraph and paragraph (4)) must comply with laws and regulations, dispositions of administrative authorities based on laws and regulations, articles of association and bylaws, and resolutions of a general meeting (or resolutions of a general meeting and a management committee, in the case of a cooperative with management committee members), and faithfully perform their duties for the cooperative.

(2) In the following cases, a director must disclose important facts regarding a transaction at a meeting of the board of directors (or in the case of a cooperative with management committee, at the management committee; the same applies in paragraph (4)) and obtain approval from the board:

(i) if the director intends to conduct a transaction with the cooperative for director's own account or on behalf of a third party; and

(ii) if the cooperative intends to guarantee the obligations of any directors or otherwise conduct a transaction with a person other than the director that would cause a conflict of interest between the cooperative and the director.

(3) The provisions of Article 108 of the Civil Code do not apply to transactions referred to in the items of the preceding paragraph that have been approved under that paragraph.

(4) A director who has engaged in any of the transactions stated in the items of paragraph (2) must report important facts regarding the transactions to the board of directors without delay.

(Representative Directors)

Article 39-3 (1) A cooperative must appoint a director to represent the cooperative (referred to as the "representative director" below) from among its directors, by resolution of the board of directors (or the management committee in the case of a cooperative with management committee members).

(2) The representative director has the authority to take all judicial or non-judicial actions concerning the cooperative's business.

(3) The representative director may delegate certain acts to another person to act as their agent, unless prohibited by the articles of association or by a resolution of the general meeting or the management committee.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Directors and Management Committee Members)

Article 39-4 (1) The provisions of Article 357, paragraph (1), and Article 361, paragraph (1) (excluding items (iii) through (v)) and paragraph (4) of the Companies Act apply mutatis mutandis to directors and management committee members; and the provisions of Article 360, paragraph (1) of that Act apply mutatis mutandis to directors. In this case, the term "significant damage" in that paragraph is deemed to be replaced with "irreparable damage", and the term "director" in Article 361, paragraph (4) of that Act is deemed to be replaced with "director (or management committee member, in the case of a cooperative with management committee members prescribed by Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)", and the other necessary technical replacement of terms is prescribed by Cabinet Order.

(2) The provisions of Article 349, paragraph (5), Article 350, and Article 354 of the Companies Act apply mutatis mutandis to representative directors. In this case, the term "the preceding paragraph" in that paragraph is deemed to be replaced with "Article 39-3, paragraph (2) of the Fishery Industry Cooperative Act", and the other necessary technical replacement of terms is prescribed by Cabinet Order.

(Auditors)

Article 39-5 (1) An auditor is to audit the director's duties to be performed (or the directors' and management committee members' duties to be performed, in case of a cooperative with management committee members; the same applies in the following paragraph). In this case, the auditor must prepare an audit report as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) An auditor may require a director, counselor, or any other employee to report on the business of the cooperative, or may investigate the status of the cooperative's business operations and assets, at any time.

(3) If an auditor finds that a director has committed or is likely to commit a wrongful act, or finds any facts that would constitute a violation of laws or regulations or the articles of association, or that are extremely unjust, the auditor must report to that effect to the board of directors (or to the board of directors and the management committee, in case of a cooperative with management committee members) without delay.

(4) If an auditor of a cooperative with management committee members finds that a management committee member has committed or is likely to commit a wrongful act, the auditor must report to the management committee to that effect without delay.

(5) The provisions of Article 39-2, paragraph (1) of this Act, Article 343, paragraphs (1) and (2), Article 345, paragraphs (1) through (3), Article 381, paragraphs (3) and (4), Article 383, paragraphs (1) through (3), Article 384, Article 385, Article 386, paragraph (1) (limited to the part relating to item (i)) and paragraph (2) (limited to the part relating to items (i) and (ii)), Article 387, and Article 388 apply mutatis mutandis to auditors. In this case, the term "director" in Article 343, paragraphs (1) and (2) of that Act is deemed to be replaced with "director (or management committee member, in the case of a cooperative with management committee members prescribed in Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)"; the term "Article 298, paragraph (1), item (i)" in Article 345, paragraph (3) of that Act is deemed to be replaced with "Article 47-4, paragraph (1), item (i) of the Fishery Industry Cooperative Act"; and the term "subsidiary company" in Article 381, paragraphs (3) and (4) of that Act is deemed to be replaced with "subsidiary corporation or other similar corporation (meaning a subsidiary corporation or other similar corporation as prescribed by Article 122, paragraph (2) of the Fishery Industry Cooperative Act)"; the term "board of directors" in the main clause of Article 383, paragraph (1) of that Act is deemed to be replaced with "board of directors (or the board of directors and the management committee, in the case of a cooperative with management committee members prescribed in Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)"; in the proviso of that paragraph, the phrase "if there are two or more members, and the provisions of Article 373, paragraph (1) provide for voting by a special director" is deemed to be replaced with "in the case of a cooperative with management committee members prescribed in that paragraph", and the term "the board of directors referred to in paragraph (2) of that Article" is deemed to be replaced with "board of directors"; the term "directors" in paragraph (2) of that Article is deemed to be replaced with "directors (or directors or management committee members, in the case of a cooperative with management committee members referred to in Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)"; the term "board of directors" in that paragraph and in paragraph (3) of that Article is deemed to be replaced with "board of directors (or the board of directors or the management committee, in the case of a cooperative with management committee members referred to in Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)"; in Article 384 of that Act, the term "directors" is deemed to be replaced with "directors or management committee members" and the term "Ministry of Justice Order" is deemed to be replaced with " Order of the Ministry of Agriculture, Forestry and Fisheries"; the term "directors" in Article 385 of that Act is deemed to be replaced with "directors"; the phrase "Article 349, paragraph (4), Article 353, and Article 364" in Article 386, paragraph (1) of that Act is replaced with "Article 39-3, paragraph (2) of the Fishery Industry Cooperative Act"; in item (i) of that paragraph, the phrase "director (director" is deemed to be replaced with "director or management committee member (director or management committee member", and the term "director" is deemed to be replaced with "director or management committee member"; the term "Article 349, paragraph (4)" in paragraph (2) of that Article is deemed to be replaced with "Article 39-3, paragraph (2) of the Fishery Industry Cooperative Act"; the term "director" in items (i) and (ii) of that same paragraph is deemed to be replaced with "director or management committee member"; and the other necessary technical replacement of terms is prescribed by Cabinet Order.

(Liability of Officers for Damages to a Cooperative)

Article 39-6 (1) If an officer fails to perform their duties, the officer is liable to the cooperative for damages caused by that failure.

(2) If the action causing the liability referred to in the preceding paragraph is taken pursuant to the resolution of the board of directors (or the resolution of the board of directors or the management committee, in the case of a cooperative with management committee members), the directors having agreed to the resolution (or the directors or management committee members having agreed to the resolution, in the case of a cooperative with management committee members) are deemed to have taken the action.

(3) The liability referred to in paragraph (1) may not be released without the consent of all cooperative members.

(4) Notwithstanding the preceding paragraph, if the officer referred to in paragraph (1) has performed the duties in good faith and without gross negligence, their liability may be released with a resolution at a general meeting up to an amount stated in item (i) from which an amount stated in item (ii) is deducted:

(i) an amount for which the officer is liable;

(ii) an amount of financial benefits per year calculated in a manner prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, which the officer receives or is entitled to from the cooperative for the performance of the duties while in office, multiplied by a number prescribed by (a) through (c) below depending on the classification of the officer stated in (a) through (c) below:

(a) the representative director: 6;

(b) a director or management committee member other than the representative director: 4; or

(c) an auditor: 2.

(5) In the case referred to in the preceding paragraph, a director (or in the case of a cooperative with management committee members, a management committee member) must disclose the following matters at a general meeting under that paragraph:

(i) the fact that caused the liability and the amount of damages for which the director is liable;

(ii) the limit of the amount that may be released pursuant to the provisions of the preceding paragraph and the basis for its calculation; and

(iii) the reason why the liability should be released and the amount to be released.

(6) A director (or in the case of a cooperative with management committee members, a management committee member) must obtain the consent of each auditor in order to submit a proposal for releasing liability under paragraph (1) (limited to releasing liability of directors and management committee members) at a general meeting.

(7) In the case of a resolution referred to in paragraph (4), if a cooperative grants retirement benefits or other financial benefits as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries to the officer referred to in that paragraph after the resolution, the cooperative must obtain approval at the general meeting.

(8) If an officer has performed their duties in bad faith or with gross negligence, the officer must be liable to a third party for damages caused by their performance.

(9) The same applies if the following persons take an action specified in the relevant items; provided, however, that this does not apply if the person proves that they have not been negligent in taking the action:

(i) directors: the following actions:

(a) false statements or records regarding important information to be included or entered in documents required to be prepared pursuant to Article 40, paragraph (1) or (2);

(b) false registration;

(c) false public notice;

(ii) auditors: false statements or records regarding important information to be included or entered in the audit report.

(10) If an officer is liable for damages to the cooperative or a third party, and if other officers are also liable for the damages, they are joint and several obligors.

(Indemnification Agreements)

Article 39-7 (1) For a cooperative to decide on the details of an agreement under which the cooperative indemnifies its officer for all or part of the following expenses or loss (referred to as an "indemnification agreement" in this Article), the cooperative must pass a resolution of the board of directors (or a resolution of the management committee, in the case of a cooperative with management committee members; the same applies in paragraph (4)):

(i) expenses to be paid by the officer if the officer is suspected of having violated the provisions of laws and regulations or is subjected to a claim relating to pursuit of the liability, in connection with performance of the duties;

(ii) the following loss to be incurred by the officer if the officer assumes the liability for damages suffered by a third party in connection with the officer's performance of the duties:

(a) loss to be incurred by the officer if the officer pays for the damage;

(b) loss to be incurred by the officer if a settlement is reached between the parties to a dispute concerning the payment for the damages, and the officer makes settlement payment.

(2) Even if a cooperative has entered into an indemnification agreement, the cooperative may not indemnify its officer for the following expenses or loss based on the indemnification agreement:

(i) the portion of expenses stated in item (i) of the preceding paragraph that exceeds an amount of expenses normally required;

(ii) the portion of loss stated in item (ii) of the preceding paragraph for which the officer would assume the liability to the cooperative as referred to in paragraph (1) of the preceding Article, if the cooperative indemnified a third party for all the loss stated in that item; and

(iii) all of the loss stated in item (ii) of the preceding paragraph, if an officer has performed their duties in bad faith or with gross negligence and assumes the liability referred to in that item.

(3) If a cooperative having indemnified its officer for expenses stated in paragraph (1), item (i) under an indemnification agreement finds that the officer has performed the duties referred to in that item for the purpose of making personal or third-party's wrongful gains or for the purpose of causing damage to the cooperative, the cooperative may demand the officer return the money equivalent to the amount of the indemnification that has already been paid.

(4) A director (or a director or management committee member, in the case of a cooperative with management committee members; the same applies in the following paragraph) who has made or received payment under an indemnification agreement must report any important fact regarding the payment to the board of directors without delay.

(5) The provisions of Article 39-2, paragraphs (2) and (4) do not apply to an indemnification agreement between a cooperative and its director.

(6) The provisions of Article 108 of the Civil Code do not apply to entering into an indemnification agreement referred to in the preceding paragraph for which the details have been determined by a resolution referred to in paragraph (1).

(Insurance Agreements Entered into on Behalf of Officers)

Article 39-8 (1) A cooperative must pass a resolution of the board of directors (or a resolution of its management committee, in the case of a cooperative with management committee members) in order to decide on the details of an insurance agreement with an insurer, under which the cooperative's officer is covered as the insured, and the insurer pays for any damage that may result if the officer assumes the liability in performing their duties or is subjected to a claim relating to pursuit of the liability (this insurance agreement does not include an agreement specified by Order of the Ministry of Agriculture, Forestry and Fisheries with no risk of the effective performance of the duties by the cooperative's officer as the insured to be impaired substantially; this insurance agreement is referred to as the "officer's liability insurance agreement" in paragraph (3)).

(2) The provisions of Article 39-2, paragraphs (2) and (4) do not apply to an insurance agreement between a cooperative and an insurer, under which the cooperative's director is covered as the insured (or in the case of a cooperative with management committee members, the cooperative's director or management committee member is covered as the insured), and the insurer pays for any damage that may result if the cooperative's officer assumes the liability in performing their duties or is subjected to a claim relating to pursuit of the liability.

(3) The provisions of Article 108 of the Civil Code do not apply to entering into an insurance agreement referred to in the preceding paragraph; provided, however, that if the insurance agreement is an officers' liability insurance agreement, the provisions mentioned above do not apply only when the details of the agreement have been determined by the resolution referred to in paragraph (1).

(Preparing and Keeping Documents Related to Account Settlement; and Inspecting Those Documents)

Article 40 (1) A director must prepare a balance sheet as of the date of the founding of a cooperative (or an inventory of assets in the case of a cooperative not requiring capital contribution that does not engage in the businesses referred to in Article 11, paragraph (1), items (v) through (vii)) in accordance with the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) In accordance with the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries, for every fiscal year, a director must prepare the following documents: in the case of a cooperative not requiring capital contribution that does not engage in the business referred to in Article 11, paragraph (1), items (v) through (vii), an inventory of assets and business report; or in the case of other cooperatives, any documents prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries necessary for showing the status of the cooperative's assets and its profit and loss such as a balance sheet, profit and loss statement, surplus appropriation plan or loss appropriation plan (collectively referred to as "financial statements" below), and a business report and the detailed statements annexed to them.

(3) Documents to be prepared pursuant to the preceding two paragraphs may be prepared in a form of an electronic or magnetic record.

(4) A director must keep documents that they have prepared pursuant to paragraphs (1) and (2) (excluding the business report and detailed statements annexed to them; the same applies in paragraph (13)) for ten years from the date when the documents were prepared.

(5) The documents prepared pursuant to paragraph (2) must be audited by an auditor as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(6) If documents are audited by an auditor pursuant to the preceding paragraph (or in the case of a cooperative with financial auditors as prescribed by Article 41-2, paragraph (3), if financial statements and detailed statements annexed to them are audited both by an auditor pursuant to the preceding paragraph and by a financial auditor pursuant to paragraph (3) of that Article), approval of the board of directors (or approval of the board of directors and the management committee, in the case of a cooperative with management committee members) must be obtained.

(7) In giving notice of the convocation of a regular general meeting, the directors (or in the case of a cooperative with management committee members, the management committee member) must provide the cooperative members with the documents approved pursuant to the preceding paragraph (including audit reports (or audit reports and financial audit reports in the case of a cooperative with financial auditors as provided in Article 41 -2, paragraph (3)); referred to as "documents related to account settlement" in this Article and Article 47-5-2), in accordance with the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries.

(8) A director must submit or provide documents related to account settlement to a regular general meeting.

(9) A director must keep the documents related to account settlement at the principal office for five years from the date two weeks before the date of the regular general meeting.

(10) A director must keep a copy of the documents related to account settlement at the secondary office for three years from the date two weeks before the date of the regular general meeting; provided, however, that this does not apply if the documents related to account settlement are prepared in a form of an electronic or magnetic record and the measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries are taken to enable the secondary office to respond to the demands stated in items (iii) and (iv) of the following paragraph.

(11) At any time during the business hours of a cooperative, any of its members or creditors must make the following demands to the cooperative's director; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the documents related to account settlement or their copy, if the documents are in writing;

(ii) a demand for delivery of a transcript or extract of the documents referred to in the preceding item;

(iii) a demand for allowing the member or creditor to inspection the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, if documents related to account settlement are prepared in a form of an electronic or magnetic record; or

(iv) a demand for providing the information entered in the electronic or magnetic record referred to in the preceding item by an electronic or magnetic method as determined by the cooperative, or a demand for providing a document including the information.

(12) A member or creditor of a cooperative must pay the expenses determined by the cooperative in order to make the demand stated in items (ii) or (iv) of the preceding paragraph.

(13) The provisions of Article 443 of the Companies Act apply mutatis mutandis to the documents prepared pursuant to paragraphs (1) and (2).

(Preparing a Document Clarifying Profit and Loss by Business)

Article 41 (1) For each fiscal year, a director of a cooperative (excluding a cooperative prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries) must prepare written documents or electronic or magnetic clarifying the status of profit and loss for each business category specified by Order of the Ministry of Agriculture, Forestry and Fisheries, and submit or provide them to a regular general meeting, in addition to the documents to be prepared pursuant to paragraph (2) of the preceding Article.

(2) Documents or electronic or magnetic records to be submitted or presented to a regular general meeting pursuant to the preceding paragraph must be approved in advance by the board of directors (or by the board of directors and the management committee, in the case of a cooperative with a management committee).

(Placement of Financial Auditors)

Article 41-2 (1) A cooperative engaged in the business referred to in Article 11 paragraph (1), item (iv) (excluding a cooperative that does not reach the scale specified by Cabinet Order) must have a financial auditor.

(2) A cooperative other than the cooperative referred to in the preceding paragraph may have a financial auditor in accordance with its articles of association.

(3) A cooperative with financial auditors (meaning a cooperative having financial auditors pursuant to the preceding two paragraphs; the same applies in the following paragraph) must be audited by its financial auditor pursuant to the provisions of an order of the competent ministry, in addition to being audited by its auditor, regarding their financial statements prepared pursuant to Article 40, paragraph (2) and detailed statements annexed to them.

(4) The provisions of Article 439 of the Companies Act apply mutatis mutandis to a cooperative with financial auditors. In this case, the phrase "financial statements approved under Article 436, paragraph (3)" in that Article is deemed to be replaced with "financial documents prescribed by paragraph (2) of that Article that are approved under Article 40, paragraph (6) of the Fishery Industry Cooperative Act", the term "Order of the Ministry of Justice" is deemed to be replaced with "an order of the competent ministry", and the phrase "paragraph (2) of the preceding Article" is deemed to be replaced with "Article 48, paragraph (1) (limited to the part relating to the financial statements stated in item (vi))".

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Financial Auditors)

Article 41-3 (1) The provisions of Article 34-3 of this Act and the provisions of Article 329, paragraph (1), Articles 337 through 339, Article 340, paragraphs (1) through (3), Article 344, paragraphs (1) and (2), Article 345, paragraphs (1) through (3), Article 396, paragraphs (1) through (5), Article 397, paragraphs (1) and (2), Article 398, paragraphs (1) and (2), and Article 399 paragraph (1) of the Companies Act apply mutatis mutandis to a financial auditor. In this case, the phrase "Article 435, paragraph (2)" in Article 337, paragraph (3), item (i) of that Act is deemed to be replaced with "Article 40, paragraph (2) of the Fishery Industry Cooperative Act"; the term "subsidiary" in that paragraph is deemed to be replaced with "subsidiary corporation or other similar corporation (meaning a subsidiary corporation or other similar corporation as prescribed by Article 122, paragraph (2) of the Fishery Industry Cooperative Act; the same applies below)"; the phrase " may state their opinions on the election or dismissal, or resignation of accounting advisors at the shareholders meeting" in Article 345, paragraph (1) of that Act is deemed to be replaced with "may attend the general meeting and state their opinions of the appointment, dismissal, non-reappointment, or resignation of accounting auditors"; in paragraph (2) of that Article, the term "a person who has resigned as accounting counsel" is deemed to be replaced with "a person who has resigned as accounting auditor or has been dismissed", the phrase "after resignation" is deemed to be replaced with "after resignation or dismissal", and the phrase "may state the effect of the resignation and the reason thereof" is deemed to be replaced with "may state that they have resigned and the reason for the resignation or may state the opinions on their dismissal"; in paragraph (3) of that Article, the term "director" is deemed to be replaced with "director (or a management committee member, in the case of a cooperative with management committee members as prescribed by Article 34-2, paragraph (4) of the Fishery Industry Cooperative Act)", and the term "Article 298, paragraph (1), item (i)" is deemed to be replaced with "Article 47-4, paragraph (1), item (i) of that Act"; in Article 396, paragraph (1) of that Act, the term "the following Chapter" is deemed to be replaced with "Article 41-2, paragraph (3) of the Fishery Industry Cooperative Act", the phrase "the financial statements, detailed statements attached to them, provisional financial statements, and consolidated financial statements" is deemed to be replaced with "the documents prescribed by that paragraph", and the term "Order of the Ministry of Justice" is deemed to be replaced with "an order of the competent ministry"; the phrase "directors, accounting counselors, and managers" in paragraph (2) of that Article is deemed to be replaced with "directors, management committee members, and counselors"; the term "Order of the Ministry of Justice" in item (ii) of that paragraph is deemed to be replaced with "an order of the competent ministry"; the term "subsidiary" in paragraphs (3) and (4) of that Article is deemed to be replaced with "subsidiary corporation or other similar corporation"; the phrase "a company with financial auditor or of its subsidiary company" in paragraph (5), item (ii) of that Act is deemed to be replaced with "a director, management committee member, auditor, counselor, or other employee of a cooperative with an accounting auditor as prescribed by Article 41-2, paragraph (3) of the Fishery Industry Cooperative Act, or of its subsidiary corporation or other similar corporation"; the term "subsidiary" in item (iii) of the paragraph is deemed to be replaced with "subsidiary corporation or other similar corporation"; the term "director" in Article 397, paragraph (1) of the Act is deemed to be replaced with "director or management committee member"; the term "Article 396, paragraph (1)" in Article 398, paragraph (1) of that Article is deemed to be replaced with "Article 41-2, paragraph (3) of the Fishery Industry Cooperative Act"; and the term "director" in Article 399, paragraph (1) of that Act is deemed to be replaced with "director".

(2) The provisions of Article 39-6 (excluding paragraph (9), item (i)), Article 39-7, paragraphs (1) through (3), and Article 39-8, paragraph (1) apply mutatis mutandis to the liability of a financial auditor. In this case, the term "the number prescribed by (a) through (c) below depending on the classification of officers stated in (a) through (c) below" in Article 39-6, paragraph (4), item (ii) is deemed to be replaced with "two"; in Article 39-6, paragraph (9), item (ii), the term "auditors" is deemed to be replaced with "auditors or accounting auditors" and the term "audit report" is deemed to be replaced with "audit report or accounting audit report"; and the term "other officers" in paragraph (10) of that Article is deemed to be replaced with "officers or other accounting auditors".

(Demand for Election or Dismissal of Officers)

Article 42 (1) Cooperative members (excluding associate members) may demand a re-election of the officers (excluding directors, in the case of a cooperative with management committee members) through their representative members, upon obtaining joint signatures of one-fifth or more (if a lower percentage is specified in the articles of association, that percentage applies; the same applies in the following paragraph) of the total members (excluding associate members).

(2) In the case of a cooperative with management committee members, cooperative members (excluding associate members) may demand a dismissal of the directors through their representative members, upon obtaining joint signatures of one-fifth or more of all members (excluding associate members).

(3) A demand under the preceding two paragraphs may be made to all directors, all management committee members, or all auditors at the same time; provided, however, that this does not apply in the case of making a demand due to a violation of laws and regulations, administrative authority's dispositions, the articles of association, bylaws, credit business provisions, or mutual aid insurance provisions.

(4) A demand under paragraph (1) or (2) must be made in writing stating the reasons for the re-election or dismissal to the directors (or to the management committee members, in the case of a cooperative with management committee members; the same applies in this Article).

(5) Upon receiving a demand under paragraph (1) or (2), the director must submit the demand for the discussion at a general meeting.

(6) Upon receiving a document under paragraph (4), the director must send the document or its copy to the officer subjected to the demand by seven days before the date of a general meeting, and must give the officer an opportunity to respond at the general meeting.

(7) If a majority of persons present at a general meeting referred to in paragraph (5) consent to a demand under paragraph (1) or (2), the officer subjected to the demand loses the office at that time.

(8) The provisions of Article 47-2, paragraph (2) and Article 47-3, paragraph (2) apply mutatis mutandis to the case referred to in paragraph (5).

(Measures to be Taken in the Case of a Vacancy in the Officers)

Article 42-2 (1) If a number of officers falls short of the number of officers specified by the articles of association, the officers who have retired due to expiration of their term of office or have resigned still have the rights and obligations of an officer until the new officers are appointed (including those performing duties as temporary directors or auditors under the following Article, paragraph (1)). The same applies if there are no representative directors or if a number of officers fall short of the number of representative directors specified in the articles of association.

(2) If there are no financial auditors or a number of financial auditors falls short of the number specified in the articles of association, and if a financial auditor is not appointed without delay, the auditor must appoint a person to perform the duties as a temporary financial auditor.

(3) The provisions of Article 337 and Article 340, paragraphs (1) through (3) of the Companies Act apply mutatis mutandis to a person performing the duties as a temporary financial auditor referred to in the preceding paragraph. In this case, the term "Article 435, paragraph (2)" in Article 337, paragraph (3), item (i) of that Act is deemed to be replaced with "Article 40, paragraph (2) of the Fishery Industry Cooperative Act", and the term "subsidiary" is deemed to be replaced with "subsidiary corporation or other similar corporation (meaning a subsidiary corporation or other similar corporation as provided by Article 122, paragraph (2) of the Fishery Industry Cooperative Act".

(Appointment by the Administrative Authority of a Person to Perform the Duties of a Temporary Officer or Convocation of a General Meeting by the Administrative Authority)

Article 43 (1) When demanded by a cooperative member or other interested person at a risk of damage due to delay to be caused by absence of a person performing the duties as an officer, the administrative authority may appoint a person to perform the duties of a temporary director or auditor, or may convene a general meeting for election or appointment of officers (excluding directors in the case of a cooperative with a management committee members; the same applies in this paragraph) and have the cooperative elect or appoint officers.

(2) The provisions of Article 47-5 and Article 47-6 apply mutatis mutandis to the convocation of a general meeting as referred to in the preceding paragraph.

(3) When demanded by a cooperative member or other interested person at a risk of damage due to delay to be caused by absence of a person to perform the duties as the representative director, the administrative authority may appoint a person to perform the duties as a temporary representative director.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Actions to Pursue the Liability of Officers)

Article 44 The provisions of Part VII, Chapter II, Section 2 of the Companies Act (excluding Article 847, paragraph (2), Article 847-2, Article 847-3, Article 849, paragraphs (2), paragraph (3), items (ii) and (iii), and paragraphs (6) through (11), Article 849-2, items (ii) and (iii), Article 851, and Article 853, paragraph (1), items (ii) and (iii) of that Act) apply mutatis mutandis to an action to pursue the liability of officers or financial auditors. In this case, the term "Order of the Ministry of Justice" in Article 847, paragraphs (1) and (4) of that Act is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries'', and in Article 850, paragraph (4) of that Act, the phrase "Article 55, Article 102-2, paragraph (2), Article 103, paragraph (3), Article 120, paragraph (5), Article 213-2, paragraph (2), Article 286-2, paragraph (2), Article 424 (including as applied mutatis mutandis pursuant to Article 486, paragraph (4)), Article 462, paragraph (3) (limited to the portion relating to the obligation assumed for the portion not exceeding the distributable amount prescribed in the proviso to that paragraph), Article 464, paragraph (2), and Article 465, paragraph (2)" is deemed to be replaced with "Article 39-6, paragraph (3) of the Fishery Industry Cooperative Act (including as applied mutatis mutandis pursuant to Article 41-3, paragraph (2) of that Act)", and the other necessary technical replacement of terms is specified by Cabinet Order.

(Appointment of Counselors and Chief Accountants)

Article 45 (1) A cooperative may appoint a counselor and a chief accountant and have them perform their duties at its principal office or secondary offices.

(2) The appointment and dismissal of the counselor and the chief accountant is to be decided by a resolution of the board of directors.

(3) The provisions of Article 11 paragraphs (1) and (3), Article 12, and Article 13 of the Companies Act apply mutatis mutandis to a counselor.

(Demand for Dismissal of Counselors or Chief Accountants)

Article 46 (1) Cooperative members (excluding associate members) may demand the director dismiss a counselor or chief accountant upon obtaining the consent of one-tenth or more (if a lower percentage is specified in the articles of association, that percentage applies) of the total members (excluding associate members).

(2) A demand under the preceding paragraph must be made in writing stating the reason for dismissal to the director.

(3) If a demand is made pursuant to the provisions of paragraph (1), the board of directors must decide whether or not to dismiss the counselor or chief accountant.

(4) The director must send a document referred to in paragraph (2) or its copy to the counselor or chief accountant by seven days before the day on which the decision referred to in the preceding paragraph is made, and must give them an opportunity to respond.

(Convocation of a Regular General Meeting)

Article 47 A regular general meeting must be convened once each fiscal year in accordance with the articles of association.

(Convocation of an Extraordinary General Meeting)

Article 47-2 (1) An extraordinary general meeting may be convened whenever necessary, in accordance with the articles of association.

(2) If a cooperative member (excluding associate members) demands a director (or a management committee member, in the case of a cooperative with management committee members; the same applies in paragraph (4)) convene a general meeting by submitting a document stating the purpose of the meeting and the reason for the convocation upon obtaining the consent of one-fifth or more (if a lower percentage is specified in the articles of association, that percentage applies) of the total members (excluding associate members), the board of directors (or the management committee, in the case of a cooperative with management committee members) must decide to convene an extraordinary general meeting within 20 days of the date of the demand.

(3) In the case referred to in the preceding paragraph, if the articles of association provide for voting by an electronic or magnetic means, the purpose and reasons to be stated in the relevant document may be given by the electronic or magnetic means in lieu of being provided by the relevant document. In this case, the member is deemed to have submitted the relevant document.

(4) If the purpose and reasons to be stated in a document are given by an electronic or magnetic means as referred to in the first part of the preceding paragraph (excluding the means specified by Order of the Ministry of Agriculture, Forestry and Fisheries as prescribed by Article 11-3, paragraph (5)), the given information is deemed to have reached the director when it is saved in a file on the director's computer.

(Conveners of the General Meeting)

Article 47-3 (1) General meetings are convened by a director (or by a management committee member, in the case of a cooperative with a management committee; the same applies in the following paragraph).

(2) If there is no one to perform the duties as a director, or if a director fails to follow the procedures for convening a general meeting without a justifiable reason when demanded under the paragraph (2) of the preceding Article, the auditor must convene a general meeting.

(3) In the case of a cooperative with management committee members, the director must convene a general meeting if there is no one to perform the duties as a management committee member or auditor.

(Decision to Convene a General Meeting)

Article 47-4 (1) If a director convenes a general meeting, the director (or if a person other than a director convenes the general meeting, that person; the director and that person are collectively referred to as the "convener of a general meeting" in the following Article) must determine the following matters:

(i) the date, time and place of the general meeting;

(ii) the purpose of the general meeting, if any; and

(iii) in addition to what is listed in the preceding two items, matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) The matters stated in the items of the preceding paragraph must be decided by a resolution at the board of directors (or by a resolution at the management committee, if a management committee member convenes the meeting), except for the case in which the auditor convenes a general meeting pursuant to paragraph (2) of the preceding Article (including as applied mutatis mutandis pursuant to Article 42, paragraph (8)).

(Notice of Convocation of a General Meeting)

Article 47-5 (1) In order to convene a general meeting, a convener of the general meeting must give a written notice to that effect to the cooperative members at least one week before the date of the general meeting.

(2) In lieu of issuing the written notice referred to in the preceding paragraph, a convener of the general meeting may issue a notice by an electronic or magnetic means upon obtaining the consent of the cooperative members as provided by Cabinet Order. In this case, the convener is deemed to have issued the written notice referred to in that paragraph.

(3) The notice referred to in the preceding two paragraphs must include or enter the matters stated in the items of paragraph (1) of the preceding Article.

(4) At a general meeting, a resolution may be reached only on the matters stated in paragraph (1), item (ii) of the preceding Article for which a notice has been given in advance pursuant to the provisions of paragraph (1) or (2); provided, however, that this does not apply if otherwise provided for in the articles of association.

(5) The provisions of Articles 301 and 302 of the Companies Act apply mutatis mutandis to a notice referred to in paragraphs (1) and (2). In this case, in Article 301, paragraph (1) of that Act, the phrase "if the matters stated in Article 298, paragraph (1), item (iii) are decided" is deemed to be replaced with "if the articles of association provide for voting rights or election rights in writing", the term "Article 299, paragraph (1)" is deemed to be replaced with "Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act", the term "Ministry of Justice Order" is deemed to be replaced with "Order of Ministry of Agriculture, Forestry and Fisheries", and the term "voting rights" is deemed to be replaced with "voting rights or election rights"; the term "Article 299, paragraph (3)" in paragraph (2) of that Article deemed to be replaced with "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act"; in Article 302, paragraph (1) of that Act, the phrase "if the matters stated in Article 298, paragraph (1), item (iv) are decided" is deemed to be replaced with "if the articles of incorporation provide for voting rights in electronic or magnetic means", the term "Article 299, paragraph (1)" is deemed to be replaced with "Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act", and the term "Ministry of Justice Order" is deemed to be replaced with "Order of Ministry of Agriculture, Forestry and Fisheries"; the term "Article 299, paragraph (3)" in paragraph (2) of that Article is deemed to be replaced with "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act"; in paragraphs (3) and (4) of that Article, the term "Article 299, paragraph (3)" is deemed to be replaced with "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act", and the term "Ministry of Justice Order" is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; and the other necessary technical replacement of terms is specified by Cabinet Order.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Measures for Electronic Provision)

Article 47-5-2 The provisions of Part II, Chapter IV, Section 1, Subsection 3 of the Companies Act (excluding Article 325-2, item (iv), Article 325-3, paragraph (1), item (iv) and (vi) and paragraph (3), Article 325-4, paragraph (1), paragraph (2), item (ii), and paragraph (4), and Article 325-7 of that Act) apply mutatis mutandis if a cooperative takes any measures for electronic provision (meaning the measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as enabling cooperative members to receive information by an electronic or magnetic means) of information that is contained in reference documents for a general meeting (meaning the documents prescribed by Article 301, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to paragraph (5) of the preceding Article following the deemed replacement of the terms), in voting forms (meaning the documents prescribed by Article 301, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to paragraph (5) of the preceding Article following the deemed replacement of the terms), or in documents related to account settlement. In this case, in Article 325-2 of that Act, the term "director" is deemed to be replaced with "convener of a general meeting (meaning a convener of a general meeting as prescribed by Article 47-4, paragraph (1) of the Fishery Industry Cooperative Act; the same applies below)", and the "measures so that shareholders (if the general meeting of class shareholders is convened, limited to shareholders of shares of a class) can receive the provision of information by electronic or magnetic means as prescribed in a Ministry of Justice Order" is deemed to be replaced with "measures for electronic provision prescribed by Article 47-5-2 of that Act"; the phrase "In the cases set forth in each item of Article 299, paragraph (2), the directors of a stock corporation with articles of incorporation that provide that measures for electronic provision are taken must continuously take measures for electronic provision of information related to the matters specified in the following items during the period from the day three weeks prior to the day of the shareholders meeting or the day that the notice specified in paragraph (1) of that Article is issued" in Article 325-3, paragraph (1) of that Act is deemed to be replaced with "A convener of a general meeting of a cooperative with articles of association that provide that measures for electronic provision are taken must continuously take measures for electronic provision of information related to the matters specified in the following items during the period from the day two weeks before the general meeting or the day on which the notice referred to in Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act is issued"; the term "each item of Article 298, paragraph (1)" in item (i) of that paragraph is deemed to be replaced with "each item of Article 47-4, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 301, paragraph (1)" in item (ii) of that paragraph is deemed to be replaced with "Article 301, paragraph (1) as applied mutatis mutandis pursuant to the provisions of Article 47-5 of the Fishery Industry Cooperative Act (iii) following the deemed replacement of the terms"; the term "Article 302, paragraph (1)" in item (iii) of that paragraph is deemed to be replaced with "Article 302, paragraph (1) as applied mutatis mutandis pursuant to the provisions of Article 47-5, paragraph (5) of the Fishery Industry Cooperative Act following the deemed replacement of the terms"; the phrase "if the stock company is a company with a board of directors, when a director" in item (v) of the paragraph is deemed to be replaced with "if the convener of the general meeting"; the phrase "if the directors deliver voting forms to shareholders when serving the notice set forth in Article 299, paragraph (1)" in paragraph (2) of that Article is deemed to be replaced with "if the convener of the general meeting delivers voting forms to shareholders when serving the notice stated in Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act"; in Article 325-4, paragraph (2) of that Act, the term "Article 299, paragraph (4)" is deemed to be replaced with "Article 47-5, paragraph (3) of the Fishery Industry Cooperative Act", the phrase "the matters set forth in Article 298, paragraph (1), item (v) need not be stated or recorded in the notice provided pursuant to Article 299, paragraph (2) or paragraph (3)" is deemed to be replaced with "the matters stated in Article 47-4, paragraph (1), item (iii) of that Act need not be stated or recorded in the notice under Article 47-5, paragraph (1) or (2) of that Act", and the phrase "through item (iv)" is deemed to be replaced with "and item (ii)"; the phrase "if measures for electronic provision are taken, a statement to that effect" in the item (i) of that paragraph is deemed to be replaced with "a statement to that the measures for electronic provision are taken"; the term " the Ministry of Justice Order" in item (iii) of that paragraph and Article 325-5, paragraph (3) of that Act is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; in Article 325-4, paragraph (3) of that Act, the term "Article 301, paragraph (1), Article 302, paragraph (1), Article 437, and Article 444, paragraph (6)" is deemed to be replaced with "Article 40, paragraph (7) of the Fishery Industry Cooperative Act and Article 301, paragraph (1) and Article 302, paragraph (1) of this Act as applied mutatis mutandis pursuant to the provisions of Article 47-5, paragraph (5) of the Fishery Industry Cooperative Act following the deemed replacement of the terms", and the phrase "when the directors of a stock company with articles of incorporation that contain provisions to the effect that measures for electronic provision are taken serve the notice set forth in Article 299, paragraph (1)" is deemed to be replaced with "the convener of the general meeting of a cooperative with articles of association that contain provisions to the effect that measures for electronic provision are taken serve the notice stated Article 47-5, paragraph (1) of that Act"; the term "Article 299, paragraph (3) (including as applied mutatis mutandis pursuant to Article 325)" in Article 325-5, paragraph (1) of that Act is deemed to be replaced with "Article 47-5, paragraph (2) of the Fishery Industry Cooperative Act"; in paragraph (2) of that Article, the term "director" is deemed to be replaced with "convener of the general meeting", the term "Article 299, paragraph (1)" is deemed to be replaced with "Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act", and the phrase "shareholders (if a record date (meaning a record date provided in Article 124, paragraph (1)) specifying the persons who can exercise voting rights at the relevant shareholders meeting is set, limited to persons who requested delivery of documents by the record date)" is deemed to be replaced with "cooperative members".

(Notice to Cooperative Members)

Article 47-6 (1) A notice or demand to be given by a cooperative to its member may be issued to their address as included or entered in the list of members (or if the member has separately notified the cooperative of the place or contact information at which they are to receive a notice or demand, to the place or contact information).

(2) The notice or demand referred to in the preceding paragraph is deemed to have been delivered at the time when it would normally have been delivered.

(3) The provisions of the preceding two paragraphs apply mutatis mutandis when, in giving the notice referred to in paragraph (1) of the preceding Article, the relevant person issues a written document or provides the information to be included in the written document to a cooperative member by an electronic or magnetic means. In this case, the term "have been delivered" in the preceding paragraph is deemed to be replaced with "have been delivered by a written document or by an electronic or magnetic means stating the relevant information".

(Matters to be Resolved at the General Meeting)

Article 48 (1) The following matters must pass a resolution at a general meeting:

(i) a change to the articles of association;

(ii) establishment, change, and repeal of bylaws, the resource management regulations, the credit business provisions, and the mutual aid insurance provisions;

(iii) establishment and change of the business plan for each fiscal year;

(iv) a method of imposition and collection of expenses;

(v) transfer of the entire business, transfer of all or part of the business referred to in Article 11, paragraph (1), item (v) or (vii) (including the business incidental to it), or mutual aid insurance business, or transfer of all or part of mutual aid insurance agreements (if a part of the mutual aid insurance agreements is transferred, the transfer is limited to an unitary transfer of mutual aid insurance agreements with the same basis for calculating policy reserves (referred to as "unitary transfer" below));

(vi) an inventory of assets or financial statements and business reports;

(vii) the maximum loan amount in each fiscal year;

(viii) establishment, acquisition, loss, or change of fishery right or related property right;

(ix) establishment, change, and repeal of the rules for exercising fishery rights, the rules for exercising rights to fish in waters belonging to another, or the recreational fishing rules;

(x) appeal, filing of lawsuit or settlement concerning fishery rights or related property rights;

(xi) establishment, change, and repeal of the coastal fishing area management regulations;

(xii) establishment, change, and repeal of breeding waters; and

(xiii) enactment, change, and repeal of the rules for using breeding waters.

(2) Changes to the articles of association (excluding minor matters and other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries) do not take effect unless approved by the administrative authority.

(3) If an application for the approval referred to in the preceding paragraph has been filed, the provisions of Article 63, paragraph (2), Article 64, and Article 65 apply mutatis mutandis.

(4) If a cooperative makes any change to its articles of association regarding the matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in paragraph (2), the cooperative must notify the administrative authority of the change without delay.

(5) Notwithstanding paragraph (1), in accordance with Cabinet Order, the articles of association may provide that a resolution of a general meeting is not required for changes to the mutual aid insurance provisions regarding minor matters or other matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Matters for Discussion at a General Meeting)

Article 49 (1) Unless otherwise provided by this Act, by the articles of association, or by the bylaws, the matters for discussion at a general meeting are resolved by a majority of the votes cast by persons present at the meeting, and in the case of a tie, the chair person is to decide.

(2) The chair person is elected by a general meeting on each occasion.

(3) The chair person does not have the right to participate in the voting at a general meeting as a cooperative member.

(Special Resolutions)

Article 50 The following matters need to be resolved by two-thirds or more (if a higher percentage is specified in the articles of association, that percentage applies) of the votes cast by persons present at the meeting, while the meeting is attended by half or more (if a higher percentage is provided in the articles of association, that percentage applies) of all cooperative members (excluding associate members):

(i) a change to the articles of association;

(ii) dissolution or merger of a cooperative;

(iii) expulsion of a member;

(iii)-2 transfer of the entire business, transfer or all or part of the credit business, business referred to in Article 11, paragraph (1), item (v) or (vii) (including the business incidental to it), or mutual aid insurance business, or transfer of all of the mutual aid insurance agreements;

(iv) establishment, acquisition, loss, or change of fishery rights or related property rights;

(v) establishment, change, and repeal of the rules for exercising fishery rights or the rules for exercising rights to fish in waters belonging to another; and

(vi) release from liability under Article 39-6, paragraph (4).

(Officer's Duty to Explain)

Article 50-2 If an officer is required to explain a specific matter by a cooperative member at a general meeting, the officer must provide the necessary explanation on the matter; provided, however, that this does not apply if the matter does not relate to the purpose of the general meeting, if giving the explanation would materially impede cooperative members' common interests, or if there is any other justifiable reason as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Resolution to Postpone or Continue a Meeting)

Article 50-3 The provisions of Article 47-4 and Article 47-5 do not apply if a general meeting has resolved to postpone or continue the meeting.

(Keeping General Meeting Minutes; and Inspecting Those Minutes)

Article 50-4 (1) Minutes of a general meeting must be prepared regarding the matters discussed in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) A director must keep the minutes referred to in the preceding paragraph at the principal office for ten years from the date of the general meeting.

(3) A director must keep a copy of the minutes referred to in paragraph (1) at a secondary office for five years from the date of a general meeting; provided, however, that this does not apply if the minutes are prepared in a form of an electronic or magnetic record, and the measures prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries are taken to enable the secondary office to respond to the demand stated in item (ii) of the following paragraph.

(4) At any time during the business hours of a cooperative, any of its members or creditors may make the following demands to the cooperative's director; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the minutes referred to in paragraph (1) in original or copy, or to copy the minutes in original or copy, if the minutes are in writing; or

(ii) a demand for allowing the member or creditor to inspect or print the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, if the minutes referred to in paragraph (1) are prepared in a form of an electronic or magnetic record.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Actions for Confirmation or Revocation of the Absence or Invalidity of a Resolution of a General Meeting)

Article 51 The provisions of Article 830, Article 831, Article 834 (limited to the portions relating to items (xvi) and (xvii)), Article 835, paragraph (1), Article 836, paragraph (1) and paragraph (3), Article 837, Article 838 and Article 846 of the Companies Act apply mutatis mutandis to an action for confirmation of the absence or invalidity of a resolution at a general meeting or for revocation of the resolution. In this case, in Article 831 (1) of that Act, the phrase "shareholders, etc. (or, if the general meeting of shareholders, etc. referred to in each item is a general meeting of incorporation or a class general meeting of incorporation, shareholders, etc., shareholders at the time of incorporation, directors at the time of incorporation or auditors at the time of incorporation)" is deemed to be replaced with "cooperative members, directors, management committee members, auditors, or liquidators", the phrase "shareholder (or, if that resolution is the resolution at an organizational meeting) or director (or, in cases of a company with audit and supervisory committee, directors who are audit and supervisory committee members or other directors; hereinafter the same applies in this paragraph)" is deemed to be replaced with "cooperative member, director, management committee member", and the term "Article 346, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 479, paragraph (4))" is deemed to be replaced with "Article 42-2, paragraph (1) of the Fishery Industry Cooperative Act (including as applied mutatis mutandis pursuant to Article 77)"; and in proviso to that paragraph and the proviso of Article 836, paragraph (1) of that Act, the term "director" is deemed to be replaced with "director, management committee member"; and the other necessary technical replacement of terms is prescribed by Cabinet Order.

(Subcommittees of the General Meeting)

Article 51-2 (1) If a cooperative has collective fishing rights qualified pursuant to the provisions of Article 72, paragraph (2) of the Fishery Act (including as applied mutatis mutandis pursuant to paragraph (4) of that Article), the cooperative may establish a subcommittee of its general meeting for each relevant district prescribed by Article 62, paragraph (2), item (i) of that Act (limited to a district of the cooperative) upon passing a resolution at the general meeting, and confer its authority under the collective fishing rights to the subcommittees regarding the matters prescribed in Article 48, paragraph (1), items (viii) through (x) of this Act (regarding the matters stated in item (ix) of that paragraph, they are limited to establishment, change and repeal of the rules for exercising fishing rights or the recreational fishing rules).

(2) A subcommittee of a general meeting is to consist of cooperative members (excluding associate members) having their address or place of business in the relevant district as referred to in the preceding paragraph in which the subcommittee is established.

(3) Unless otherwise provided by this Act, by the articles of association, or by the bylaws, the matters for discussion at a subcommittee of a general meeting are resolved by a majority of the votes cast by persons present at the meeting, and in the case of a tie, the chair person is to decide.

(4) The chair person is elected by a subcommittee of a general meeting on each occasion.

(5) The chair person does not have the right to participate in voting at a subcommittee meeting as a cooperative member of the subcommittee of the general meeting.

(6) The following matters need to be resolved by two-thirds or more (if a higher percentage is provided in the articles of association, that percentage applies) of the votes cast by persons present at the meeting, while the meeting is attended by half or more (if a higher percentage is specified in the articles of association, that percentage applies) of the total cooperative members of the subcommittee of the general meeting.

(i) the establishment, acquisition, loss, or change of collective fishery rights or related property rights; and

(ii) the establishment, change, and repeal of the rules for exercising fishery rights.

(7) The provisions of Article 21, Articles 47-2 through 47-5, Articles 50-2 through the preceding Article, and Article 125, paragraphs (1) and (3) apply mutatis mutandis to subcommittees of a general meeting. In this case, the term "one voting right and one right to elect officers and representatives" in Article 21, paragraph (1) is deemed to be replaced with "one voting right"; in paragraph (2) of that Article, the term "Article 47-5, paragraph (1) or (2) (including as applied mutatis mutandis pursuant to Article 43, paragraph (2))" is deemed to be replaced with "Article 47-5, paragraph (1) or (2) as applied mutatis mutandis pursuant to Article 51-2, paragraph (7)" and the phrase "voting right or election right (referred to as "right to vote or elect'' in paragraphs (4) or (7))" is deemed to be replaced with "voting right''; the phrase "a right to vote or elect" in paragraphs (4) and (7) of that Article is deemed to be replaced with "a voting right"; in Article 47-2, paragraph (2), the phrase "a member (excluding associate members) submits a document stating the purpose of the meeting and the reason for the convocation to the director (or to the management committee member, in the case of a cooperative with management committee members; the same applies in paragraph (4)) to convene the general meeting with the consent of at least one-fifth of all members (excluding associate members)" is deemed to be replaced with "a cooperative member of a subcommittee of a general meeting demands a director (or a management committee member, in the case of a cooperative with management committee members; the same applies in paragraph (4)) convene a general meeting by submitting a document stating the purpose of the meeting and the reason for the convocation upon obtaining the consent of one-fifth or more (if a lower percentage is specified in the articles of association, that percentage applies) of the total members of the subcommittee"; and in Article 125, paragraph (1), the phrase "a cooperative member (excluding a cooperative member under Article 18, paragraph (5) and a federation member under Article 88, item (iii) or (iv), Article 98, item (ii) or Article 102, item (iii) or (iv)) demands revocation of a resolution at the general meeting, or voting or election within one month from the date of the resolution, voting or election, upon obtaining the consent of one-tenth or more of the total members (excluding cooperative members under Article 18, paragraph (5) and federation members under Article 88, item (iii) or (iv), Article 98, item (ii) or Article 102, item (iii) or (iv))" is deemed to be replaced with "a cooperative member of a subcommittee of a general meeting demands revocation of a resolution at the general meeting within one month from the date of the resolution, upon obtaining the consent of one-tenth or more of the total members of the subcommittee", the phrase ", the method of reaching the resolution, or the election" is deemed to be replaced with "or the method of reaching the resolution", and the phrase "the administrative authority may revoke the resolution, voting or election" is deemed to be replaced with "the administrative authority may revoke the resolution"; and the other necessary technical replacements of terms is specified by Cabinet Order.

(Meetings of Representatives)

Article 52 (1) A cooperative with more than 200 cooperative members (excluding associate members) may establish a meeting of representatives in lieu of a general meeting in accordance with its articles of association.

(2) A representative must be a cooperative member (excluding an associate member).

(3) The fixed number of representatives must be one-fourth or more of the number of the cooperative members (excluding associate members); provided, however, that if the cooperative has more than 400 cooperative members (excluding associate members), it is sufficient to have 100 or more representatives.

(4) The term of the office of a representative is three years or less as specified by the articles of association.

(5) The provisions of Article 34, paragraphs (4) through (8) apply mutatis mutandis to representatives.

(6) The provisions regarding a general meeting (excluding those regarding a subcommittee of a general meeting) apply mutatis mutandis to a meeting of representatives. In this case, the phrase "that person is in the same household with the member, is an employee of the member, or is also a cooperative member themselves (excluding an associate member)" in Article 21, paragraph (2) is deemed to be replaced with " that person is also a cooperative member themselves (excluding an associate member)"; and the phrase "five cooperative members" in paragraph (5) of that Article is deemed to be replaced with "two cooperative members".

(7) Notwithstanding the preceding paragraph, a meeting of representatives (excluding a meeting of representatives as referred to in the following paragraph) may not elect representatives or resolve on the matters referred to in Article 50, item (ii), item (iii)-2, or item (iv).

(8) Notwithstanding paragraph (6), in case of a cooperative primarily consisting of persons engaged in gathering or catching aquatic animals and plants or aquaculture or breeding in inland waters (excluding persons who engages or is engaged in fishery), a meeting of representatives may not elect representatives or resolve on the matters referred to in Article 50, item (ii) or (iii)-2.

(9) Matters already resolved at a meeting of representatives may be further resolved at a general meeting convened within three months of the date of the resolution at the meeting of representatives. In this case, if the general meeting reaches a different resolution from that of the meeting of representatives, the resolution reached at the general meeting is effective after that.

(Decrease in the Amount of One Unit of Capital Contribution)

Article 53 (1) If a cooperative requiring capital contribution reduces the amount of one unit of capital contribution, its creditor may make an objection to the reduction to the cooperative.

(2) In the case referred to in the preceding paragraph, the cooperative requiring capital contribution must give public notice regarding the following matters in an official gazette and also must give notice regarding those matters separately to known creditors other than the persons having savings accounts, persons having fixed-term installment savings accounts, and other creditors as provided by Cabinet Order; provided, however, that the period referred to in item (iii) may not be less than one month:

(i) details of the reduction in the amount of one unit of capital contribution;

(ii) matters provided for by Order of the Ministry of Agriculture, Forestry and Fisheries as matters relating to the financial statements of the cooperative requiring capital contribution; and

(iii) the fact that a creditor may state an objection within a certain period.

(3) Notwithstanding the preceding paragraph, if, in addition to making a public notice under that paragraph in an official gazette, a cooperative requiring capital contribution also makes the public notice in the method stated in any of item (ii) or (iii) of that paragraph in accordance with the provisions of the articles of association as provided for by Article 126-4, paragraph (2), the cooperative is not required to give separate notices under the preceding paragraph.

(Protection of Creditors Against Reduction in the Amount of One Unit of Capital Contribution)

Article 54 (1) If a creditor does not state their objection within the period referred to in paragraph (2), item (iii) of the preceding Article, the creditor is deemed to have approved the reduction in the amount of one unit of capital contribution.

(2) If a creditor states an objection, the cooperative requiring capital contribution must satisfy the obligations, provide sufficient security to the creditor, or entrust sufficient assets to a trust company or a financial institution engaged in the trust business for the purpose of having the obligations to the creditor satisfied; provided, however, that this does not apply if there is no risk of harm to the creditors even if the amount of one unit of capital contribution is reduced.

(3) The provisions of Article 828, paragraph (1) (limited to the part relating to item (v)) and paragraph (2) (limited to the part relating to item (v)), Article 834 (limited to the part relating to item (v)), Article 835, paragraph (1), Articles 836 through 839, and Article 846 of the Companies Act apply mutatis mutandis to an action for invalidation of a reduction in the amount of one unit of a cooperative's capital contribution. In this case, the term "shareholders, etc." in Article 828, paragraph (2), item (v) of that Act is deemed to be replaced with "cooperative members, directors, management committee members, auditors, and liquidators", the term "directors" in the proviso to Article 836, paragraph (1) of that Act is deemed to be replaced with "directors, management committee members", and the other necessary technical replacement of the terms is prescribed by Cabinet Order.

(Transfer or Acquisition of Credit Business)

Article 54-2 (1) Upon passing a resolution at a general meeting, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) may transfer all or part of its credit business to another cooperative engaged in the business referred to in that item, a federation of fishery industry cooperatives engaged in the business referred to in Article 87, paragraph (1), item (iv), a marine product processing industry cooperative engaged in the business referred to in Article 93, paragraph (1), item (ii), or a federation of marine product processing industry cooperatives engaged in the business referred to in Article 97, paragraph (1), item (ii) (collectively referred to as a "cooperative engaged in a credit business" in this Article and the following Article).

(2) Upon passing a resolution at a general meeting, a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) may acquire all or part of the credit business (including the credit business prescribed in Article 11-5, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), or Article 100, paragraph (1); the same applies in the following Article) from a cooperative engaged in the credit business.

(3) The transfer or acquisition of all or part of the credit business prescribed by the preceding two paragraphs does not take effect unless approved by the administrative authority, except for the transfer or acquisition specified by Cabinet Order.

(4) If a cooperative as prescribed by paragraph (1) transfers all or part of its credit business, the cooperative must give public notice to that effect without delay.

(5) If public notice under the preceding paragraph is given, the notice is deemed to have been given to the cooperative's creditors by using an instrument bearing a certified date under Article 467 of the Civil Code. In this case, the date of the public notice is deemed to be the certified date.

(6) The provisions of the preceding two Articles apply mutatis mutandis to the transfer or acquisition of all or part of the credit business prescribed in paragraphs (1) and (2). In this case, the term "the details of the reduction in the amount of one unit of capital contribution" in Article 53, paragraph (2), item (i) is deemed to be replaced with "the fact of transfer or acquisition of all or part of the credit business".

(7) If a cooperative transfers all of its credit business pursuant to paragraph (1), it must notify the administrative authority to that effect without delay and make the necessary changes to its articles of association to discontinue its credit business.

(Acquisition of a Credit Business Without a Resolution of a General Meeting)

Article 54-3 (1) If a cooperative engaged in the business referred to in Article 11, paragraph 1, item (iv) acquires all or part of the credit business of a cooperative engaged in a credit business, and if the amount of the net assets of the acquiring cooperative does not exceed one-fifth (if a lower percentage is provided in the articles of association, that percentage applies) of an amount calculated by a method specified by the Order of the Ministry of Agriculture, Forestry and Fisheries, the term "general meeting" in the paragraph (2) of the preceding Article is deemed to be replaced with "general meeting or board of directors (or management committee, in the case of a cooperative with management committee members)" regarding application of the paragraph (2) of the preceding Article.

(2) If a cooperative prescribed by the preceding paragraph acquires all or part of the credit business without a resolution at a general meeting pursuant to the provisions of that paragraph, it must give public notice of the name and address of a cooperative engaged in the credit business with which to enter into the acquisition agreement, and the intention to acquire all or part of the credit business without a resolution at the general meeting pursuant to the provisions of that paragraph, or must notify its members to that effect, within two weeks from a date of entering into the agreement.

(3) If one-sixth or more of the total members (excluding associate members) of the cooperative prescribed by paragraph (1) (excluding associate members) give the cooperative a written notice stating an objection to the acquisition of all or part of the credit business within two weeks from the date of the public notice or notification under the preceding paragraph, the cooperative may not acquire all or part of the credit business without a resolution at a general meeting pursuant to the provisions of paragraph (1).

(Transfer of a Mutual Aid Insurance Business)

Article 54-4 (1) If a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii) transfers all or part of its mutual aid insurance agreements (in the case of transfer of part of the agreements, the transfer is limited to an unitary transfer), it must transfer those agreements to either another cooperative engaged in the mutual aid insurance business or a mutual aid insurance federation of fishery industry cooperatives, by entering into an agreement with them.

(2) A cooperative that transfers all or part of its mutual aid insurance agreements pursuant to the preceding paragraph may provide for the transfer of assets relating to its mutual aid insurance business in the agreement entered into as under that paragraph.

(3) The provisions of Articles 53 and 54 apply mutatis mutandis to the transfer of all or part of the mutual aid insurance business and the transfer of assets relating to the mutual aid insurance business as prescribed in the preceding paragraph. In this case, the term "details of the reduction in the amount of one unit of capital contribution" in Article 53, paragraph (2), item (i) is deemed to be replaced with "the intention to transfer all or a part of the mutual aid insurance business or transfer the assets relating to the mutual aid insurance business".

(4) The provisions of Article 54-2, paragraph (7) apply mutatis mutandis to the cooperative that has transferred all of its mutual aid insurance business or all of its mutual aid insurance agreements upon passing a resolution under Article 48, paragraph (1), item (v).

(Principles of Accounting)

Article 54-5 The accounting of a cooperative is in accordance with generally accepted accounting practices.

(Accounting Books)

Article 54-6 (1) A cooperative must prepare timely and accurate accounting books as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) The provisions of Article 432, paragraph (2) and Article 434 of the Companies Act apply mutatis mutandis to the accounting books referred to in the preceding paragraph.

(Reserves and Carryover Funds)

Article 55 (1) A cooperative (excluding a cooperative not requiring capital contribution that does not engage in the business referred to in Article 11, paragraph (1), items (v) through (vii); the same apply in paragraph (7) and the following Article) must set aside one-tenth or more of its surplus (or one-fifth or more of its surplus, in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)) as retained earnings reserves in each fiscal year until the reserves reach an amount specified in its articles of association.

(2) The amount of retained earnings reserves specified in the articles of association as referred to in the preceding paragraph must not be less than half of the total amount of capital contributions, in the case of a cooperative requiring capital contribution (or less than the total amount of capital contributions, in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)).

(3) A cooperative requiring capital contribution must set aside the excess amount as capital reserves, if the amount of its capital contribution reduced as a result of a reduction in the amount of one unit of capital contribution exceeds the amount of the payments to its members for their ownership interest in the cooperative and the amount used to cover the loss.

(4) The amount to be allocated as retained earnings reserves or capital reserves upon merger is prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(5) The retained earnings reserves referred to in paragraph (1) and the capital reserves referred to in paragraph (3) must not be used except to cover the loss.

(6) No capital reserves may be used to cover any loss unless the retained earnings reserves are insufficient to cover the loss.

(7) A cooperative must carryover at least one-twentieth of the surplus from each fiscal year to the following fiscal year to cover the expenses of the businesses referred to in Article 11, paragraph (1), items (ii) and (xiv).

(Dividends from Surplus)

Article 56 (1) A cooperative may pay a dividend from its surplus up to its net assets calculated in a manner prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries as of the end of the fiscal year from which the following amounts are deducted:

(i) total amount of capital contribution;

(ii) the amount of the retained earnings reserves referred to in paragraph (1) of the preceding Article and the amount of the capital reserves referred to in paragraph (3) of that Article;

(iii) the amount of the retained earnings reserves that must be set aside in the fiscal year pursuant to the provisions of paragraph (1) of the preceding article;

(iv) the amount of the carryover funds referred to in paragraph (7) of the preceding Article; and

(v) other amount specified by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) A dividend from surplus must be paid in accordance with the articles of association in proportion to capital contribution paid in by cooperative members up to an annual yield of 8 percent or less by Cabinet Order, or in proportion to the amount of a cooperative's service used by users.

(Use of Surplus for Capital Contribution)

Article 57 A cooperative requiring capital contribution may use surplus to be distributed to its members for the members' capital contribution in accordance with its articles of association, until the members have paid in their capital contributions.

(Financial Standards)

Article 57-2 Beyond what is provided for by Articles 11-14 and 11-17, Articles 15-17 through 15-23, and Article 54-5 through the preceding Article, the matters with which a cooperative must comply as the standards for handling its finance properly in order to clarify the financial situations between the cooperative and its members and to preserve its members' profit are as prescribed by Cabinet Order.

(Prohibition of a Cooperative from Acquiring Ownership Interest)

Article 58 (1) A cooperative requiring capital contribution may not acquire its member's ownership interest in the cooperative, or may not hold the ownership interest pledged as a collateral.

(2) Notwithstanding the preceding paragraph, if a cooperative requiring capital contribution takes a transfer of its member's ownership interest in the cooperative pursuant to Article 25, paragraph (1), the cooperative may acquire the ownership interest.

(3) If a cooperative requiring capital contribution acquires its member's ownership interest in the cooperative pursuant to the preceding paragraph, the cooperative must promptly dispose of the ownership interest it has acquired.

(Business Reports)

Article 58-2 (1) A cooperative must prepare a business report stating the status of its business operations and assets and submit it to the administrative authority for each fiscal year.

(2) If a cooperative has a subsidiary or other affiliated person (meaning a subsidiary or other company that has a special relationship with the cooperative as specified by Order of the Ministry of Agriculture, Forestry and Fisheries; the same applies in this Chapter), the cooperative must prepare a business report that consolidates the status of the business operations and assets of both the cooperative and its subsidiary or other affiliated person, in addition to the business report referred to in the preceding paragraph, and submit it to the administrative authority, for each fiscal year.

(3) The information to be included in the business reports referred to in the preceding two paragraphs, the due date for submission, and other necessary matters concerning the business reports are prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Public Inspection of Documents Explaining the Status of Business Operations and Assets)

Article 58-3 (1) A cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) must prepare an explanatory document including the information specified by an order of the competent ministry as relating to the status of business operations and assets for each fiscal year, keep it at the office of the cooperative (excluding offices mainly used for business other than credit business or mutual aid insurance business and other offices specified by an order of the competent ministries; the same apply in this Article), and make the document available for public inspection.

(2) If a cooperative referred to in the preceding paragraph has its subsidiary or other affiliated person, in addition to the explanatory document referred to in the preceding paragraph, the cooperative must prepare another explanatory document consolidating the information prescribed by an order of the competent ministry as relating to the status of the business operations and assets of both the cooperative and its subsidiary or other affiliated person for each fiscal year, keep it at the office of the cooperative, and make the documents available for public inspection.

(3) The explanatory documents prescribed by the preceding two paragraphs may be prepared in a form of an electronic or magnetic record.

(4) If the explanatory documents referred to in paragraph (1) or (2) are prepared in a form of an electronic or magnetic record, a cooperative may take measures as prescribed by an order of the competent ministry at the office of the cooperative to make the information included in the electronic or magnetic record available to an unspecified number of persons using an electronic or magnetic means. In this case, the explanatory documents prescribed by these paragraphs are deemed to have been kept and available for public inspection in accordance with these paragraphs.

(5) Beyond what is provided for in the preceding paragraphs, the period during which the explanatory documents referred to in paragraph (1) or (2) are made available for public inspection and other matters necessary for the application of these provisions are prescribed by an order of the competent ministry.

(6) In addition to the information prescribed by paragraph (1) or (2), a cooperative referred to in paragraph (1) must endeavor to disclose other matters that would serve as a reference for the users of the credit services or mutual aid insurance services to know the status of the business operations and assets of the cooperative and its subsidiary or other affiliated person.

Section 6 Founding

(Founding Members)

Article 59 In order to found a cooperative, 20 persons or more intending to be its members (excluding associate members) are required to become its founding members (or 15 persons or more are required, in case of a cooperative in which only persons engaged in the type-specific fishery are eligible to be its members (referred to as a "type-specific fishery cooperative" below)).

(Founding Meeting)

Article 60 (1) A founding member must prepare in advance a prospectus describing a cooperative's businesses, districts, and eligibility to be a cooperative member, and must give a public notice within a certain period before the founding meeting regarding the prospectus together with the date, time, and place of the meeting.

(2) The certain period referred to in the preceding paragraph must not be less than two weeks.

(Appointment of the Committee Members Drafting the Articles of Association)

Article 61 (1) At the founding meeting, persons responsible to prepare the articles of association (referred to as "committee members drafting the articles of association" below) must be appointed among the persons at the meeting intending to be cooperative members (excluding associate members), and the basic matters for drafting the articles of association such as its district or eligibility to be a cooperative member must be determined.

(2) The number of the committee members drafting the articles of association must be 20 or more (or 15 or more in the case of a type-specific fishery cooperative).

(3) The matters for discussion at the founding meeting are resolved with the consent of the majority of persons at the meeting intending to be a cooperative member (excluding an associate member).

(Inaugural Meetings)

Article 62 (1) When the committee members drafting the articles of association have prepared the articles of association, the founding members must give a public notice within a certain period before the inaugural meeting regarding the articles of association together with the date, time, and place of the inaugural meeting, and hold the inaugural meeting.

(2) The certain period referred to in the preceding paragraph must not be less than two weeks.

(3) Approval of the articles of association prepared by the committee members drafting the articles of association, establishment of a business plan, and decisions on other necessary matters for the establishment must be decided at the inaugural meeting.

(4) At the inaugural meeting, the articles of association referred to in the preceding paragraph may be changed; provided, however, that this does not apply to the provisions concerning districts and eligibility to be a cooperative member.

(5) The matters for discussion at the inaugural meeting are resolved by two-thirds or more of the votes cast by persons present at the meeting, while the meeting is attended in person by half or more of persons eligible to be a cooperative member (excluding an associate member) who have given the founding members their consent to founding a cooperative before the meeting date.

(6) The provisions of Article 21, paragraph (1), Article 49, paragraphs (2) and (3), and Articles 50-2 through 50-4 apply mutatis mutandis to an inaugural meeting, and the provisions of Article 830 Article 831, Article 834 (limited to the parts relating to items (xvi) and (xvii)), Article 835, paragraph (1), Article 836, paragraphs (1) and (3), Article 837, Article 838, and Article 846 of the Companies Act apply mutatis mutandis to an action for confirmation of the absence or invalidity of a resolution of the inaugural meeting or for revocation of the resolution. In this case, the term "officer" in Article 50-2 of this Act is deemed to be replaced with "founding member and committee member drafting articles of association"; the term "Article 47-4 and Article 47-5" in Article 50-3 of this Act is deemed to be replaced with "Article 62, paragraphs (1) and (2)"; in Article 831, paragraph (1) of the Companies Act, the term "shareholder, etc." is deemed to be replaced with "cooperative member, director, management committee member, auditor, liquidator", and the phrases "director at incorporation or corporate auditor at incorporation" and "director at incorporation (if the stock company to be incorporated is a company with an audit and supervisory committee, a director at incorporation who is an audit and supervisory committee member at incorporation or other director at incorporation) or corporate auditor at incorporation" are deemed to be replaced with "founding member or committee member drafting articles of association"; in the proviso of Article 836, paragraph (1), the term "director" is deemed to be replaced with "director, management committee member", and the term "director at incorporation or corporate auditor at incorporation" is deemed to be replaced with "founding member or committee member drafting articles of association"; and other necessary technical replacement of the terms is specified by Cabinet Order.

(Application for Approval of Founding)

Article 63 (1) The founding members must apply for approval of founding by submitting the articles of association and a business plan to the administrative authority without delay after the conclusion of the inaugural meeting.

(2) The founding members must submit a report on founding the cooperative when required by the administrative authority.

(Approval of Founding)

Article 64 Upon receiving an application for approval under paragraph (1) of the preceding Article, the administrative authority must grant approval for founding, except for cases falling under any of the following items:

(i) the procedures for founding or the details of the articles of association or business plan violate laws and regulations or dispositions by administrative authority based on laws and regulations; or

(ii) it is recognized to be extremely difficult for a cooperative to achieve the purpose of the business, such as lacking the necessary financial basis to conduct the business.

(Period of Approval)

Article 65 (1) Upon receipt of an application for approval under Article 63, paragraph (1), the administrative authority must issue a notice of approval or disapproval to the founding member within two months of the date of receipt of the application.

(2) If the administrative authority has not issued the notice referred to in the preceding paragraph within the period referred to in that paragraph, the founding is deemed to have been approved on the date of expiration of the period. In this case, the founding member may demand the administrative authority certify the approval.

(3) If an administrative authority issues a demand for submission of a report pursuant to the provisions of Article 63, paragraph (2), the period from the date of the demand until the report reaches the administrative authority is not included in the period referred to in paragraph (1).

(4) If an administrative authority issues a notice of disapproval, it must include the reasons for the disapproval in the notice.

(5) If the founding member has filed an action seeking revocation of the disapproval and the court has rendered a judgment of revocation, the approval of founding is deemed to have been granted on the date when the judgment becomes final and binding. In this case, the provisions of the second sentence of paragraph (2) apply mutatis mutandis.

(Handover of Operation to the Director)

Article 66 (1) Upon approval of the founding, the founding member must hand over the operation to the directors without delay.

(2) Upon being handed over pursuant to the preceding paragraph, the directors of the cooperative requiring capital contribution must have the cooperative member pay in the first capital contribution without delay.

(3) On the date of the first payment, a person making an in-kind contribution must deliver all the assets to be contributed; provided, however, that this does not preclude the person from conducting registration or other actions necessary for duly asserting establishment or transfer of relevant rights against a third party, after the cooperative has been founded.

(Revocation of Approval of Founding)

Article 66-2 If a cooperative has not made founding registration for 90 days after the date of the approval under Article 63, paragraph (1), the administrative authority may revoke the approval.

(Time of Formation)

Article 67 A cooperative is formed upon registration of its founding in the district in which its principal office is located.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Actions for Invalidation of Founding)

Article 67-2 The provisions of Article 828, paragraph (1) (limited to the part relating to item (i)) and paragraph(2) (limited to the part relating to item (i)), Article 834 (limited to the part relating to item (i)), Article 835, paragraph (1), Article 836, paragraphs (1) and (3), Articles 837 through 839 and Article 846 of the Companies Act apply mutatis mutandis to an action to invalidate the founding of the cooperative. In this case, in Article 828, paragraph (2), item (i) of the Act, the phrase "shareholder, etc. (meaning a shareholder, director or liquidator (or meaning a shareholder, director, auditor or liquidator in the case of a company with corporate auditors, and meaning shareholders, directors, executive officers, or liquidators in the case of a company with nominating committee, etc.); the same applies in this Section)" is deemed to be replaced with "member director, management committee member, auditor, or liquidator", and in the proviso to Article 836, paragraph (1) of that Act, the term "director," is deemed to be replaced with "director, management committee member", and other necessary technical replacement of terms is specified by Cabinet Order.

Section 7 Dissolution and Liquidation

(Reason for Dissolution)

Article 68 (1) A cooperative is dissolved by the following reasons:

(i) a resolution at a general meeting;

(ii) a merger of the cooperative;

(iii) a decision to commence bankruptcy proceedings for the cooperative;

(iv) expiration of the period during which the cooperative exists; or

(v) an order of dissolution under Article 124-2.

(2) A resolution to dissolve a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) does not take effect unless approved by the administrative authority.

(3) The provisions of Article 63, paragraph (2) apply mutatis mutandis to the approval referred to in the preceding paragraph.

(4) If a cooperative (excluding a cooperative referred to in paragraph (2); the same applies in paragraph (1) of the following Article and Article 68-3) is dissolved due to any reason other than those referred to in paragraph (1), items (ii) and (v), the cooperative must notify the administrative authority to that effect without delay.

(5) In addition to the reasons referred to in paragraph (1), a cooperative is dissolved if its members (excluding associate members) are fewer than 20 (or fewer than 15 in the case of a type-specific fishery cooperative).

(6) If a cooperative is dissolved pursuant to the preceding paragraph, the cooperative must notify the administrative authority to that effect without delay.

(Deemed Dissolution of Dormant Cooperatives)

Article 68-2 (1) If an administrative authority gives public notice in an official gazette, stating that a dormant cooperative (meaning a cooperative whose last registration was made more than five years ago; the same applies in this Article) notify the administrative authority that it has not discontinued its business, within two months in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries, but the dormant cooperative does not give the notification, the dormant cooperative is deemed to have been dissolved at the expiration of the two-month period; provided, however, that this does not apply if the registration is made regarding the dormant cooperative within that period.

(2) If the administrative authority gives public notice under the preceding paragraph, it must issue a notice to that effect to the dormant cooperative.

(Continuation of a Cooperative)

Article 68-3 (1) If an cooperative is dissolved due to any reason prescribed by Article 68, paragraph (1), item (i) or (iv) (including when the cooperative is deemed to have been dissolved pursuant to the provisions of paragraph (1) of the preceding Article), the cooperative may still continue to exist with a resolution at a general meeting, until the liquidation is completed (or only within three years after the cooperative is deemed to have been dissolved, if the cooperative is deemed to have been dissolved pursuant to the provisions of paragraph (1) of the preceding Article).

(2) The provisions of Article 50 apply mutatis mutandis to the continuation of a cooperative under the preceding paragraph.

(3) If a cooperative is continued pursuant to paragraph (1), it must notify the administrative authority to that effect within two weeks.

(Merger Procedures)

Article 69 (1) If a cooperative intends to merge, it must enter into a merger agreement that provides forth the matters as prescribed by Cabinet Order and must obtain approval of that contract with a resolution at a general meeting.

(2) No merger does not take effect without the approval of the administrative authority.

(3) If an application for the approval referred to in the preceding paragraph is filed, the provisions of Article 63, paragraph (2) apply mutatis mutandis to a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), and the provisions of Article 63, paragraph (2), Article 64, and Article 65 apply to other cooperatives.

(4) The provisions of Article 53 and Article 54, paragraphs (1) and (2) apply mutatis mutandis to a merger of a cooperative. In this case, the phrase "the details of the reduction in the amount of one unit of capital contribution" in Article 53, paragraph (2), item (i) is deemed to be replaced with "the intention to effectuate a merger", and the phrase "financial statements" in item (ii) of that paragraph is deemed to be replaced with "an inventory of assets or financial statements".

(A Merger Without a Resolution at the General Meeting)

Article 69-2 (1) If a number of the total members of a cooperative that will be dissolved as a result of a merger (excluding associate members; the same applies in this paragraph and paragraph (4)) does not exceed one fifth of the number of the total members of a surviving cooperative in the merger (if a lower percentage is specified in the articles of association of the surviving cooperative in the merger, that percentage applies; the same applies in this paragraph); and if the amount of the assets in the final balance sheet of the cooperative that will be dissolved as a result of a merger does not exceed one fifth of the amount of the total assets in the final balance sheet of the surviving association in the merger, the term "general meeting" in the paragraph (1) of the preceding Article is deemed to be replaced with "general meeting or board of directors (or management committee, in the case of a cooperative with management committee members)" regarding the application of the provisions of that paragraph to the merger that the surviving cooperative proceeds.

(2) If a surviving cooperative in a merger proceeds with the merger without a resolution at a general meeting pursuant to the provisions of the preceding paragraph, it must state to that effect in the merger agreement referred to in paragraph (1) of the preceding Article.

(3) If a surviving cooperative in a merger proceeds with the merger pursuant to paragraph (1) without a resolution at a general meeting, it must give public notice of the name and address of the cooperative that will be dissolved as a result of the merger, the date of the merger, and the intention to effectuate the merger without a resolution reached at the general meeting pursuant to paragraph (1), or must notify its members to that effect, within two weeks of the date of entering into the merger agreement referred to in paragraph (1) of the preceding Article.

(4) If one-sixth or more of the total members of the surviving cooperative in the merger (excluding associate members) give the surviving cooperative a written notice stating an opposition to the merger within two weeks of the date of the public notice or notification under the preceding paragraph, the merger may not be effectuated without a resolution at a general meeting pursuant to paragraph (1).

(Keeping Documents Concerning a Merger Agreement; and Inspecting Those Documents)

Article 69-3 (1) A director of a cooperative stated in the following items must keep a document or electronic or magnetic record stating the details of the merger agreement under Article 69, paragraph (1) and other information prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries for the period stated in the item at the principal office:

(i) a cooperative dissolved as a result of the merger: from the earlier of the following dates (a) or (b) to the date of registration of the merger:

(a) two weeks before the date of the general meeting referred to in Article 69, paragraph (1); or

(b) the date of the public notice under Article 53, paragraph (2) as applied mutatis mutandis pursuant to Article 69, paragraph (4) or the date of the notification under that paragraph, whichever is earlier;

(ii) a surviving cooperative in the merger: from the earlier of (a) or (b) below until six months have elapsed after the date of registration of the merger:

(a) two weeks before the date of the general meeting referred to in Article 69, paragraph (1) (or two weeks before the date of the resolution of the board of directors (or the management committee, in the case of a cooperative with management committee members) if a merger has taken place without a resolution at the general meeting pursuant to paragraph (1) of the preceding Article); or

(b) the date stated in (b) of the preceding item; and

(iii) a cooperative newly founded by the merger: six months of the date of registration of the merger.

(2) At any time during the business hours of a cooperative stated in the items of the preceding paragraph, any of its member or creditor may make the following demands to the cooperative's director regarding the documents or electronic or magnetic records referred to in that paragraph relating to the cooperative; in this case, the director must not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the documents referred to in the preceding paragraph;

(ii) a demand for delivering a transcript or extract of the documents referred to in the preceding paragraph;

(iii) a demand for allowing the member or creditor to inspect the information that is entered in an electronic or magnetic record referred to in the preceding paragraph and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries; or

(iv) a demand for providing the information entered in the electronic or magnetic record referred to in the preceding paragraph by an electronic or magnetic means as determined by the cooperative, or a demand for delivering a document including the information.

(3) A cooperative member or its creditor must pay the expenses determined by the cooperative in order to make a demand stated in items (ii) or (iv) of the preceding paragraph.

(Demand to Withhold a Merger)

Article 69-4 (1) If a merger of cooperatives violates laws and regulations or its articles of association, and a member of the cooperative that will be dissolved as a result of the merger is likely to suffer any loss, the member may demand the cooperative withhold the merger.

(2) If a merger of cooperatives violates laws and regulations or its articles of association, and a member of the surviving cooperative in the merger is likely to suffer any loss, the member may demand the cooperative withhold the merger; provided, however, that this does not apply if a merger has taken place without a resolution at a general meeting pursuant to Article 69-2, paragraph (1) (excluding the case in which the notice under paragraph (4) of that Article has been given).

(Actions Necessary for Founding by a Merger)

Article 70 (1) In order to establish a new cooperative by merging existing cooperatives, the founding committee members who are appointed among the members (excluding associate members) at a general meeting of each existing cooperative must jointly prepare the articles of association, elect the officers (excluding directors if a cooperative to be founded is a cooperative with management committee members), and take other actions necessary for its founding.

(2) The provisions of the main clause of paragraph (10) of Article 34, and Article 34, paragraphs (11) and (12) apply mutatis mutandis to the appointment of directors among the officers prescribed by the preceding paragraph.

(3) The provisions of Article 34-2, paragraph (3) apply mutatis mutandis to the appointment of the management committee members among the officers prescribed by paragraph (1). In this case, the term "paragraphs (10) and (12) of the preceding Article" in Article 34, paragraph (3) is deemed to be replaced with "the main clause of paragraph (10) of the preceding Article and paragraph (12) of the preceding Article".

(4) The provisions of Article 50 apply mutatis mutandis to the appointment of founding committee members under paragraph (1).

(Time of a Merger)

Article 71 A merger of cooperatives becomes effective when a surviving cooperative in the merger or a cooperative newly founded by the merger is registered in the district where its principal office is located.

(Taking Over Rights and Obligations Due to a Merger)

Article 72 A surviving cooperative in a merger or a cooperative newly founded by a merger takes over the rights and obligations of the cooperative that has been dissolved as a result of the merger (including rights and obligations held by the dissolved cooperative based on a license, approval or other disposition of an administrative authority with respect to its business).

(Keeping Documents Stating Matters Concerning a Merger; and Inspecting Those Documents)

Article 72-2 (1) A director of a surviving cooperative in a merger or a cooperative newly founded by a merger must prepare a document or electronic or magnetic records stating the rights and obligations that the cooperative has taken over from the cooperative dissolved as a result of the merger pursuant to the preceding Article and other matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries as related to the merger without delay after the date of registration of the merger.

(2) A director must keep the document or electronic or magnetic records referred to in the preceding paragraph at the principal office for six months of the date of the registration of the merger.

(3) At any time during the business hours of a cooperative, any of its members or creditors may make the following demands to the cooperative's director; in this case, the director may not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the documents referred to in paragraph (1);

(ii) a demand for delivering a transcript or extract of the documents referred to in paragraph (1);

(iii) a demand for allowing the member or creditor to inspect the information entered in the electronic or magnetic record referred to in paragraph (1) by the method provided for by Order of the Ministry of Agriculture, Forestry and Fisheries; or

(iv) a demand for providing the information entered in the electronic or magnetic record referred to in paragraph (1) by an electronic or magnetic means as determined by the cooperative, or a demand for delivering a document stating the information.

(4) A member or creditor of a cooperative must pay the expenses determined by the cooperative in order to make a demand stated in items (ii) or (iv) of the preceding paragraph.

(The Provisions of the Companies Act That Apply Mutatis Mutandis to Actions for Invalidation of a Merger)

Article 73 The provisions of Article 828, paragraph (1) (limited to the parts relating to items (vii) and (viii)) and paragraph (2) (limited to the parts relating to items (vii) and (viii)), Article 834 (limited to the parts relating to items (vii) and (viii)), Article 835, paragraph (1), Articles 836 through 839, Article 843 (excluding paragraph (1), items (iii) and (iv) and the proviso of paragraph (2)), and Article 846 of the Companies Act apply mutatis mutandis to an action to invalidate a merger of cooperatives; and the provisions of Article 868, paragraph (6), Article 870, paragraph (2) (limited to the part relating to item (vi)), Article 870-2, the main clause of Article 871, Article 872 (limited to the part relating to item (v)), Article 872-2, the main clause of Article 873, Article 875, and Article 876 of the Companies Act apply mutatis mutandis to the petition referred to in Article 843, paragraph (4) of that Act as applied mutatis mutandis pursuant to the provisions of this Article. In this case, in Article 828, paragraph (2), items (vii) and (viii) of that Act, the phrase "shareholder, etc. or employees etc." is deemed to be replaced with "cooperative member, director, management committee member, auditor, or liquidator", and the phrase "shareholder, etc., employees, etc." is deemed to be replaced with "cooperative member, director, management committee member, auditor, liquidator"; the term "director" in the proviso of Article 836, paragraph (1) is deemed to be replaced with "director, management committee member,"; and other necessary technical replacement of terms is specified by Cabinet Order.

(Liquidators)

Article 74 If a cooperative is dissolved, its director assumes a position of the liquidator, except for the dissolution due to a merger or a commencement of bankruptcy procedures; provided, however, that this does not apply if another person is appointed a liquidator at the general meeting.

(Duties of a Liquidator)

Article 74-2 A liquidator performs the following duties:

(i) completion of current business;

(ii) collection of claims and payment of debts; and

(iii) distribution of residual assets.

(Liquidation Procedures)

Article 75 (1) After assuming a position, a liquidator, without delay, must examine the assets of a cooperative, prepare an inventory of assets in the case of a cooperative not requiring capital contribution or an inventory of assets and balance sheet in the case of a cooperative requiring capital contribution, determine the method for the disposition of assets, and submit or present them to the general meeting for its approval.

(2) If a liquidator of a cooperative with management committee members seeks an approval referred to in the preceding paragraph, the liquidator must obtain an approval of the management committee in advance regarding an inventory of assets and the method of disposition of assets in the case of a cooperative not requiring capital contribution, or regarding an inventory of assets, balance sheet, and method of disposition of assets in the case of a cooperative requiring capital contribution.

(Statement of Accounts)

Article 76 (1) After completion of the liquidation procedures, a liquidator must prepare a statement of accounts and submit or present it to the general meeting for its approval, as provided for in the Order of the Ministry of Agriculture, Forestry and Fisheries, without delay.

(2) When seeking an approval referred to in the preceding paragraph, a liquidator of a cooperative with management committee members must obtain an approval of the management committee in advance regarding the statement of accounts.

(3) The provisions of Article 507, paragraph (4) of the Companies Act applies mutatis mutandis to an approval referred to in paragraph (1).

(The Provisions of the Companies Act That Apply Mutatis Mutandis in Relation to Liquidation)

Article 77 The provisions of Article 475 (excluding the part relating to item (iii)), Article 476, and Articles 499 through 503 of the Companies Act apply mutatis mutandis to the liquidation of a cooperative, and the following provisions apply mutatis mutandis to a cooperative's liquidator: the provisions of Article 31-2, Article 33-2, Article 34-3, Article 34-4, Article 34-5, paragraphs (4) and (5), Article 36, Article 37, Article 38, paragraphs (5) and (6), Article 39 (excluding paragraph (2)), Article 39-2, Article 39-3, paragraphs (2) and (3), Article 39-4, Article 39-5, paragraphs (1) through (3), Article 39-6, paragraph (1) through (3), and paragraphs (8), (9) (limited to the part relating to item (i)), and (10), Article 40 (excluding paragraphs (1) and (10)), Article 42-2, paragraph (1), Article 47-2, paragraphs (2) through (4), Article 47-3, Article 47-4, paragraph (2), Article 50-2 and Article 50-4, paragraphs (2) through (4) of this Act; and the provisions of the main clause of paragraph (1) of Article 383, paragraphs (2) and (3) of that Article, Article 384, Article 385, Article 386, paragraph (1) (limited to the part relating to item (i)) and paragraph (2) (limited to the part relating to items (i) and (ii)), Article 478, paragraphs (2) and (4), Article 479, paragraphs (1) and (2) (limited to parts other than those stated in the items), Article 483, paragraphs (4) and (5), and Article 484, Article 485, Article 489, paragraphs (3) through (5), Article 508, Part VII, Chapter II, Section 2 (excluding Article 847, paragraph (2), Article 847-2, Article 847-3, Article 849, paragraph (2), paragraph (3), items (ii) and (iii), and paragraphs (6) through (11), Article 849-2, items (ii) and (iii), Article 851, Article 853, paragraph (1), items (ii) and (iii)), Article 868, paragraph (1), Article 869, Article 870, paragraph (1) (limited to the part relating to items (i) and (ii)), Article 871, Article 872 (limited to the part relating to item (iv)), Article 874 (limited to the part relating to items (i) and (iv)), Article 875, and Article 876 of the Companies Act. In this case, the term "officer" in Article 39-6, paragraph (10) of this Act is deemed to be replaced with "officer or liquidator"; in Article 40, paragraph (2) of this Act, the term "business report" is deemed to be replaced with "administrative report", and the phrase "any documents prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries necessary for showing the status of the cooperative's assets and its profit and loss such as a balance sheet, profit and loss statement, surplus appropriation plan or loss appropriation plan (collectively referred to as "financial statements" below), and" is deemed to be replaced with "a balance sheet and"; the term "business report" in paragraph (4) of that Article is deemed to be replaced with "administrative report"; in paragraph (9) of that Article, the term "two weeks" is deemed to be replaced with "one week" and the term "five years" is deemed to be replaced with to "the period until the time of registration of the completion of liquidation"; the term "Order of the Ministry of Justice" in Article 384 and Article 847, paragraphs (1) and (4) of the Companies Act is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; and the term "the reasons listed in Article 471, item (iv)" in Article 475, item (i) of that Act is deemed to be replaced with "merger"; the term "the preceding paragraph" in Article 478, paragraph (2) of that Act is deemed to be replaced with "Article 74 of the Fishery Industry Cooperative Act"; the phrase "shareholders listed below" in the parts other than those stated in the items of Article 479, paragraph (2) of that Act is deemed to be replaced with "cooperative members (excluding associate members) obtaining the consent of one-fifth or more (if a lower percentage is specified in the articles of association, that percentage applies; the same applies in the following paragraph) of the total members (excluding associate members)"; the term "Article 478, paragraph (1), item (i)" in Article 483, paragraph (4) of that Act is deemed to be replaced with "Article 74 of the Fishery Industry Cooperative Act"; the phrase "Article 55, Article 102-2, paragraph (2), Article 103, paragraph (3), Article 120, paragraph (5), Article 213-2, paragraph (2), Article 286-2, paragraph (2), Article 424 (including as applied mutatis mutandis pursuant to Article 486, paragraph (4)), Article 462, paragraph (3) (limited to the portion relating to the obligations assumed for the portion not exceeding the distributable amount prescribed in the proviso to that paragraph), Article 464, paragraph (2) and Article 465, paragraph (2)" is deemed to be replaced with "Article 39-6, paragraph (3) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 77 of that Act"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter III Fishery Production Cooperatives

Section 1 Business

Article 78 A fishery production cooperative (referred to as a "cooperative" in this Chapter) may engage in fishery and businesses incidental to it.

Section 2 Membership, Administration, Founding, Dissolution and Liquidation

(Eligibility to Be a Cooperative Member)

Article 79 A person eligible to be a cooperative member is a fisherman as specified in the articles of association.

(Regular Engagement Requirement for Cooperative Members)

Article 80 At least two-thirds of cooperative members must be regularly engaged in the business of the cooperative.

(Persons Regularly Engaged in a Cooperative's Business)

Article 81 At least one-half of the persons regularly engaged in the business of a cooperative must be its members.

(Capital Contribution)

Article 82 (1) A cooperative member must hold at least one unit of capital contribution.

(2) A majority of the total number of units of capital contribution in a cooperative must be held by its members who are regularly engaged in the business of the cooperative.

(Keeping the List of Members; and Inspecting the List)

Article 82-2 (1) A director must prepare a list of cooperative members and include or enter the following information for each member in the list:

(i) the information stated in Article 31-2, paragraph (1), items (i), (iii), and (iv);

(ii) the date of becoming a cooperative member; and

(iii) a statement that the subject person is not regularly engaged in the fishery operated by the cooperative or any business incidental to it, if applicable.

(2) The provisions of Article 31-2, paragraphs (2) and (3) apply mutatis mutandis to a list of cooperative members as referred to in the preceding paragraph.

(Information to be Included or Entered in the Articles of Association)

Article 83 (1) The articles of association of a cooperative must include or enter the information referred to in Article 32, paragraph (1), items (i) and (ii), items (iv) through (vi), and items (viii) through (xii).

(2) The provisions of Article 32, paragraphs (3) and (4) apply mutatis mutandis to the articles of association referred to in the preceding paragraph.

(Officers)

Article 83-2 (1) A cooperative must have directors as its officers.

(2) A cooperative may have auditors as its officers in accordance with its articles of association.

(3) A director of a cooperative must be its member.

(4) A director of a cooperative may not serve as its auditor at the same time.

(Determination of a Cooperative's Business)

Article 83-3 If there are two or more directors, the business of a cooperative is decided by a majority of the directors, unless otherwise provided for in the articles of association.

(Cooperative Representative)

Article 83-4 A director represents a cooperative in all business of the cooperative; provided, however, that the director may not do anything contrary to the provisions of the articles of association and must comply with resolutions at a general meeting.

(Restrictions on Representative Authority of Directors)

Article 83-5 Restrictions placed on the representative authority of the directors may not be asserted against a third party in good faith.

(Delegation of a Director's Actions to Another Person as Their Agent)

Article 83-6 A director may delegate certain actions to another person as their agent, unless prohibited by the articles of association or a resolution at a general meeting.

(A Conflict of Interest)

Article 84 A director does not have the representative authority regarding matters for which there is a conflict of interest between a cooperative and the director. In this case, a special representative is appointed by a resolution at a general meeting.

(Duties of an Auditor)

Article 84-2 An auditor performs the following duties:

(i) auditing the status of the assets of a cooperative;

(ii) auditing the status of the director's performance of their duties;

(iii) reporting to a general meeting or to the administrative authority if it is recognized that there is a violation of laws, regulations, or the articles of association, or there is an extremely unfair matter in the status of the assets or the performance of the duties; and

(iv) convening a general meeting if it is necessary for giving a report as referred to in the preceding item.

(Preparing and Keeping Business Reports; and Inspecting Those Reports)

Article 84-3 (1) A director must prepare a business report, a balance sheet, a profit and loss statement, and a surplus appropriation plan or loss appropriation plan for each fiscal year as prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(2) Documents to be prepared pursuant to the provisions of the preceding paragraph (referred to as a "business report and other documents" in this Article and Article 84-7, paragraph (1), item (v)) may be prepared in the form of an electronic or magnetic records.

(3) A director must keep the business report and other documents at the principal office at least one week before the date of a regular general meeting.

(4) A director of a cooperative that have auditors pursuant to the provisions of Article 83-2, paragraph (2) (referred to as a "cooperative with auditors" in paragraph (8)) must submit or provide a business report and other documents to an auditor by one week before the date of a regular general meeting.

(5) At any time during the business hours of a cooperative, its member or creditor may make the following demands to the cooperative's director; in this case, the director may not refuse the demand without a justifiable reason:

(i) a demand for allowing the member or creditor to inspect the business report and other documents, if they are in writing;

(ii) a demand for delivering a transcript or extract of the documents referred to in the preceding item;

(iii) a demand for allowing the member or creditor to inspect the information that is entered in an electronic or magnetic record and is displayed by the method provided for by Order of the Ministry of Agriculture, Forestry and Fisheries, if the business report and other documents are prepared in the form of an electronic or magnetic record; or

(iv) a demand for providing the information entered in the electronic or magnetic record referred to in the preceding item by an electronic or magnetic method as determined by the cooperative, or a demand for delivering a document including the information.

(6) A cooperative member or its creditor must pay the expenses determined by the cooperative in order to make a demand referred to in items (ii) or (iv) of the preceding paragraph.

(7) A director must submit or provide a business report and other documents to a regular general meeting.

(8) When a director of a cooperative with auditors submits or provide a business report and other documents to a regular general meeting pursuant to the preceding paragraph, the director must attach a written document or electronic or magnetic record stating the opinions of the auditors to them.

(Regular General Meeting)

Article 84-4 A director must hold a regular general meeting at least once each year.

(Extraordinary General Meeting)

Article 84-5 A director may convene an extraordinary general meeting whenever they find it necessary.

(Without Voting Rights)

Article 84-6 If a resolution is reached concerning a relationship between a cooperative and a particular member, the member does not have voting rights.

(Matters to be Resolved at a General Meeting)

Article 84-7 (1) The following matters must pass a resolution at a general meeting:

(i) a change to the articles of association;

(ii) establishment, change, and repeal of the bylaws;

(iii) establishment and change of a business plan for each fiscal year;

(iv) transfer of all of the business; and

(v) a business report and other documents.

(2) If a cooperative amends its articles of association, the cooperative must notify the administrative authority of the changed matters within two weeks of the date of the change.

(Special Resolutions)

Article 84-8 The following matters need to be resolved by two-thirds or more of the votes cast by all cooperative members:

(i) a change to the articles of association;

(ii) dissolution or merger of a cooperative;

(iii) expulsion of a member;

(iv) transfer of all of the business; and

(v) release from liability under Article 39-6, paragraph (4) as applied mutatis mutandis pursuant to Article 86, paragraph (2).

(Dividends from Surplus)

Article 85 (1) A cooperative must not pay a dividend from its surplus until after covering loss and deducting the retained earnings reserves under Article 55, paragraph (1) as applied mutatis mutandis pursuant to Article 86, paragraph (2) and the capital reserves under Article 55, paragraph (3) as applied mutatis mutandis pursuant to Article 86, paragraph (2).

(2) A dividend from surplus must be paid in accordance with the articles of association in proportion to capital contribution paid in by cooperative members up to an annual yield of 10 percent or less, or in proportion to the degree to which the cooperative members have contributed to the cooperative's business.

(Founding a Cooperative)

Article 85-2 (1) In order to found a cooperative, three or more fishermen are required to become its founding members.

(2) The founding members must jointly prepare the articles of association, elect officers, and perform other actions necessary for founding.

(3) The provisions of Article 83-2, paragraph (3) apply mutatis mutandis to the appointment of directors among the officers prescribed by the preceding paragraph.

(4) When a cooperative is established, a cooperative must notify the administrative authority of its establishment within two weeks of the date of its establishment, together with a certificate of registered matters and its articles of association.

(Liability in the Case of a Shortfall in the Value of Assets Contributed in Kind)

Article 85-3 (1) If the value of the assets to be contributed in kind at the time of founding a cooperative is significantly less than the value stated or recorded in the articles of association regarding those assets (or if the articles of association have been changed, less than the value as changed), the founding members and the directors at the time of founding are jointly and severally liable to the cooperative for the amount of the shortage.

(2) If the value of the assets that to be contributed in kind by a person who makes an in-kind contribution after the establishment of a cooperative is significantly less than the value stated or recorded in the articles of association as changed by the resolution to make a change regarding the in-kind contribution of those assets, the cooperative members who agreed to the resolution is jointly and severally liable to the cooperative for the amount of the shortfall.

(3) The obligations referred to in the preceding two paragraphs may not be released without the consent of all members.

(Reason for Dissolution)

Article 85-4 (1) In addition to the cases prescribed by Article 68, paragraph (1) as applied mutatis mutandis pursuant to Article 86, paragraph (4), a cooperative having sustained the membership of fewer than three for six months starting on a day when the membership fell below three is to be dissolved upon the passage of six months.

(2) If a cooperative is dissolved for reasons other than those stated in Article 68, paragraph (1), items (ii) and (v) as applied mutatis mutandis pursuant to Article 86, paragraph (4), the cooperative must notify the administrative authority to that effect within two weeks of the date of the dissolution.

(Election of Directors and Founding Committee Members and Notification of a Merger)

Article 85-5 (1) The provisions of Article 83-2, paragraph (3) apply mutatis mutandis to the appointment of directors among the officers prescribed in Article 70, paragraph (1) as applied mutatis mutandis pursuant to Article 86, paragraph (4).

(2) The provisions of Article 84-8 apply mutatis mutandis to the appointment of founding committee members pursuant to the provisions of Article 70, paragraph (1) as applied mutatis mutandis pursuant to Article 86, paragraph (4).

(3) If a merger takes place, a cooperative must notify the administrative authority to that effect within two weeks of the date of the merger, together with a certificate of registered matters (or together with a certificate of registered matters and articles of association, if the cooperative is newly founded by the merger).

(Capacity of a Cooperative in Liquidation)

Article 85-6 A dissolved cooperative is deemed to still exist until the liquidation is completed, only for the purposes of its liquidation.

(Appointment of a Liquidator by Court)

Article 85-7 If there is no one to be a liquidator pursuant to Article 74 as applied mutatis mutandis pursuant to Article 86, paragraph (4), or if there is a risk of damage to be caused by absence of a person to assume a position of the liquidator, the court may appoint a liquidator at the demand of any interested person or public prosecutor or by its own authority.

(Dismissal of a Liquidator)

Article 85-8 The court may dismiss a liquidator upon the demand of an interested person or a public prosecutor or by its own authority if there are material grounds.

(Duties and Authority of the Liquidator)

Article 85-9 (1) A liquidator performs the following duties:

(i) completion of current business;

(ii) collection of claims and payment of debts; and

(iii) delivery of residual assets.

(2) A liquidator may take any actions necessary to perform the duties stated in the items of the preceding paragraph.

(Demand for Filing of Claims)

Article 85-10 (1) Within two months of the date of assuming a position, a liquidator must give at least three public notices to creditors, demanding the creditors file their claims within a certain period. In this case, that certain period may not be less than two months.

(2) The public notice referred to in the preceding paragraph must be accompanied by a statement that creditors are to be excluded from the liquidation process if they do not file their claims within the period: provided, however, that the liquidator may not exclude known creditors.

(3) A liquidator must give a demand to each known creditor separately.

(4) The public notice referred to in paragraph (1) is published in an official gazette.

(Filing of Claims After the Expiration of the Period)

Article 85-11 A creditor that files a claim after the expiration of the period referred to in paragraph (1) of the preceding Article may file a claim only for the assets that have not yet been delivered to persons to whom the rights are vested, after all the obligations of a cooperative have been satisfied.

(Commencement of Bankruptcy Proceedings with Respect to a Cooperative in Liquidation)

Article 85-12 (1) If it becomes clear during the liquidation that the assets of a cooperative are insufficient to satisfy its obligations, a liquidator must immediately file a petition for the commencement of bankruptcy proceedings and give public notice to that effect.

(2) A liquidator is deemed to have terminated their duties if a cooperative in liquidation is ordered to commence bankruptcy proceedings and the liquidator hands over their duties to a bankruptcy trustee.

(3) In the case prescribed by the preceding paragraph, if a cooperative in liquidation has already paid off its creditors or delivered assets to the person to whom the rights are vested, a bankruptcy trustee may recover them.

(4) The public notice under paragraph (1) is published in an official gazette.

(Supervision by Court)

Article 85-13 (1) Dissolution and liquidation of a cooperative is subject to the supervision of the court.

(2) The court may conduct inspections necessary for the supervision referred to in the preceding paragraph, by its authority, at any time.

(3) The court supervising the dissolution and liquidation of a cooperative may request an opinion from the administrative authority or commission an investigation to it.

(4) The administrative authority may express its opinion to the court supervising the dissolution and liquidation of a cooperative.

(Notification of Completion of Liquidation)

Article 85-14 When a liquidation is completed, a liquidator must notify the administrative authority to that effect.

(Jurisdiction Over Cases Relating to Supervision of Dissolution and Liquidation)

Article 85-15 The cases relating to supervision of dissolution and liquidation of a cooperative or relating to its liquidators are subject to the jurisdiction of the district court having jurisdiction over the district in which its principal office is located.

(Limitation on Appeals)

Article 85-16 No appeal may be entered against a judicial decision on the appointment of a liquidator.

(Remuneration of the Liquidator Appointed by the Court)

Article 85-17 If a liquidator is appointed pursuant to Article 85-7, the court may fix the amount of remuneration to be paid by a cooperative to the liquidator. In this case, the court must hear statements from the liquidator and the auditor.

(Appointment of Inspectors)

Article 85-18 (1) The court may appoint an inspector to make the necessary investigation to supervise the dissolution and liquidation of a cooperative.

(2) The provisions of the preceding two Articles apply mutatis mutandis if the court appoints an inspector pursuant to the preceding paragraph. In this case, the term "liquidator and the auditor" in the preceding Article is deemed to be replaced with "cooperative and the inspector".

(Provisions that Apply Mutatis Mutandis)

Article 86 (1) The provisions of Article 19, paragraphs (3) through (5), Article 20, the main clause of paragraph (1) of Article 21, Article 21, paragraphs (2) through (7), Article 23, Article 25, paragraphs (2) and (3), and Articles 26 through 31 apply mutatis mutandis to a cooperative member. In this case, the term "member of a cooperative not requiring capital contribution" in Article 25, paragraph (2) is deemed to be replaced with "cooperative member"; the phrase "withdraws pursuant to paragraph (1) of the preceding Article" in Article 27, paragraph (1), the phrase "have already withdrawn within that fiscal year pursuant to Article 26, paragraph (1)" in Article 28, and the phrase "a withdrawing member under Article 26, paragraph (1)" in Article 30 are deemed to be replaced with "withdraws", "have already withdrawn within that fiscal year", and "a withdrawing member" respectively; the phrase "the articles of association, if the member suspends their business or discontinues a part of their business, or any other particularly unavoidable circumstances are recognized" is deemed to be replaced with "the articles of association"; and other necessary technical replacement of terms is specified by Cabinet Order.

(2) The following provisions apply mutatis mutandis to management of a cooperative: Article 33, Article 33-2, the main clause of paragraph (4) of Article 34, Article 34, paragraphs (5) through (7) and paragraph (9), Article 34-3, Article 35, paragraph (1), Article 39-2, paragraph (1), Article 39-6 (excluding paragraph (2)), Article 40, paragraph (13), Article 42, paragraph (1) and paragraphs (3) through (8), the first sentence of paragraph (1) of Article 42-2, Article 43, paragraphs (1) and (2), Article 45, Article 46, Article 47-2, paragraphs (2) through (4), Article 47-3, paragraphs (1) and (2), Article 47-4, paragraph (1), Article 47-5, Article 47-6, Article 49, Article 50-3, Article 50-4, Article 53, Article 54, paragraphs (1) and (2), Article 54-5, Article 54-6, Article 55, paragraphs (1) through (6), Article 57 and Article 58, paragraph (1) of this Act; Part II, Chapter IV, Section 1, Subsection 3 of the Companies Act (excluding Article 325-2, items (iii) and (iv), Article 325-3, paragraph (1), items (iv) through (vi) and paragraph (3), Article 325-4, paragraph (1), paragraph (2), item (ii), and paragraph (4), and Article 325-7); and Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations. In this case, in Article 39-6, paragraph (6) of this Act, the term "director" is deemed to be replaced with "director of a cooperative with auditors as prescribed by Article 84-3, paragraph (4)" and the term "each auditor" is deemed to be replaced with "an auditor (or of each auditor if there are two or more auditors)"; the phrase "Article 40, paragraph (1) or (2) " in paragraph (9), item (i), (a) of that Article is deemed to be replaced with "Article 84-3, paragraph (1)"; the phrase "one-fifth" in Article 42, paragraph (1) of this Act is deemed to be replaced with "one-third"; in Article 45, paragraph (2) of this Act, the phrase "The appointment and dismissal of the counselor" is deemed to be replaced with "If there are two directors or more, the appointment and dismissal of the counselor" and the phrase "resolution of the board of directors" is deemed to be replaced with " majority of the directors"; the phrase "one-tenth" in Article 46, paragraph (1) of this Act is deemed to be replaced with "one-sixth"; the term "board of directors" in paragraph (3) of that Article and Article 47-2, paragraph (2) is deemed to be replaced with "director"; the term "If there is no one to perform the duties as a director" in Article 47-3, paragraph (2) of this Act is deemed to be replaced with "In a cooperative with auditors as prescribed by Article 84-3, paragraph (4), if there is no one to perform the duties as a director"; the term "financial statements" in Article 53, paragraph (2), item (ii) of this Act is deemed to be replaced with "a balance sheet, a profit and loss statement, and a surplus appropriation plan or loss appropriation plan"; in Article 325-2 of the Companies Act, the term "director" is deemed to be replaced with "convener of a general meeting (meaning a convener of a general meeting as prescribed by Article 47-4, paragraph (1) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act; the same applies below)", the phrase "shareholders (if the general meeting of class shareholders is convened, limited to shareholders of shares of a class)" is deemed to be replaced with "cooperative members", and the term "Ministry of Justice Order" is deemed to be replaced with "Order of Ministry of Agriculture, Forestry and Fisheries"; in Article 325-3, paragraph (1) of that Act, the phrase "In the cases set forth in each item of Article 299, paragraph (2), the directors of a stock corporation with articles of incorporation that provide that measures for electronic provision are taken must continuously take measures for electronic provision of information related to the matters specified in the following items during the period from the day three weeks prior to the day of the shareholders meeting or the day that the notice specified in paragraph (1) of that Article is issued" is deemed to be replaced with "A convener of a general meeting of a cooperative with articles of association that provide that measures for electronic provision are taken must continuously take measures for electronic provision of information related to the matters specified in the following items during the period from the day two weeks before the general meeting or the day on which the notice referred to in Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act is issued"; the phrase "each item of Article 298, paragraph (1)" in item (i) of that paragraph is deemed to be replaced with "each item of Article 47-4, paragraph (1) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act"; the term "Article 301, paragraph (1)" in Article 325-3, paragraph (1), item (ii) of the Companies Act is deemed to be replaced with "Article 301, paragraph (1) of this Act as applied mutatis mutandis pursuant to Article 47-5, paragraph (5) of the Fishery Industry Cooperative Act following the deemed replacement of the terms, which is also applied mutatis mutandis pursuant to Article 86, paragraph (2) of the Fishery Industry Cooperative Act"; the term "Article 302, paragraph (1)" in Article 325-3, paragraph (1), item (iii) of the Companies Act is deemed to be replaced with "Article 302, paragraph (1) of this Act as applied mutatis mutandis pursuant to Article 47-5, paragraph (5) of the Fishery Industry Cooperative Act following the deemed replacement of the terms, which is also applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act"; the phrase "if the directors deliver voting forms to shareholders when serving the notice set forth in Article 299, paragraph (1)" in Article 325-3, paragraph (2) of the Companies Act is deemed to be replaced with "if the convener of the general meeting delivers voting forms to the cooperative members when serving the notice stated in Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act"; in Article 325-4, paragraph (2) of that Act, the term "Article 299, paragraph (4)" is deemed to be replaced with "Article 47-5, paragraph (3) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act", the phrase "the matters set forth in Article 298, paragraph (1), item (v) need not be stated or recorded in the notice provided pursuant to Article 299, paragraph (2) or paragraph (3)" is deemed to be replaced with "the matters stated in Article 47-4, paragraph (1), item (iii) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act need not be stated or recorded in the notice under Article 47-5, paragraph (1) or (2) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act", and the phrase "through item (iv)" is deemed to be replaced with "and item (ii)"; the phrase "if measures for electronic provision are taken, a statement to that effect" in item (i) of that paragraph is deemed to be replaced with "a statement to that the measures for electronic provision are taken"; the term " the Ministry of Justice Order" in item (iii) of that paragraph and Article 325-5, paragraph (3) of that Act is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; in Article 325-4, paragraph (3) of that Act, the term "Article 301, paragraph (1), Article 302, paragraph (1), Article 437, and Article 444, paragraph (6)" is deemed to be replaced with "Article 301, paragraph (1) and Article 302, paragraph (1) of this Act as applied mutatis mutandis pursuant to the provisions of Article 47-5, paragraph (5) of the Fishery Industry Cooperative Act following the deemed replacement of the terms, which is also applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act", and the phrase "when the directors of a stock company with articles of incorporation that contain provisions to the effect that measures for electronic provision are taken serve the notice set forth in Article 299, paragraph (1)" is deemed to be replaced with "the convener of the general meeting of a cooperative with articles of association that contain provisions to the effect that measures for electronic provision are taken serve the notice stated Article 47-5, paragraph (1) of that Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act"; in paragraph (2) of that Article, the term "director" is deemed to be replaced with "convener of a general meeting", the term "Article 299, paragraph (1)" is deemed to be replaced with "Article 47-5, paragraph (1) of the Fishery Industry Cooperative Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of that Act", and the phrase "shareholders (if a record date (meaning a record date provided in Article 124, paragraph (1)) specifying the persons who can exercise voting rights at the relevant shareholders meeting is set, limited to persons who requested delivery of documents by the record date)" is deemed to be replaced with "cooperative members"; and other necessary technical replacements of the terms is specified by Cabinet Order.

(3) The provisions of Articles 66 and 67 apply mutatis mutandis to founding a cooperative. In this case, the phrase "upon approval of the founding, the founding member" in Article 66, paragraph (1) is deemed to be replaced with "when a founding member appoints a director, the founding member", and other necessary technical replacement of the terms is specified by Cabinet Order.

(4) The provisions of Article 68, paragraph (1), Article 68-2, Article 68-3, Article 69, paragraphs (1) and (4), Article 69-3, Article 69-4, paragraph (1), the main clause of paragraph (2) of Article 69-4, Article 70, paragraph (1), Articles 71 through 74, Article 75, paragraph (1) of this Act, and the provisions of Articles 502 and 507, paragraphs (1) and (3) of the Companies Act apply mutatis mutandis to the dissolution and liquidation of a cooperative. In this case, the term "Article 50" in Article 68-3, paragraph (2) of this Act is deemed to be replaced with "Article 84-8"; the term "an inventory of assets or financial statements" in Article 69, paragraph (4) of this Act is deemed to be replaced with "a balance sheet, a profit and loss statement, and a surplus appropriation plan or loss appropriation plan"; the phrase "officers (excluding directors if a cooperative to be founded is a cooperative with management committee members)" in Article 70, paragraph (1) is deemed to be replaced with "officers"; the term "Ministry of Justice Order" in Article 507, paragraph (1) of the Act is deemed to be replaced with "Order of Ministry of Agriculture, Forestry and Fisheries"; and other necessary technical replacement of terms is prescribed by Cabinet Order.

Section 3 Organizational Changes

(An Organizational Change into a Stock Company)

Article 86-2 A cooperative may change its organization and become a stock company.

(Approval of an Organizational Change Plan)

Article 86-3 (1) A cooperative must prepare an organizational change plan and obtain its approval by a resolution at a general meeting in order to effectuate the organizational change under the preceding Article (referred to as an "organizational change" below).

(2) The resolution referred to in the preceding paragraph must be reached in a way as required by the resolution prescribed in Article 84-8.

(3) For the provisions of Article 47-5, paragraphs (1) and (3) as applied mutatis mutandis pursuant to Article 86, paragraph (2) to be applied to the convocation of a general meeting under paragraph (1), the term "one week before" in Article 47-5, paragraph (1) is deemed to be replaced with "two weeks before", and the term "the matters stated in the items of paragraph (1) of the preceding Article" in paragraph (3) of that Article is deemed to be replaced with "the matters stated in the items of paragraph (1) of the preceding Article and the outline of the organizational change plan".

(4) The organizational change plan must provide for the following matters:

(i) the purpose, trade name, location of the head office, and total number of authorized shares of the stock company after the organizational change (referred to as the "stock company after the organizational change" below);

(ii) in addition to what is stated in the preceding item, matters specified in the articles of incorporation of the stock company after the organizational change;

(iii) the names of company directors of the stock company after the organizational change;

(iv) the matters specified in (a) through (c) below, according to the classification of the cases stated in (a) through (c) below:

(a) if the stock company after the organizational change falls under the category of a company with accounting advisors: the names of the accounting advisors of the stock company after organizational change;

(b) if the stock company after the organizational change falls under the category of a company with corporate auditors (including a stock company with the provisions of the articles of incorporation, which limit the range of its corporate auditors' audit to accounting-related matters): the names of the corporate auditors of the stock company after the organizational change;

(c) if the stock company after the organizational change falls under the category of a company with accounting auditors: the names of the accounting auditors of the stock company after the organizational change;

(v) the number of shares in the stock company after the organizational change (or in the case of a company issuing class shares, the number of shares of each class and type of shares in the company) that the members of the cooperative going through the organizational change are to acquire at the time of the change, or the method of calculating the number of those shares;

(vi) matters relating to the appropriation of shares referred to in the preceding item to the members of a cooperative going through the organizational change;

(vii) the amount or the cash which the stock company after the organizational change pays at the time of the change for the ownership interest held by the members of the cooperative going through the organizational change, or the method of calculating the amount, if applicable;

(viii) matters relating to the appropriation of the cash referred to in the preceding item to the members of a cooperative going through the organizational change;

(ix) matters relating to the stated capital and reserves of the stock company after the organizational change;

(x) the date on which the organizational change takes effect (referred to as the "effective date" in Article 86-8 and Article 86-11, paragraph (1)); and

(xi) other matters prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(5) If the stock company after the organizational change falls under the category of a company with an audit committee, the matters stated in item (iii) of the preceding paragraph must be determined separately for directors who are audit committee members and for other directors.

(6) The provisions of Article 53 and Article 54, paragraphs (1) and (2) as applied mutatis mutandis pursuant to Article 86, paragraph (2) apply mutatis mutandis to the organizational change. In this case, the phrase "the details of the reduction in the amount of one unit of capital contribution" in Article 53, paragraph (2), item (i) as applied mutatis mutandis pursuant to Article 86, paragraph (2) is deemed to be replaced with "intention to carry out the organizational change".

(Right to Demand Payment for Ownership Interest of Cooperative Members Opposed to an Organizational Change)

Article 86-4 (1) If a member of a cooperative going through an organizational change has notified the cooperative of their opposition to the organizational change in writing before a general meeting as referred to in paragraph (1) of the preceding Article, the member may demand the cooperative pay for their ownership interest in writing within 20 days of the date of a resolution to effectuate the organizational change, and withdraw from the cooperative on the date of the organizational change.

(2) A notification or demand under the preceding paragraph may be made by an electronic or magnetic means with the consent of a cooperative as referred to in that paragraph.

(3) The provisions of Articles 27 through 30 as applied mutatis mutandis pursuant to the provisions of Article 86, paragraph (1) apply mutatis mutandis to the withdrawal of a member under paragraph (1). In this case, the phrase "the end of the fiscal year during which the member has withdrawn" in Article 27, paragraph (2) as applied mutatis mutandis pursuant to Article 86, paragraph (1), and the phrase "the end of a fiscal year" in Article 28 as applied mutatis mutandis pursuant to Article 86, paragraph (1) are deemed to be replaced with "the date of the organizational change", and the phrase "within that fiscal year" in Article 28 is deemed to be replaced with "from the first date of the fiscal year to which the date of the organizational change belongs until the date of the organizational change".

(4) Notwithstanding the provisions of the articles of association, a member who withdraws from a cooperative pursuant to paragraph (1) may demand the cooperative pay for all of their ownership interest in the cooperative.

(Appropriation of Shares or Cash to Cooperative Members)

Article 86-5 (1) A member of a cooperative going through an organizational change (excluding a person who has filed a demand referred to in paragraph (1) of the preceding Article or any other person specified by Cabinet Order; the same applies in the following paragraph) is to be appropriated shares of a stock company after the organizational change or appropriated cash in accordance with an organizational change plan.

(2) The appropriation of shares or cash as referred to in the preceding paragraph must be made in proportion to the number of units of capital contribution held by a member of a cooperative going through an organizational change.

(3) The provisions of Article 234, paragraphs (1) through (5), Article 868, paragraph (1), Article 869, Article 871, Article 874 (limited to the part relating to item (iv)), Article 875, and Article 876 of the Companies Act apply mutatis mutandis to the appropriation of shares referred to in the preceding two paragraphs. In this case, the term "Ministry of Justice Order" in Article 234, paragraph (2) of that Act is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries".

(Delegation of Matters Necessary for Calculation at the Time of an Organizational Change to the Order of the Ministry of Agriculture, Forestry and Fisheries)

Article 86-6 The amount to be appropriated as capital reserves upon an organizational change and other necessary matters concerning calculation upon an organizational change are prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries.

(Effect of Pledge)

Article 86-7 (1) A pledge of the ownership interest in a cooperative survives an organizational change and transfers to the shares or cash to be received by its member upon the organizational change.

(2) If a cooperative reaches a resolution to effectuate an organizational change, it must notify each known pledgee as referred to in the preceding paragraph to that effect within two weeks of the date of the resolution.

(Effect of an Organizational Change)

Article 86-8 (1) A cooperative going through an organizational change becomes a stock company on the effective date.

(2) A cooperative going through an organizational change is deemed to have changed its articles of association regarding the matters stated in Article 86-3, paragraph (4), items (i) and (ii) on the effective date in accordance with the provisions regarding those matters.

(3) A member of a cooperative going through an organizational change becomes a holder of the shares referred to in Article 86-3, paragraph (4), item (v) on the effective date in accordance with the provisions regarding the matters referred to in Article 86-3, paragraph (4), item (vi).

(4) The provisions of the preceding three paragraphs do not apply if the procedures under Article 53 and Article 54, paragraphs (1) and (2) as applied mutatis mutandis pursuant to Article 86, paragraph (2) that is also applied mutatis mutandis pursuant to Article 86-3, paragraph (6) have not been completed or if the organizational change is suspended.

(5) The provisions of Article 780 of the Companies Act apply mutatis mutandis to the effective date of the organizational change. In this case, the phrase "this Subsection and Article 745" in paragraph (3) of that Article is deemed to be replaced with "Chapter III, Section 3 of the Fishery Industry Cooperative Act".

(Registration of an Organizational Change)

Article 86-9 (1) If a cooperative goes through an organizational change, it must register as provided by Cabinet Order.

(2) Matters requiring registration pursuant to the preceding paragraph may not be asserted against a third party until after registration.

(Notification of an Organizational Change)

Article 86-10 If a cooperative goes through an organizational change, it must notify the administrative authority to that effect without delay.

(Keeping Documents Related to an Organizational Change Plan; and Inspecting Those Documents)

Article 86-11 (1) A stock company after an organizational change must keep at its head office a written document or electronic or magnetic record stating the progress of the procedures prescribed in Article 53 and Article 54, paragraphs (1) and (2) that are applied mutatis mutandis pursuant to Article 86-3, paragraph (2) as applied mutatis mutandis pursuant to Article 86-3, paragraph (6), the effective date, and other information concerning the organizational change for six months of the effective date.

(2) At any time during the business hours of a stock company after an organizational change, any of its shareholders or creditors may make the following demands to the company; in this case, the company must not refuse the demand without a justifiable reason:

(i) a demand for allowing the shareholder or creditor to inspect the documents referred to in the preceding paragraph;

(ii) a demand for delivering a transcript or extract of the document referred to in the preceding paragraph;

(iii) a demand for allowing the shareholder or creditor to inspect the information that is entered in the electronic or magnetic records referred to in the preceding paragraph and is displayed by the method provided for by Order of the Ministry of Agriculture, Forestry and Fisheries; or

(iv) a demand for providing the information entered in the electronic or magnetic records referred to in the preceding paragraph by an electronic or magnetic method as determined by the stock company after the organizational change, or a demand for delivering a document including the information.

(3) A shareholder and creditor of a stock company after an organizational change must pay the expenses determined by that stock company in order to make a demand stated in item (ii) or (iv) of the preceding paragraph.

(Action for Invalidation of an Organizational Change)

Article 86-12 The provisions of Article 828, paragraph (1) (limited to the part relating to item (vi)) and paragraph (2) (limited to the part relating to item (vi)), Article 834 (limited to the part relating to item (vi)), Article 835, paragraph (1), Articles 836 through 839, and Article 846 of the Companies Act apply mutatis mutandis to an action for invalidation of an organizational change.

(Delegation to Cabinet Order)

Article 86-13 Beyond what is provided for in Article 86-2 through the preceding Article, necessary matters concerning organizational changes are prescribed by Cabinet Order.

Chapter IV Federations of Fishery Cooperatives

(Type of Business)

Article 87 (1) A federation of fishery cooperatives (referred to as a "federation" in this Chapter) may engage in all or part of the following businesses:

(i) managing fishery resources and breeding aquatic animals and plants

(ii) giving guidance on the improvement of management and technology related to fisheries;

(iii) lending funds necessary for the business or livelihood of a person directly or indirectly constituting the federation (referred to a "direct or indirect member" in this Chapter);

(iv) accepting its direct or indirect member's deposit for their savings or fixed-term installment savings account;

(v) supplying goods necessary for the business of its direct or indirect members;

(vi) establishing shared facilities necessary for the business of its direct or indirect members;

(vii) transporting, processing, storing, or selling the catches and other products of its direct or indirect members;

(viii) business related to the utilization of fishing areas (including those that promote the comprehensive utilization of fishing areas by utilizing the labor of those who indirectly constitute the federation to ensure stable utilization relationships in the fishery).

(ix) installing moorings, boat landing areas, fishing reefs, and other facilities necessary for the fishery of its direct or indirect members;

(x) conducting conservation activities prescribed by Article 60, paragraph (8) of the Fishery Act as a coastal fishing area management organization prescribed by Article 109, paragraph (1) of that Act or otherwise managing fishing areas;

(xi) conducting investigation, responding to a consultation, and giving an advice regarding the federation member's own organization, business, and management;

(xii) representing the opinions of the federation members and making general coordination among the federation members;

(xiii) business related to the prevention of shipwrecking of its direct or indirect members or life-saving in shipwrecking;

(xiv) business related to the welfare of its direct or indirect members;

(xv) providing education to its direct or indirect members to improve their knowledge of the federation's business and also providing general information to them;

(xvi) entering into collective bargaining agreements to improve the economic status of its direct or indirect members;

(xvii) acting as an insurance broker regarding insurance provided by a fishing boat insurance association or regarding mutual aid insurance provided by a fishery mutual aid insurance association or a federation of fishery mutual aid insurance associations; and

(xviii) business incidental to the businesses stated in the preceding items

(2) Notwithstanding the provisions of the preceding paragraph, a federation that does not require its members to make capital contribution may not engage in the business referred to in item (iii) or (iv) of that paragraph.

(3) Notwithstanding the provisions of paragraph (1), a federation engaged in the business referred to in item (iii) or (iv) of that paragraph may not engage in other business, except for any business incidental to the business referred to in item (iii) or (iv) of that paragraph, the business stated in the following items among those referred to in item (v) of that paragraph (including any incidental business), or the businesses referred to in the following paragraph or paragraph (5) or (6):

(i) business that allows another person to use machinery and other items under an agreement satisfying all of the following requirements that allows the person to use them:

(a) the agreement cannot be canceled during a period allowing the item covered by the agreement (referred to as a "leased item" in this item and Article 97, paragraph (2), item (i)) to be used (this period is referred to as a "lease period" in this item and Article 97, paragraph (2), item (i)), or the agreement has any equivalent condition specified by an order of the competent ministry;

(b) the agreement provides that the federation is to receive a total amount of the following as the lease fee within the lease period: a remaining amount after an amount of a consideration that would need to be paid if the leased item were to be transferred to the lessee upon the expiration of the leas period is deducted from the cost needed for purchasing the item; and an amount of the fixed asset tax, insurance premiums, or any other expenses specified by an order of the competent ministry as incidental expenses necessary for allowing the leased item to be used; and

(c) the agreement does not provide that the ownership of the leased item or the right to use the leased item and earn income from it is to be transferred to the lessee after the expiration of the lease period; and

(d) acting as an agent or intermediary regarding the business stated in the preceding item.

(4) A federation engaged in the business referred to in paragraph (1), item (iv) may engage in all or part of the following business for its direct or indirect members:

(i) discounting notes;

(ii) fund transfer transactions;

(iii) guaranteeing debts or underwriting notes;

(iii)-2 buying or selling securities or conducting other actions;

(iv) lending securities;

(v) acquiring government bonds and other bonds (excluding the acquisition for the purpose of secondary distribution) or handling public offerings for government bonds and other bonds related to the acquisition;

(vi) handling private placement of securities (limited to the securities that fall under the category of government bonds and other bonds, and the securities stated in Article 2, paragraph (1), item (v) or (vi) of the Financial Instruments and Exchange Act);

(vii) acting as an agent or intermediary regarding the business (excluding when falling under the business stated in the following items) of the Norinchukin bank or other person (excluding foreign banks) specified by the competent minister (limited to acting as an agent or intermediary as specified by the competent minister);

(vii)-2 acting as an agent or intermediary regarding the business of a foreign bank (limited to acting as an agent or intermediary for a foreign bank conducting its business in the foreign country as specified by an order of the competent ministry);

(viii) withholding money relating to the national government, local governments, companies, etc. and handling other monetary affairs;

(ix) safekeeping of securities, precious metals, and other articles;

(ix)-2 book-entry transfer business;

(x) currency exchange;

(xi) acting as an intermediary, broker, or agent for derivative transactions;

(xii) business of providing information obtained from its direct or indirect members concerning them to a third party with their consent, or other business of providing information held by the federation to a third party, which contributes to the advancement of the business referred to in paragraph (1), item (iii) or (iv) conducted by the federation or to improving convenience for the service users of the federation;

(xiii) business that mainly utilizes the federation personnel, information and communication technology, equipment and other management resources related to business referred to in paragraph (1), item (iii) or (iv), and that is specified by an order of the competent ministry as the business contributing to regional revitalization, industrial productivity improvement, or establishment of a sustainable society; and

(xiv) business incidental to the businesses stated in the preceding items.

(5) A federation engaged in both the businesses referred to in paragraph (1), items (iii) and (iv) may engage in the business activities prescribed by the following items regarding the securities stated in the items (excluding the business conducted pursuant to the provisions of the preceding paragraph), to the extent that it does not interfere with the businesses referred to in paragraph (1), items (iii) and (iv):

(i) securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act (limited to the securities stated in Article 2, paragraph (1), items (i) and (ii) of that Act and the securities or other bonds stated in item (v) of that paragraph for which the government guarantees to redeem the principal and pay the interest): an action specified in Article 33, paragraph (2), item (i) of that Act (in the case of an action stated in Article 2, paragraph (8), items (i) through (iii) of the relevant Act, it is limited to buying or selling securities or conducting an action related to it);

(ii) securities stated in Article 33, paragraph (2), items (i), (iii) and (iv) of the Financial Instruments and Exchange Act (excluding securities stated in the preceding item): an action stated in Article 2, paragraph (11), items (i) through (iii) of that Act on behalf of a financial instruments business operator; and

(iii) securities stated in Article 33, paragraph (2), item (ii) of the Financial Instruments and Exchange Act: an action specified in that item.

(6) A federation engaged in both the businesses referred to in paragraph (1), items (iii) and (iv) may engage in the following businesses to the extent that it does not interfere with the businesses referred to in paragraph (1), items (iii) and (iv):

(i) business related to a trust business conducted pursuant to the Act on Engagement in Trust Business by Financial Institutions;

(ii) business related to affairs relative to trusts by the method stated in Article 3, item (iii) of the Trust Act; and

(iii) business related to an investment advisory business prescribed in Article 28, paragraph (6) of the Financial Instruments and Exchange Act.

(7) The provisions of Article 11, paragraph (6) apply mutatis mutandis if a federation engages in the business referred to in item (ii) of the preceding paragraph.

(8) A federation engaged in the business referred to in paragraph (1), item (xi), and has districts covering nationwide (referred to as the "national federation" in this Article) may conduct investigation, respond to consultation, and give an advice regarding the organization, business, and management of cooperatives or federations that indirectly comprise the national federation, in addition to the business provided for in that item.

(9) If it is necessary in carrying out the business referred to in paragraph (1), item (xi) and the preceding paragraph, the national federation directly or indirectly consisting of cooperatives or federations (referred to as "cooperatives or federations" in this paragraph) may require the cooperatives or federations to take necessary measures to ensure that their operations are carried out properly with respect to the fishing area usage by the cooperative members (when the federation takes those measures, with respect to the fishing area usage by the members of cooperatives that comprise the federation), which is covered by the collective fishing rights of the cooperatives or federations, and with respect to the fishing area management by the cooperatives or federations.

(10) The national federation engaged in the business referred to in paragraph (1), item (xi) and paragraph (8) must appoint an officer or employee having expert knowledge and practical experience in the business and accounting of a fishery industry cooperative, and qualifications as specified by Order of the Ministry of Agriculture, Forestry and Fisheries, in carrying out the business referred to in paragraph (1), item (xi) and paragraph (8).

(11) In accordance with the provisions of the articles of association, a federation may allow a person other than its direct or indirect members to use its services (in the case of the services referred to in paragraph (4), items (iii) and (iv), and the services stated in the items of paragraph (3) that are provided by a federation engaged in the business referred to in the paragraph (1), item (iii) or (iv), the services are limited to those specified by an order of the competent ministry); provided, however, that the total amount of services that can be used by persons that are neither its direct or indirect members nor other federations' direct or indirect members in a single fiscal year must not exceed the total amount of services used by its direct or indirect members and other federations' direct or indirect members, except for the cases related to the services referred to in paragraph (4), items (ii) through (x), or items (xii) through (xiv) or paragraph (5), or related to the services stated in the items of paragraph (3) that are provided by a federation in the business referred to in paragraph (1), item (iii) or (iv).

(12) For the proviso to the preceding paragraph to be applied when the following persons use the services stated in the following items, they are deemed to be federation's direct or indirect members:

(i) services referred to in paragraph (1), item (iii): a person who is in the same household with the federation's direct or indirect member or a non-profit corporation, if the federation lends funds to the person or non-profit corporation with their savings or fixed-term installment savings account pledged as a collateral;

(ii) services referred to in paragraph (1), item (iv): a person who is in the same household with the federation's direct or indirect member or a non-profit corporation; and

(iii) services referred to in paragraph (1), item (xiv): a person who is in the same household with the federation's direct or indirect member.

(13) Notwithstanding paragraph (11), a federation may lend the following funds in accordance with its articles of association, to the extent that it does not interfere with the business for the benefit of its direct or indirect members:

(i) lending funds to local governments as specified by Cabinet Order;

(ii) lending funds to a non-profit corporation of which a local government is the primary contributor or member, or of which a local government contributes the majority of the amount of the basic assets, as specified by Cabinet Order;

(iii) lending funds specified by Cabinet Order that are necessary for the development of industrial infrastructure or living environment in the fishing port are (excluding the lending of funds stated in the preceding two items); and

(iv) lending funds to banks or other financial institutions.

(Scope of Subsidiaries)

Article 87-2 (1) A federation engaged in the business referred to in paragraph (1), item (iv) of the preceding Article must not acquire a company other than the following companies (the following companies are limited to domestic companies; and referred to as "subsidiary candidates" in item (x) of this paragraph of this Article, paragraph (7) of this Article, and paragraph (1) of the following Article) as its subsidiary (meaning the subsidiary prescribed by Article 11-8, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (1); the same applies in this Article through Article 87-3):

(i) a bank prescribed by Article 2, paragraph (1) of the Banking Act that is engaged in trust business pursuant to the Act on Engagement in Trust Business by Financial Institutions (referred to as a "bank concurrently engaged in trust business" in item (v), (b));

(i)-2 a funds transfer service provider prescribed by Article 2, paragraph (3) of the Payment Services Act (Act No. 59 of 2009), that is exclusively engaged in the funds transfer services (meaning the funds transfer services as prescribed by paragraph (2) of that Article) or other services specified by an order of the competent ministry;

(ii) a financial instruments business operator prescribed by Article 2, paragraph (9) of the Financial Instruments and Exchange Act, that is exclusively engaged in the business activities stated in Article 35, paragraph (1), items (i) through (viii) of that Act or other business specified by an order of the competent ministry, in addition to the securities service (meaning the securities services prescribed by Article 28, paragraph (8) of the Financial Instruments and Exchange Act; the same applies in the following paragraph) (referred to as a "specialized securities company" in item (v), (b) of this paragraph);

(iii) a financial instruments intermediary service provider prescribed by Article 2, paragraph (12) of the Financial Instruments and Exchange Act, that is exclusively engaged in the business incidental to financial instruments intermediary services (meaning the financial instruments intermediary services prescribed by Article 11 of that Act, and limited to services including one of the following actions taken in the course of trade; the same applies in this item) or other business specified by an order of the competent ministry, in addition to the financial instruments intermediary services (referred to as a "specialized securities broker" in item (v), (b) of this paragraph):

(a) an action stated in Article 2, paragraph (11), item (i) of the Financial Instruments and Exchange Act;

(b) acting as an intermediary regarding a request to buy or sell securities in a financial instruments exchange market prescribed by Article 2, paragraph (17) of the Financial Instruments and Exchange Act or in a foreign financial instruments market prescribed by paragraph (8), item (iii), (b) of that Article (excluding when falling under an action stated in (c));

(c) acting as an intermediary regarding a request to take an action stated in Article 28, paragraph (8), item (iii) or (v) of the Financial Instruments and Exchange Act; or

(d) an action stated in Article 2, paragraph (11), item (iii) of the Financial Instruments and Exchange Act;

(iii)-2 a financial service intermediary prescribed by Article 11, paragraph (6) of the Act on Provision of Financial Services (Act No. 101 of 2000), that is exclusively engaged in the business incidental to securities intermediary business or other business specified by an order of the competent ministry, in addition to the securities intermediary business (meaning the securities intermediary business prescribed by paragraph (4) of that Article and limited to business including one of the following actions; the same applies in this item) and:

(a) an action stated in Article 11, paragraph (4), item (i) of the Act on Provision of Financial Services;

(b) an action stated in Article 11, paragraph (4), item (ii) of the Act on Provision of Financial Services (limited to an action falling under (b) or (c) of the preceding item); or

(c) an action stated in Article 11, paragraph (4), item (iii) of the Act on Provision of Financial Services;

(iv) a trust company prescribed by Article 2, paragraph (2) of the Trust Business Act, that is exclusively engaged in trust business (referred to as a "specialized trust company" in (b) of the following item);

(v) a company exclusively providing the following services (in the case of a company providing the services stated in (a), it is limited to a company that provides its services in aiding the business or services of the federation, subsidiary (limited to a company stated in item (i) and (i)-2), or person specified by an order of the competent ministry as equivalent to them):

(a) appended services; or

(b) finance-related services (excluding specialized securities business supporting services, if the federation acquires neither a specialized securities company nor specialized securities broker as its subsidiary; and excluding specialized trust business supporting services, if the federation acquires neither a bank concurrently engaged in the trust business nor specialized trust company as its subsidiary (this does not include the case in which, pursuant to paragraph (6) of the preceding Article, the federation is engaged in the business referred to item (i) of that paragraph));

(vi) a company specified by an order of the competent ministry to develop new business fields (limited to a company of which either the federation's subsidiary other than a company stated in the preceding item that is specified by an order of the competent ministry (the specified company is referred to as a "specified subsidiary" in the following item, item (viii), and Article 87-3. paragraph (3) and (4)) or the federation itself does not hold voting rights in excess of the threshold number of voting rights in total (meaning the threshold number of voting rights as prescribed by paragraph (1) of that Article; the same applies in this Article));

(vii) a company specified by an order of the competent ministry as engaged in new business activities that are found to contribute to the improvement of management to a considerable degree (limited to a company of which either the federation's subsidiary other than a specified subsidiary or the federation itself does not hold voting rights in excess of the threshold number of voting rights in total, in the case of a company that does not satisfies the requirements specified by an order of the competent ministry regarding a plan related to its business or measures based on the plan (referred to as a "specified company in revitalization" in Article 87-3 paragraphs (1) and (3)));

(viii) a company specified by an order of the competent ministry as engaged in business activities found to contribute to regional revitalization (limited to a company of which either the federation's subsidiary other than a specified subsidiary or the federation itself does not have voting rights in excess of the threshold number of voting rights in total);

(ix) in addition to the companies stated in the preceding items, a company specified by an order of the competent ministry as engaged in businesses contributing to advancement of quality of the federation's business stated in paragraph (1), item (iii) or (iv) of the preceding Article or the improvement of convenience for the users of the federation's services, businesses contributing to regional revitalization, industrial productivity improvement or establishment of a sustainable society through utilizing information and communication technologies or other technologies, or businesses expected to contribute to these businesses;

(x) a holding company prescribed by Article 9, paragraph (4), item (i) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade which acquires only a subsidiary candidate as its subsidiary, and which is specified by an order of the competent ministry (including a company expected to become the holding company).

(2) In the preceding paragraph, the meanings of the terms stated in the following items are as prescribed in those items:

(i) appended services: services specified by an order of the competent ministry as appended to the business of a federation engaged in the business stated in paragraph (1), item (iv) of the preceding Article or the services of a company stated in items (i) through (iv) of the preceding paragraph;

(ii) finance-related services: services specified by an order of the competent ministry as incidental or related to the business referred to in paragraph (1), item (iii) or (iv) of the preceding Article, the securities services, or the trust business (meaning the trust business prescribed by Article 2, paragraph (1) of the Trust Business Act; the same applies to item (iv));

(iii) specialized securities business supporting services: services specified by an order of the competent ministry as exclusively incidental or related to securities services; and

(iv) specialized trust business supporting services: services specified by an order of the competent ministry as exclusively incidental or related to the trust business.

(3) The provisions of Article 17-14, paragraph (3) apply mutatis mutandis to the federation referred to in paragraph (1). In this case, in paragraph (3) of that Article, the phrase "paragraph (1)" is deemed to be replaced with "Article 87-2, paragraph (1)", and the phrase "subsidiary candidate" is deemed to be replaced with "subsidiary candidate prescribed by that paragraph", the phrase "subsidiary'" is deemed to be replaced with "subsidiary (meaning a subsidiary prescribed by the part other than the items in that paragraph; the same applies in this paragraph)", and the phrase "acquiring shares or equity of that company" is deemed to be replaced with "acquiring shares or equity of that company, upon acquisition of shares or equity of a company stated in paragraph (1), item (vi) through (viii) of that Article by the federation referred to in that paragraph or its subsidiary"; and in the proviso to paragraph (3) of that Article, the phrase "the relevant event" is deemed to be replaced with "the relevant event (excluding the acquisition of shares or equity in a company stated in items (vi) through (viii) of that paragraph by the federation or its subsidiary and other events specified by an order of the competent ministry)".

(4) A federation referred to in paragraph (1) must obtain approval from the administrative authority in advance if the federation intends to acquire as its subsidiary a company stated in items (i) through (v), item (ix), or item (x) of that paragraph (excluding a company exclusively engaged in the appended services (meaning the appended services prescribed by paragraph (2), item (i)) or services specified by an order of the competent ministry as incidental or related to the business referred to in paragraph (1), item (iii) or (iv) of the preceding Article; the company so acquired is referred to as a "company subject to approval" in this Article)) (or if the federation or its subsidiary intends to acquire or hold voting rights in excess of the threshold number of voting rights in total, in the case of a company stated in paragraph (1), item (ix) (excluding companies specified by an order of the competent ministry)), except for the case in which the federation obtains approval for acquiring all or part of the credit business prescribed in Article 54-2, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (3) or approval for a merge, in accordance with Article 54-2, paragraph (3) as applied mutatis mutandis pursuant to Article 92, paragraph (3) or in accordance with Article 69, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (5).

(5) The provisions of the preceding paragraph do not apply if a federation referred to in paragraph (1) acquires a company subject to approval as its subsidiary, upon the federation's or its subsidiary's exercising their security interests and acquiring shares or equity in that company, or due to any other event specified by an order of the competent ministry (or in the case of a company stated in paragraph (1), item (ix) (excluding companies specified by an order of the competent ministry), if the federation or its subsidiary holds voting rights of that company in excess of the threshold number of voting rights in total; the same applies in this paragraph); provided, however, that the federation must take necessary measures to ensure that the company made as its subsidiary ceases to be its subsidiary by the date on which one year has elapsed from the day of the relevant event, except for the cases in which the federation has received approval from the administrative authority to maintain the company as its subsidiary.

(6) The provisions of paragraph (4) apply mutatis mutandis if the federation referred to in paragraph (1) changes the business area of the company held as its subsidiary as stated in the items of the paragraph into another business area of the company stated in the other items of that paragraph (limited to a company subject to approval).

(7) If a federation referred to in paragraph (1) takes notice that a subsidiary candidate of which the federation or its subsidiary holds voting rights in excess of the threshold number of voting rights in total (excluding the federation's subsidiary and the company stated in item (ix) of that paragraph (excluding a company specified by an order of the competent ministry as referred to in paragraph (4); the same applies in this paragraph)) has become a company stated in paragraph (1), item (ix), the federation must take necessary measures within one year of the day when the federation takes notice of this, so that the federation or its subsidiary ceases to hold voting rights of that company in excess of the threshold number of voting rights in total, except for the case in which the federation has received approval from the administrative authority to retain voting rights in excess of the threshold number of voting rights.

(8) If the federation referred to in paragraph (1) obtains approval under paragraph (4) and intends to acquire a company subject to the approval as its subsidiary, if the federation obtains approval under the proviso to paragraph (5) and intends to maintain as its subsidiary the company which has become its subsidiary, or if the federation obtains approval under paragraph (4) as applied mutatis mutandis pursuant to paragraph (6) and intends to change the business area of the company held as its subsidiary as stated in the items of paragraph (1) into another business area of the company stated in any other items of that paragraph (limited to a company subject to the approval), the federation must state the intentions in its articles of association.

(9) If the federation referred to in paragraph (1) holds a company subject to approval specified in its articles of association pursuant to the provisions of the preceding paragraph as its subsidiary, the director of the federation must report the status of the business operations and assets of the company to a general meeting pursuant to the provisions of an order of the competent ministry.

(Management of a Fishery Cooperative Federation Group by the Federation of Fishery Cooperatives)

Article 87-2-2 (1) A federation engaged in the business referred to in Article 87, paragraph (1), item (iv) (limited to the federation making a subsidiary candidate as its subsidiary) must perform the management of the fishery cooperative federation group (meaning a group of a federation and their subsidiaries; the same applies in the following paragraph):

(2) "Management" referred to in the preceding paragraph means the following:

(i) formulating the basic policy for the management of the fishery cooperative federation group and other equivalent policies as prescribed by an order of the competent ministry, and ensuring the proper implementation of those policies;

(ii) conducting necessary adjustments in the case of conflicting interest between the federation and subsidiaries jointly forming the fishery cooperative federation group;

(iii) establishing a system prescribed by an order of the competent ministry as necessary to ensure that the business of the fishery cooperative federation group is executed in accordance with laws and regulations; and

(iv) in addition to what is stated in the preceding three items, matters prescribed by an order of the competent ministry as contributing to ensuring sound and appropriate management of the business of the fishery cooperative federation group.

(Restrictions on Acquisition of Voting Rights)

Article 87-3 (1) A federation engaged in the business referred to in Article 87, paragraph (1), item (iv) or its subsidiary must not acquire or hold voting rights of a domestic company (excluding a company stated in Article 87-2, paragraph (1), items (i) through (iv), a company exclusively engaged in the business stated in item (v), (a) or (b) of that paragraph, a company stated in item (vii) of that paragraph (excluding a specified company in revitalization), a company stated in items (ix) and (x) of that paragraph, and a company eligible for exception; the same applies in this paragraph) in excess of the threshold number of voting rights in total (meaning one-tenth of a total number of voting rights vested in all shareholders or equity holders of the domestic company; the same applies to paragraph (4)).

(2) The provisions of Article 17-15, paragraphs (2) through (7) apply mutatis mutandis to the federation referred to in the preceding paragraph. In this case, in paragraph (2) of that Article, the term "the preceding paragraph" is deemed to be replaced with "Article 87-3, paragraph (1)", the term "subsidiary" is deemed to be replaced with "subsidiary (meaning a subsidiary prescribed by the part other than the items in Article 87-2, paragraph (1); the same applies in this Article)", and the phrase "the voting rights of a domestic company falling under the category of a specified business company in excess of the threshold number of the voting rights" is deemed to be replaced with "the voting rights of a domestic company (meaning a domestic company prescribed by Article 87-3, paragraph (1); the same applies in this Article) in excess of the threshold number of voting rights (meaning the threshold number of voting rights as prescribed by that paragraph; the same applies in this Article)"; in paragraphs (3) and (4) of that Article, the phrase "paragraph (1)" is deemed to be replaced with "Article 87-3, paragraph (1)" and the phrase "a domestic company falling under the category of a specified business company" is deemed to be replaced with "a domestic company"; in paragraph (4), item (i), the phrase "has acquired all or part of the credit business prescribed in Article 54-2, paragraph (2) upon obtaining the approval referred to in Article 54-2, paragraph (3)" is deemed to be replaced with "has held a company subject to approval as prescribed in Article 54-2, paragraph (3) as its subsidiary upon obtaining approval under that paragraph, or has acquired all or part of the credit business prescribed in Article 54-2, paragraph (2) upon obtaining approval referred to in Article 54-2, paragraph (3)", and the phrase "the date on which the cooperative acquired all or part of the credit business" is deemed to be replaced with "the date on which the cooperative has held the company as its subsidiary or acquired all or part of the credit business"; in paragraphs (5) and (6) of that Article, the phrase "paragraph (1)" is deemed to be replaced with "Article 87-3, paragraph (1)" and "a domestic company falling under the category of a specified business company" is deemed to be replaced with "a domestic company"; and in paragraph (7) of that Article, the phrase "the preceding paragraphs" is deemed to be replaced with "paragraphs (2) through the preceding paragraph and Article 87-3, paragraphs (1), (3), and (4)", and the phrase "paragraph (1)" is deemed to be replaced with "paragraph (1) of that Article".

(3) In the case referred to in paragraph (1) and Article 17-15, paragraphs (2) through (7) as applied mutatis mutandis pursuant to the preceding paragraph, a specified subsidiary is deemed not to fall under the category of a subsidiary of a federation referred to in paragraph (1), regarding acquiring or holding voting rights of a company stated in Article 87- 2, paragraph (1), item (vi), specified company in revitalization, or company stated in item (viii) of that paragraph.

(4) A "company eligible for exception" referred to in paragraph (1) means a company having a special relationship with either of the following companies, as prescribed by an order of the competent ministry: a company specified by an order of the competent ministry as engaged in business activities found to contribute to regional revitalization (limited to a company which does not fall under the category of a company stated in Article 87-2, paragraph (1), item (viii) and of which either a subsidiary of the federation referred to in paragraph (1) other than its specified subsidiary or the federation itself does not hold voting rights in excess of the threshold number of voting rights in total); or a company stated in paragraph (1), items (vi) through (viii) (limited to a subsidiary of the federation).

(Eligibility to be a Federation Member)

Article 88 Persons eligible to be members of a federation are the following persons as specified in the articles of association:

(i) a cooperative or federation whose districts are a part of or the same as the districts of the first-mentioned federation;

(ii) a fishery production cooperative having its address within the districts of the first-mentioned federation;

(iii) a cooperative that has its address within the districts of the first-mentioned federation and is founded in accordance with law, and that engages in the same type of business as the businesses of the person referred to in the preceding two items; and

(iv) a corporation of which the cooperative or federation referred to in item (i) is the primary contributor or member (the corporation excludes persons stated in item (i) and the preceding item).

(Voting Rights and Election Rights)

Article 89 (1) Each federation member has one voting right and one right to elect officers and representatives; provided, however, that a federation member under items (iii) or (iv) of the preceding Article (referred to as an "associate member" in this Chapter) does not have a voting right or election right.

(2) Notwithstanding the main clause of the preceding paragraph, in accordance with the standards prescribed by Cabinet Order and pursuant to the provisions of the articles of association, the federation may provide each federation member with two voting rights and election rights or more, based on the following factors: if the member to be provided with those rights is a cooperative, based on the number of members (excluding associate members) of the cooperative; and if the member to be provided with those rights is also a federation, based on the number of members (excluding associate members) of cooperatives directly or indirectly constituting the member federation and the depth of relationship between the cooperative and the member federation.

(3) The provisions of Article 21, paragraphs (2) through (7) apply mutatis mutandis to the exercise of voting rights and election rights by federation members. In this case, the necessary technical replacement of terms is specified by Cabinet Order.

(Founding Members)

Article 90 In order to found a federation, any two or more of cooperatives, fishery production cooperatives or federations are required to become its founding members.

(Reason for Dissolution)

Article 91 (1) A federation is dissolved by the following reasons:

(i) resolution at a general meeting;

(ii) merger of the federation;

(iii) a decision to commence bankruptcy proceedings with respect to the federation;

(iv) expiration of the period during which the federation exists;

(v) an order of dissolution under Article 124-2; and

(vi) the federation ceases to have any federation member (excluding associate members; the same applies in this Article and the following Article (excluding item (1) of paragraph (1) of that Article)).

(2) A resolution to dissolve a federation engaged in the business referred to in Article 87, paragraph (1), item (iv) does not take effect unless approved by the administrative authority.

(3) The provisions of Article 63, paragraph (2) apply mutatis mutandis to the approval referred to in the preceding paragraph.

(4) If a federation (excluding a federation referred to in paragraph (2)) is dissolved due to any reason other than those referred to in paragraph (1), items (ii) and (v), the federation must notify the administrative authority to that effect without delay.

(5) A federation that has only one federation member is dissolved for the following reasons, in addition to the reasons referred to in paragraph (1):

(i) rights and obligations have been taken over pursuant to the provisions of the following Article;

(ii) a disposition giving disapproval has been made with respect to an application for approval under Article 69, paragraph (2) as applied mutatis mutandis pursuant to paragraph (2) of the following Article; and

(iii) no application for approval under Article 69, paragraph (2) as applied mutatis mutandis pursuant to paragraph (2) of the following Article has been filed within the period referred to in paragraph (3) of that Article.

(6) If a federation is dissolved due to the absence of any federation member or due to the reason stated in item (iii) of the preceding paragraph, it must notify the administrative authority to that effect without delay.

(Taking Over the Rights and Obligations of a Federation Unitarily)

Article 91-2 (1) If a cooperative, fishery production cooperative, or federation (collectively referred to as a "cooperative or federation" in this Article) is becoming a sole remaining member of the parent federation, the cooperative or federation may choose to take over the rights and obligations of the parent federation (including rights and obligations held by the parent federation based on a license, approval or other disposition of the administrative authority regarding its business); provided, however, that this does not apply in the following cases:

(i) if the parent federation requires its members to make capital contributions, and an associate member is included in those members; and

(ii) if the ownership interest held by the cooperative or federation in the parent federation is subject to the claim of a third party.

(2) The provisions of Article 50, Article 69, Article 69-3, Article 71 and Article 72-2 apply mutatis mutandis to taking over rights and obligations pursuant to the provisions of the preceding paragraph, and the provisions of Article 828, paragraph (1) (limited to the part relating to item (v)) and paragraph (2) (limited to the part relating to item (v)), Article 834 (limited to the part relating to item (v)), Article 835, paragraph (1), Articles 836 through 839, and Article 846 of the Companies Act apply mutatis mutandis to an action to invalidate the taking over of rights and obligations pursuant to the provisions of the preceding paragraph. In this case, the term "Article 65" in Article 69, paragraph (3) of this Act is deemed to be replaced with "Article 65, paragraphs (1) through (4)"; the term "shareholders, etc." in Article 828, paragraph (2), item (v) of the Companies Act is deemed to be replaced with "cooperative members, directors, management committee members, auditors, liquidators"; and the term "director," in the proviso to Article 836, paragraph (1) of that Act is deemed to be replaced with "director, management committee member,''; and other necessary technical replacements of terms is specified by Cabinet Order.

(3) An application for approval under Article 69, paragraph (2) as applied mutatis mutandis pursuant to the provisions of the preceding paragraph must be filed within six months of the date when the membership of the parent federation concerned has reduced to one.

(4) The federation having had its rights and obligations taken over pursuant to the provisions of paragraph (1) is dissolved upon its completion.

(Provisions that Apply Mutatis Mutandis)

Article 92 (1) The provisions of Articles 11-2 through 11-16, Articles 12 through 15, and Article 16 apply mutatis mutandis to a federation's business. In this case, in Article 11-3, paragraph (1), the term "Article 11, paragraph (1), item (i)" is deemed to be replaced with "Article 87, paragraph (1), item (i)" and the term "cooperative members" is deemed to be replaced with "federation's direct or indirect members"; the phrase "at least two-thirds of the cooperative members" in paragraph (3) of that Article is deemed to be replaced with "all of the federation members or all of the federation members holding persons engaged in the relevant fishery as their cooperative members"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 11-4, paragraph (1) and Article 11-15 and the term "Article 11, paragraph (1), item (iv)" in Article 11-5, paragraphs (1), Article 11-6, Article 11-8, paragraph (1), Article 11-9 through Article 11-11, Article 11-12, paragraph (1), Article 11-13, paragraph (1), Article 11-14, paragraph (1) and Article 11-16, paragraph (1) is deemed to be replaced with "Article 87, paragraph (1), item iv)"; in Article 11-4, paragraph (2), the phrase "100 million yen (or less than 10 million yen, if a cooperative satisfies the requirements by Cabinet Order regarding a number of its members (excluding cooperative members under Article 18, paragraph (5) (referred to as "associate members" in this Chapter and Chapter IV)), its geographical conditions and other particulars, or if a cooperative does not engage in the business referred to in Article 11, paragraph (1), item (iv))" is deemed to be replaced with "100 million yen"; in Article 11-5, paragraph (2), the term "Article 11, paragraph (1), items (iii) and (iv)" is deemed to be replaced with "Article 87, paragraph (1), items (iii) and (iv)", the term "the items of Article 87, paragraph (3)" is deemed to be replaced with "the items of paragraph (3) of that Article", and the term "Article 11, paragraphs (3) through (5)" is deemed to be replaced with "paragraphs (4) through (6) of that Article"; the term "Article 11, paragraph (3), item (vii)-2" in Article 11-6 is deemed to be replaced with "Article 11, paragraph (4), item (vii)-2"; in Article 11-7, the term "Article 11, paragraph (10)" is deemed to be replaced with "Article 87, paragraph (13)" and the phrases "its members nor other cooperatives' members" and "its members and other cooperatives' members" are deemed to be replaced with "its direct or indirect members nor other federations' direct or indirect members" and "its direct or indirect members and other federations' direct or indirect members" respectively; the term "Article 11, paragraph (1), item (vii)" in Article 12, paragraph (1) is deemed to be replaced with "Article 87, paragraph (1), item (vii)"; and the term "Article 11, paragraph (1), item (xv)" in Article 16, paragraph (1) is deemed to be replaced with "Article 87, paragraph (1), item (xvi)"; and other necessary technical replacement of terms is specified by Cabinet Order.

(2) The provisions of Article 19, Article 20, and Articles 22 through 31-2 apply mutatis mutandis to a federation member.

(3) The provisions of Article 32, paragraphs (1), (3) and (4), Article 33, Article 33-2, Article 34, paragraphs (1) through (3), the main clause of paragraph (4), paragraphs (5) through (7), and paragraphs (9), (10), (13) and (14), Articles 34-2 through 47-6, Article 48, paragraphs (1) through (4), Articles 49 through 51, Articles 52 through 54-3, and Articles 54-5 through 58-3 apply mutatis mutandis to management of a federation. In this case, the term "Article 11, paragraph (1), items (v) through (vii)" in Article 32, paragraph (1), Article 40, paragraphs (1) and (2) and Article 55, paragraph (1) is deemed to be replaced with "Article 87, paragraph (1), items (v) through (vii)"; the term "Article 11, paragraph (1), item (iv)" in Article 34, paragraph (3), Article 34-4, paragraph (2), item (ii), Article 34-5, paragraph (1), Article 41-2, paragraph (1), Article 54-2, paragraphs (1) and (2), Article 54-3, paragraph (1) and the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 34, paragraph (13) and (14), Article 34-4, paragraph (2), item (i), Article 55, paragraphs (1) and (2) and Article 58-3, paragraph (1) are deemed to be replaced with "Article 87, paragraph (1), item (iv)"; the phrase "Each person has one vote" in Article 34, paragraph (6) is deemed to be replaced with "Each person has one vote (or in the case of a federation providing each federation member with two election rights or more pursuant to the provisions of Article 89, paragraph (2), each person has one voting right per election right)"; in paragraph (10) of that Article (including as applied mutatis mutandis pursuant to Article 34-2, paragraph (3) following the deemed replacement of the terms), the phrase "its members other than associate members" is deemed to be replaced with "its direct or indirect members (excluding associate cooperative members, associate federation members, and persons constituting those associate members)" and the phrase "persons eligible to be its members (other than associate members) that have given their consent to founding the cooperative" is deemed to be replaced with "either persons eligible to be its members (other than associate members) that have given their consent to founding the federation or persons who directly or indirectly constitutes them (excluding associate cooperative members, associate federation members, and persons constituting those associate members)"; the phrase "cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) (excluding a cooperative engaged in the credit business or mutual aid insurance business falling short of the standard of the scale established by Cabinet Order)" in paragraphs (13) and (14) of that Article and the phrase "cooperative engaged in the business referred to in Article 11 paragraph (1), item (iv) (excluding a cooperative that does not reach the scale specified by Cabinet Order)" in Article 41-2, paragraph (1) are deemed to be replaced with "federation engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)" and "federation engaged in the business referred to in Article 11 paragraph (1), item (iv)" respectively; the phrase "a member of the cooperative or an officer or employee of a corporation that is a member of the cooperative" in Article 34, paragraph (13), item (i) is deemed to be replaced with "an officer or employee of a corporation that is a member of the federation"; the term "paragraphs (10) and (12) of the preceding Article" in Article 34-2, paragraphs (3) and (6) is deemed to be replaced with "paragraph (10) of the preceding Article"; the term "paragraph (10) of that Article" in paragraph (3) of that Article is deemed to be replaced with "that paragraph"; the term "Article 11, paragraph (1), item (v) or (vii)" in Article 48, paragraph (1), item (v) and Article 50, item (iii)-2 is deemed to be replaced with "Article 87, paragraph (1), item (v) or (vii)"; the phrase "the matters referred to in Article 50, item (ii), item (iii)-2, or item (iv)" in Article 52, paragraph (7) and the phrase "the matters referred to in Article 50, item (ii) or (iii)-2" in Article 52, paragraph (8) are deemed to be replaced with "the matters referred to in Article 50, item (ii), item (iii)-2, or item (iv) and the rights and obligations to be taken over under Article 91-2" and "the matters referred to in Article 50, item (ii) or (iii)-2 and the rights and obligations to be taken over under Article 91-2" respectively; the term "Article 11, paragraph (1), items (ii) and (xiv)" in Article 55, paragraph (7) is deemed to be replaced with "Article 87, paragraph (1), items (ii) and (xv)"; and other necessary technical replacements of terms is specified by Cabinet Order.

(4) The provisions of Article 60 through Article 67-2 apply mutatis mutandis to founding a federation. In this case, the phrase "20 persons or more (or 15 persons or more in the case of a type-specific fishery cooperative)" in Article 61, paragraph (2) is deemed to be replaced with "two persons or more"; and the phrase "Article 21, paragraph (1), Article 49, paragraphs (2) and (3), and Articles 50-2 through 50-4" in Article 62, paragraph (6) is deemed to be replaced with "Article 49, paragraphs (2) and (3), Articles 50-2 through 50-4, and Article 89, paragraph (1)"; and other necessary technical replacement of terms is specified by Cabinet Order.

(5) The provisions of Article 68-2 through Article 77 apply mutatis mutandis to the dissolution and liquidation of a federation. In this case, the term "a cooperative" in Article 68-2, paragraph (1) is deemed to be replaced with "a federation (excluding a federation referred to in Article 91, paragraph (2); the same applies in the following Article)"; the term "Article 68, paragraph (1), item (i)" in Article 68-3, paragraph (1) is deemed to be replaced with "Article 91, paragraph (1), item (i)"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 69, paragraph (3) is deemed to be replaced with "Article 87, paragraph (1), item (iv)"; the phrase "the main clause of paragraph (10) of Article 34, and Article 34, paragraphs (11) and (12)" in Article 70, paragraph (2) is deemed to be replaced with "the main clause of paragraph (10) of Article 34"; the phrase "its members other than associate members" in the main clause of paragraph (10) of Article 34 as applied mutatis mutandis pursuant to Article 70, paragraph (2) is deemed to be replaced with "its direct or indirect members (excluding associate cooperative members, associate federation members, and persons constituting those associate members)"; the term "the main clause of paragraph (10) of the preceding Article and paragraph (12) of the preceding Article" in Article 34-2, paragraph (3) as applied mutatis mutandis pursuant to Article 70, paragraph (3) following the deemed replacement of terms is deemed to be replaced with "the main clause of paragraph (10) of the preceding Article"; the phrase "or a commencement of bankruptcy proceedings" in Article 74 is deemed to be replaced with ", a commencement of bankruptcy proceedings, or the reasons stated in Article 91, paragraph (5), item (i)"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter V Marine Product Processing Industry Cooperatives

(Type of Business)

Article 93 (1) A marine product processing industry cooperative (referred to as a "cooperative" in this Chapter and the following Chapter) may engage in all or part of the following businesses:

(i) lending funds necessary for the cooperative member's business or livelihood;

(ii) accepting the cooperative member's deposit for a savings or fixed-term installment savings account;

(iii) supplying goods necessary for the cooperative member's business or livelihood;

(iv) installing shared facilities necessary for the cooperative member's business or livelihood;

(v) transporting, processing, storing, or selling the cooperative member's products;

(vi) inspecting the products of the cooperative members, their raw materials or materials, or their manufacturing or processing facilities;

(vi)-2 business relating to mutual aid insurance for the cooperative members;

(vii) business related to the welfare of the cooperative members;

(viii) providing education to the cooperative members to improve management and technology related to the production and processing of marine products and to improve their knowledge of the cooperative's business and also providing general information to them;

(ix) entering into collective bargaining agreements to improve the economic status of cooperative members; and

(x) business incidental to the businesses stated in the preceding items.

(2) A cooperative that engages in the business referred to in item (ii) of the preceding paragraph may engage in all or part of the following businesses for the benefit of its members:

(i) discounting notes;

(ii) fund transfer transactions;

(iii) guaranteeing debts or underwriting notes;

(iii)-2 buying and selling securities or conducting other actions;

(iv) lending securities;

(v) acquiring government bonds and other bonds (excluding the acquisition for the purpose of secondary distribution) or handling public offerings for government bonds and other bonds related to the acquisition;

(vi) handling private placement of securities (limited to the securities that fall under the category of government bonds and other bonds, and the securities stated in Article 2, paragraph (1), item (x) or (xi) of the Financial Instruments and Exchange Act);

(vii) acting as an agent or intermediary regarding the business (excluding when falling under the business stated in the following items) of the Norinchukin bank or other person specified by the competent minister (excluding foreign banks) (limited to acting as an agent or intermediary as specified by the competent minister);

(vii)-2 acting as an agent or intermediary regarding the business of a foreign bank (limited to acting as an agent or intermediary for a foreign bank conducting its business in the foreign country as specified by an order of the competent ministry);

(viii) withholding money relating to the national government, local governments, companies, etc. or handling other monetary affairs;

(ix) safekeeping of securities, precious metals, and other articles;

(ix)-2 book-entry transfer business;

(x) currency exchange;

(xi) acting as an intermediary, broker, or agent for derivatives transactions; and

(xii) business incidental to the businesses referred to in the preceding items.

(3) A cooperative engaged in both the businesses referred to in paragraph (1), items (i) and (ii) may engage in the business activities prescribed by the following items regarding the securities stated in those items (excluding business conducted pursuant to the provisions of the preceding paragraph), to the extent that it does not interfere with the businesses referred to in paragraph (1), items (i) and (ii):

(i) securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act (limited to securities stated in Article 2, paragraph (1), items (i) and (ii) of that Act and securities and other bonds stated in item (v) of that paragraph for which the government guarantees to redeem the principal and pay the interest): an action specified in Article 33, paragraph (2), item (i) of that Act (in the case of an action stated in Article 2, paragraph (8), item (i) through (iii) of that Act, it is limited to buying or selling securities or conducting an action related to it);

(ii) securities stated in Article 33, paragraph (2), items (i), (iii) and (iv) of the Financial Instruments and Exchange Actions (excluding securities stated in the preceding item): an action stated in Article 2, paragraph (11), items (i) through (iii) of the Financial Instruments and Exchange Act on behalf of a financial instruments business operator; and

(iii) securities stated in Article 33, paragraph (2), item (ii) of the Financial Instruments and Exchange Act: an action prescribed by that item.

(4) A cooperative engaged in both the businesses referred to in paragraph (1), items (i) and (ii) may engage in the following businesses to the extent that it does not interfere with the businesses referred to in paragraph (1), items (i) and (ii):

(i) business related to a trust businesses conducted pursuant to the Act on Engagement in Trust Business by Financial Institutions;

(ii) business related to affairs relative to trusts conducted by the method stated in Article 3, item (iii) of the Trust Act; and

(iii) business related to an investment advisory business prescribed by Article 28, paragraph (6) of the Financial Instruments and Exchange Act.

(5) If a cooperative engages in the business referred to in item (ii) of the preceding paragraph, the provisions of Article 11, paragraph (6) apply mutatis mutandis.

(6) For the benefit of cooperative members, a cooperative engaged in the business referred to in paragraph (1), item (vi)-2 may act as an agent regarding the business operation of an insurance company or other equivalent person designated by the competent minister, or substitute for their business chores (limited to the substitution prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries).

(7) In accordance with the provisions of its articles of association, a cooperative may allow a person other than its member to use its services (in the case of the services referred to in paragraph (2), items (iii) and (iv), the services are limited to those specified by an order of the competent ministry); provided, however, that the total amount of services that can be used by persons other than its members in a single fiscal year must not exceed one-fifth of the total amount of services used by its members in that fiscal year (in the case of the business prescribed by Cabinet Order, the percentage specified by Cabinet Order applies), except for the cases related to the services stated in paragraph (2), items (ii) through (x) and item (xii), paragraph (3), and the preceding paragraph.

(8) For the proviso of the preceding paragraph to be applied when the following persons use the services stated in the following items, they are deemed to be cooperative members:

(i) services referred to in paragraph (1), item (i): a person who is in the same household with the cooperative member, or a non-profit corporation, if the cooperative lends funds to the person or non-corporation with their savings or fixed-term installment savings account pledged as a collateral;

(ii) services referred to in paragraph (1), item (ii): a person who is in the same household with the cooperative member, or a non-profit corporation; and

(iii) services referred to in paragraph (1), item (vi)-2 and item (vii): a person who is in the same household with the cooperative member.

(9) Notwithstanding paragraph (7), a cooperative may lend the following funds in accordance with its articles of association, to the extent that it does not interfere with the business for the benefit of its members:

(i) lending funds to local governments as specified by Cabinet Order;

(ii) lending funds to a non-profit corporation of which a local government is the primary contributor or member, or of which a local government contributes the majority of the amount of the basic assets, as specified by a Cabinet Order;

(iii) lending funds specified by Cabinet Order that are necessary for the development of industrial infrastructure or living environment in the fishing port area (excluding the lending of funds stated in the preceding two items); and

(iv) lending funds to banks or other financial institutions.

(Eligibility to Be a Cooperative Member)

Article 94 Persons eligible to be cooperative members are the following persons as specified in the articles of association:

(i) a marine product processor having their address or place of business within the districts of the cooperative; and

(ii) a corporation engaged in the marine product processing business with its address or place of business within the districts of the cooperative, and either having 300 regular employees or less, or having a total stated capital or capital contribution of 100 million yen or less.

(Capital Contribution)

Article 95 A cooperative member must hold at least one unit of capital contribution.

(Withdrawal Due to Cease and Desist Order by the Fair Trade Commission)

Article 95-2 In addition to the reasons stated in the items of Article 26, paragraph (1) as applied mutatis mutandis pursuant to Article 96, paragraph (2), a cooperative member withdraws from a cooperative due to receiving a cease and desist order by the Fair Trade Commission as under the following Article and Article 95-4 which becomes final and binding.

(Cease and Desist Measures)

Article 95-3 If the Fair Trade Commission finds that a corporation which is a cooperative member under Article 94, item (ii) and has more than 100 regular employees is not a small corporation in substance, the Commission may compel the corporation to withdraw from the cooperative in accordance with the procedures prescribed in the following Article, in order to achieve the purpose of this Act.

Article 95-4 In the case referred to in the preceding article, the provisions of Articles 40 through 42, Article 45, Article 47, Article 48, Articles 49 through 61, Article 65, paragraphs (1) and (2), Article 66, Article 67, Article 68, paragraph (3), Article 70-3, paragraphs (3) and (4), Article 70-6, Article 70-7, Articles 70-9 through 70-12, Articles 75 through 77, Article 85 (limited to the part relating to item (i)), Article 86, Article 87, and Article 88 of the Private Antimonopoly Act apply mutatis mutandis.

(Provisions that Apply Mutatis Mutandis)

Article 96 (1) The provisions of Articles 11-4 through 16 apply mutatis mutandis to a cooperative's business, the provisions of Articles 17-2 through 17-13 apply mutatis mutandis to an amendment to the terms of a mutual aid insurance agreement with a cooperative, and the provisions of Articles 17-14 and 17-15 apply mutatis mutandis to a cooperative's subsidiary or other affiliated person. In this case, the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 11-4, paragraph (1), Article 11-15 and Article 17-14, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (ii) or (vi)-2"; the term "Article 11, paragraph (1), item (iv)" in Article 11-4, paragraph (2), Article 11-5, paragraph (1), Article 11-6, Article 11-8, paragraph (1), Articles 11-9 through 11-11, Article 11-12, paragraph (1), Article 11-13, paragraph (1), Article 11-14, paragraph (1), Article 11-16, paragraph (1), Article 11-17 and Article 17-14, paragraph (2), item (ii) is deemed to be replaced with "Article 93, paragraph (1), item (ii)"; in Article 11-5, paragraph (2), the term "Article 11, paragraph (1), items (iii) and (iv)" is deemed to be replaced with "Article 93, paragraph (1), items (i) and (ii)", the term "item (v) of that paragraph" is deemed to be replaced with "item (iii) of that paragraph", and the term "Article 11, paragraphs (3) through (5)" is deemed to be replaced with "Article 93, paragraphs (2) through (4)"; the term "paragraph (3), item (vii)-2 of that Article" in Article 11-6 is deemed to be replaced with "paragraph (2), item (vii)-2 of that Article"; in Article 11-7, the term "Article 11, paragraph (10)" is deemed to be replaced with "Article 93, paragraph (9)", and the phrases " that are neither its members nor other cooperatives' members" and "its members and other cooperatives' members" are deemed to be replaced with "other than its members" and "its members" respectively; the term "item (iii) or (iv) of that paragraph" in Article 11-16, paragraph (1) is deemed to be replaced with "item (i) or (ii) of that paragraph"; the term "Article 11, paragraph (1), item (vii)" in Article 12, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (v)"; the term "Article 11, paragraph (1), item (xii)" in Article 15-2, paragraph (1), Article 15-3, Article 15-4, paragraph (1), Article 15-5, paragraph (1), Article 15-6, Article 15-9, Article 15-11, Article 15-12, Article 15-13, paragraph (1), Article 15-14, Article 15-15, paragraph (1), Article 15-16, paragraph (1), Article 15-17, Article 15-18, Article 15-19, paragraph (1), Article 15-20, paragraph (1), Article 15-21, Article 15-22, paragraph (1), Article 15-23, Article 15-24, paragraph (1), Article 17-2, paragraph (1), Article 17-4, paragraph (2), Article 17-5, paragraph (1), Article 17-7, paragraph (1), Article 17-11, paragraph (1), Article 17-12, paragraph (1), Article 17-13, paragraph (1), and Article 17-14, paragraph (2), item (iii) is deemed to be replaced with "Article 93, paragraph (1), item (vi)-2"; the term "paragraph (7) of that Article" in Article 15-2, paragraph (1) is deemed to be replaced with "paragraph (6) of that Article"; the term "Article 11, paragraph (1), item (xv)" in Article 16, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (ix)"; in Article 17-14, paragraph (1), item (ii), the term "Article 11, paragraph (1), item (iii), (iv) or (xii)" is deemed to be replaced with "Article 93, paragraph (1), item (i), (ii) or (vi)-2", the term "paragraph (1), item (iii) or (iv) of that Article" is deemed to be replaced with "paragraph (1), item (i) or (ii) of that Article", and the term "paragraph (1), item (xii) of that Article" is deemed to be replaced with "paragraph (1), item (vi)-2 of that Article"; the term "Article 11, paragraph (1), items (iv) and (xii)" in paragraph (2), item (i) of that Article is deemed to be replaced with "Article 93, paragraph (1), items (ii) and (vi)-2"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 17-15, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (ii) or (vi)-2"; and other necessary technical replacement of terms is specified by Cabinet Order.

(2) The provisions of Article 19, paragraphs (3) through (5), Article 20, the main clause of paragraph (1) of Article 21, Article 21, paragraphs (2) through (7), Articles 22 through 24, Article 25, paragraphs (1) and (4), and Articles 26 through 31-2 apply mutatis mutandis to a cooperative member.

(3) The provisions of Article 32, paragraphs (1), (3) and (4), Article 33, Article 33-2, Article 34 (excluding paragraphs (11) and (12)), Article 34-3, Article 34-4 (excluding paragraph (1), item (v)), Article 34-5 paragraphs (1), (2) and (5), Article 35, Article 36, paragraphs (1) through (3), Article 37, Articles 39 through 39-4, Article 39-5 (excluding paragraph (4)), Article 39-6 through 41-3, Article 42, paragraphs (1) and (3) though (8), Article 42-2 through 47-2, Article 47-3, paragraphs (1) and (2), Articles 47-4 through 51, and Articles 52 through 58-3 apply mutatis mutandis to the management of a cooperative. In this case, the term "Article 11, paragraph (1), item (iv)" in Article 34, paragraph (3), Article 34-4, paragraph (2), item (ii), Article 34-5, paragraph (1), Article 41-2, paragraph (1), Article 54-2, paragraphs (1) and (2), and Article 54-3, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (ii)"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 34, paragraphs (13) and (14), Article 34-4, paragraph (2), item (i), Article 55, paragraphs (1) and (2), Article 58-3, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (ii) or (vi)-2"; the term "Article 11, paragraph (1), item (v) or (vii)" in Article 48, paragraph (1), item (v) and Article 50, item (iii)-2 is deemed to be replaced with "Article 93, paragraph (1), item (iii) or (v)"; the term "Article 11, paragraph (1), item (xii)" in Article 54-4, paragraph (1) is deemed to be replaced with "Article 93, paragraph (1), item (vi)-2"; the term "Article 11, paragraph (1), items (ii) and (xiv)" in Article 55, paragraph (7) is deemed to be replaced with "Article 93, paragraph (1), item (viii)"; and other necessary technical replacement of terms is specified by Cabinet Order.

(4) The provisions of Articles 59 through 67-2 apply mutatis mutandis to founding a cooperative. In this case, the phrase "20 persons or more intending to be its members (excluding associate members) are required to become its founding members (or 15 persons or more are required, in case of a cooperative in which only persons engaged in the type-specific fishery are eligible to be its members (referred to as a "type-specific fishery cooperative" below))" in Article 59 is deemed to be replaced with "15 persons or more intending to be its members (excluding associate members) are required to become its founding members", and the phrase "20 persons or more (or 15 persons or more in the case of a type-specific fishery cooperative)" in Article 61, paragraph (2) is deemed to be replaced with "15 persons or more", and other necessary technical replacement of terms is prescribed by Cabinet Order.

(5) The provisions of Articles 68 through 69-4, Article 70 (excluding paragraph (3)), Articles 71 through 74-2, Article 75, paragraph (1), Article 76, paragraphs (1) and (3), and Article 77 apply mutatis mutandis to the dissolution and liquidation of a cooperative. In this case, the phrase "a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)" in Article 68, paragraph (2) is deemed to be replaced with "a cooperative engaged in the business referred to in Article 93, paragraph (1), item (ii) or (vi)-2"; the phrase "20 (or fewer than 15 in the case of a type-specific fishery cooperative)" in paragraph (5) of that Article is deemed to be replaced with "15"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 69, paragraph (3) is deemed to be replaced with "Article 93, paragraph (1), item (ii) or (vi)-2"; the phrase "officers (excluding directors if a cooperative to be founded is a cooperative with management committee members)" in Article 70, paragraph (1) is deemed to be replaced with "officers"; and the phrase "the main clause of paragraph (10) of Article 34, Article 34, paragraphs (11) and (12)" in paragraph (2) of that Article is deemed to be replaced with "the main clause of paragraph (10) of Article 34"; the term "Article 34-4" in Article 77 is deemed to be replaced with "Article 34-4 (excluding paragraph (1), item (v))"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter VI Federations of Marine Product Processing Industry Cooperatives

(Type of Business)

Article 97 (1) A federation of marine product processing industry cooperatives (referred to as a "federation" in this Chapter) may engage in all or part of the following businesses:

(i) lending funds necessary for the business of persons who directly or indirectly constitute a federation (collectively referred to as "direct or indirect members" in this Chapter);

(ii) accepting its direct or indirect member's deposit for a savings or fixed-term installment savings account;

(iii) supplying goods necessary for the business of its direct or indirect members;

(iv) establishing shared facilities necessary for the business of its direct or indirect members;

(v) transporting, processing, storing, or selling the products of its direct or indirect members;

(vi) inspecting the products of its direct or indirect members, their raw materials or ingredients, or their manufacturing or processing facilities;

(vii) conducting investigation, responding to a consultation, and giving an advice regarding the federation member's own organization, business and management;

(viii) representing the federation members' opinions and making general coordination among the federation members;

(ix) businesses related to the welfare of its direct or indirect members;

(x) providing education to its direct or indirect members to improve the management and technology concerning the production and processing of marine products and improve the knowledge of the business of the federation, and also providing their knowledge general information to them;

(xi) entering into collective bargaining agreements to improve the economic status of its direct or indirect members; and

(xii) business incidental to the businesses stated in the preceding items.

(2) Notwithstanding the preceding paragraph, a federation engaged in the business referred to in item (i) or (ii) of that paragraph may not engage in other business, except for any business incidental to the business referred to in item (i) or (ii) of that paragraph, the businesses stated in the following items among those referred to in item (iii) of that paragraph (including any incidental business), or the business referred to in the following paragraph or paragraph (4) or (5):

(i) business that allows another person to use machinery and other items under an agreement satisfying all of the following requirements that allows the person to use them:

(a) the agreement cannot be cancelled during a lease period, or the agreement has any equivalent terms specified by an order of the competent ministry;

(b) the agreement provides that the federation is to receive a total amount of the following as the lease fee within the lease period: a remaining amount after an amount of a consideration that would need to be paid if the leased item were to be transferred to the lessee upon the expiration of the lease period is deducted from the cost needed for purchasing the item; and the amount of the fixed asset tax, insurance premiums, or any other expenses specified by an order of the competent ministry as incidental expenses necessary for allowing the leased item to be used; and

(c) the agreement does not provide that the ownership of the leased item or the right to use the leased item and earn income from it is to be transferred to the lessee after the expiration of the lease period; and

(d) acting as an agent or intermediary regarding the business stated in the preceding item.

(3) A federation engaged in the business referred to in paragraph (1), item (ii) may engage in all or part of the following business for its direct or indirect members:

(i) discounting notes;

(ii) fund transfer transactions;

(iii) guaranteeing debts or underwriting notes;

(iii)-2 buying or selling securities or conducting other actions;

(iv) lending securities

(v) acquiring government bonds and other bonds (excluding the acquisition for the purpose of secondary distribution) or handling public offerings for government bonds and other bonds related to the acquisition;

(vi) handling private placement of securities (limited to the securities that fall under the category of government bonds and other bonds, and the securities stated in Article 2, paragraph (1), items (x) and (xi) of the Financial Instruments and Exchange Act);

(vii) acting as an agent or intermediary regarding the business (excluding when falling under the business stated in the following items) of the Norinchukin bank or other person (excluding foreign banks) specified by the competent minister (limited to acting as an agent or intermediary as specified by the competent minister);

(vii)-2 acting as an agent or intermediary regarding the business of a foreign bank (limited to acting as an agent or intermediary for a foreign bank conducting its business in the foreign country as prescribed by an order of the competent ministry);

(viii) withholding money relating to the national government, local governments, companies, etc. and handling other monetary affairs;

(ix) safekeeping of securities, precious metals, and other articles;

(ix)-2 book-entry transfer business;

(x) currency exchange;

(xi) acting as an intermediary, broker, or agent for derivative transactions;

(xii) business of providing information obtained from its direct or indirect members concerning them to a third party with their consent, and other business of providing information held by the federation to a third party, which contributes to the advancement of the business referred to in paragraph (1), item (i) or (ii) conducted by the federation or to improving convenience for the service users of the federation;

(xiii) business that mainly utilizes the federation personnel, information and communication technology, equipment and other management resources related to the business referred to in paragraph (1), item (i) or (ii), and that is specified by an order of the competent ministry as the business contributing to the regional revitalization, industrial productivity improvement, or establishment of a sustainable society; or

(xiv) business incidental to the businesses stated in the preceding items.

(4) A federation engaged in both the businesses referred to in paragraph (1), items (i) and (ii) may engage in the business activities prescribed by the following items regarding the securities stated in the items (excluding the business conducted pursuant to the provisions of the preceding paragraph), to the extent that it does not interfere with the businesses referred to in paragraph (1), items (i) and (ii):

(i) the securities stated in Article 33, paragraph (2), item (i) of the Financial Instruments and Exchange Act (limited to the securities stated in Article 2, paragraph (1), items (i) and (ii) of that Act and the securities or other bonds stated in item (v) of that paragraph for which the government guarantees to redeem the principal and pay the interest): an action stated in Article 33, paragraph (2), item (i) of that Act (in the case of an action stated Article 2, paragraph (8), item (i) through (iii) of that Act, it is limited to buying or selling securities or conducting an action related to it);

(ii) the securities stated in Article 33, paragraph (2), item (i), (iii), and (iv) of the Financial Instruments and Exchange Act (excluding the securities stated in the preceding item): an action stated in Article 2, paragraph (11), items (i) through (iii) of that Act on behalf of a financial instruments business operator; and

(iii) securities stated in Article 33, paragraph (2), item (ii) of the Financial Instruments and Exchange Act: an action prescribed by that item.

(5) A federation engaged in both the businesses referred to in of paragraph (1), items (i) and (ii) may engage in the following businesses to the extent that it does not interfere with the businesses referred to in of paragraph (1), items (i) and (ii):

(i) the business related to a trust business conducted pursuant to the Act on Engagement in Trust Business by a Financial Institutions;

(ii) the business related to affairs relative to trusts by the method stated in Article 3, item (iii) of the Trust Act; and

(iii) the business related to an investment advisory business prescribed by Article 28, paragraph (6) of the Financial Instruments and Exchange Act.

(6) The provisions of Article 11, paragraph (6) apply mutatis mutandis if a federation engages in the business referred to in item (ii) of the preceding paragraph.

(7) In accordance with the provisions of the articles of association, a federation may allow a person other than its direct or indirect members to use its services (in the case of the services referred to in items of paragraph (2), and the services stated in the items of paragraph (2) that are provided by a federation engaging in the business referred to in the paragraph (1), item (i) or (ii), the services are limited to those specified by an order of the competent ministry); provided, however, that the total amount of services that can be used by persons other than its direct or indirect members in a single fiscal year must not exceed one-fifth of the total amount of services that is used by its direct or indirect members in that year, except for the cases related to the business stated in the items of paragraph (2) that is provided by a federation engaging in the business referred to in the paragraph (3), items (ii) through (x) and items (xii) through (xiv), the business referred to in paragraph (4), and the business referred to in paragraph (1), item (i) or (ii).

(8) For the proviso to the preceding paragraph to be applied when the following persons use the services stated in the following items, they are deemed to be the federation's direct or indirect members:

(i) services referred to in paragraph (1), item (i): a non-profit corporation to which the federation lends funds with the corporation's savings or fixed-term installment savings account pledged as collateral;

(ii) services referred to in paragraph (1), item (ii): a non-profit corporation; and

(iii) services referred to in paragraph (1), item (ix): a person who is in the same household with the federation's direct or indirect member.

(9) Notwithstanding paragraph (7), a federation may lend the following funds in accordance with its articles of association, to the extent that it does not interfere with the business for the benefit of its direct or indirect members:

(i) lending funds to a local government as specified by Cabinet Order;

(ii) lending funds to a non-profit corporation of which a local government is the main contributor or member, or of which a local government contributes the majority of the amount of the basic assets, as specified by Cabinet Order;

(iii) lending funds prescribed by Cabinet Order that are necessary for the development of industrial infrastructure or living environment in the fishing port zone (excluding the lending of funds stated in the preceding two items); and

(iv) lending funds to banks or other financial institutions.

(Eligibility to be a Federation Member)

Article 98 Persons eligible to be members of a federation are the following persons as specified in the articles of association:

(i) a cooperative or federation whose districts are a part of or the same as the districts of the first-mentioned federation; and

(ii) a cooperative that has an address within the districts of the first-mentioned federation and is founded in accordance with law, and that engages in the same type of business as the business of the person referred to in the preceding item.

(Voting Rights and Election Rights)

Article 98-2 (1) Each federation member has one voting right and one right to elect officers and representatives; provided, however, that a federation member under item (ii) of the preceding Article (referred to as an "associate member" in this Chapter) does not have a voting right or voting right.

(2) The provisions of Article 89, paragraphs (2) and (3) apply mutatis mutandis to the voting rights and election rights vested in federation members.

(Founding Members)

Article 99 In order to found a federation, any two or more of cooperatives or federations are required to become the its founding members.

(Provisions that Apply Mutatis Mutandis)

Article 100 (1) The provisions of Articles 11-4 through 11-16, Articles 12 through 15 and Article 16 apply mutatis mutandis to a federation's business, and the provisions of Articles 87-2 through 87-3 apply mutatis mutandis to a federation's subsidiary or other affiliated person. In this case, the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 11-4, paragraph (1) and Article 11-15, and the term "Article 11, paragraph (1), item (iv)" in Article 11-5 paragraph (1), Article 11-6, Article 11-8, paragraph (1), Articles 11-9 through 11-11, Article 11-12, paragraph (1), Article 11-13, paragraph (1), Article 11-14, paragraph (1), and Article 11-16, paragraph (1) are deemed to be replaced with "Article 97, paragraph (1), item (ii)"; in Article 11-4, paragraph (2), the phrase "100 million yen (or less than 10 million yen, if a cooperative satisfies the requirements by Cabinet Order regarding a number of its members (excluding cooperative members under Article 18, paragraph (5) (referred to as "associate members" in this Chapter and Chapter IV)), its geographical conditions and other particulars, or if a cooperative does not engage in the business referred to in Article 11, paragraph (1), item (iv))" is deemed to be replaced with "100 million yen"; in Article 11-5, paragraph (2), the term "Article 11, paragraph (1), items (iii) and (iv)" is deemed to be replaced with "Article 97, paragraph (1), items (i) and (ii)", the phrase "the business referred to in Article 11, paragraph (1), item (v) that is stated in the items of Article 87, paragraph (3)" is deemed to be replaced with "the business referred to in Article 97, paragraph (1), item (iii) that is stated in the items of paragraph (2) of that Article", and the term "Article 11, paragraphs (3) through (5)" is deemed to be replaced with "paragraphs 3 through 5 of that Article"; in Article 11-7, the term "Article 11, paragraph (10)" is deemed to be replaced with "Article 97, paragraph (9)" and the phrases "that are neither its members nor other cooperatives' members" and "its members and other cooperatives' members" are deemed to be replaced with "other than its direct or indirect members" and "its direct or indirect members" respectively; the term "item (iii) or (iv) of that paragraph" in Article 11-16, paragraph (1) is deemed to be replaced with "item (i) or (ii) of that paragraph"; the term "Article 11, paragraph (1), item (vii)" in Article 12, paragraph (1) is deemed to be replaced with "Article 97, paragraph (1), item (v)"; the term "Article 11, paragraph (1), item (xv)" in Article 16, paragraph (1) is deemed to be replaced with "Article 97, paragraph (1), item (xi)"; the terms "paragraph (1), item (iv) of the preceding Article" in Article 87-2, paragraph (1) and paragraph (2), item (i), and the term "Article 87, paragraph (1), item (iv)" in Article 87-2-2, paragraph (1) and Article 87-3, paragraph (1) are deemed to be replaced with "Article 97, paragraph (1), item (ii)"; the term "Article 92, paragraph (1)" in Article 87-2, paragraph (1) is deemed to be replaced with "Article 100, paragraph (1)"; the term "paragraph (6) of the preceding Article" in item (v), (b) of that paragraph is deemed to be replaced with "Article 97, paragraph (5)"; the term "paragraph (1), item (iii) or (iv) of the preceding Article" in item (ix) of that paragraph, paragraph (2), item (ii), and paragraph (4) of that Article is deemed to be replaced with "Article 97, paragraph (1), item (i) or (ii)"; in that paragraph, the term "Article 92, paragraph (3)" is deemed to be replaced with "Article 100, paragraph (3)" and the term "Article 92, paragraph (5)" is deemed to be replaced with "Article 100, paragraph (5)"; and the term "fishery cooperative federation group" in Article 87-2-2 (including its title) is deemed to be replaced with "marine product processing industry cooperative federation group"; and other necessary technical replacement of terms is prescribed by Cabinet Order.

(2) The provisions of Article 19, paragraphs (3) through (5), Article 20, Articles 22 through 24, Article 25, paragraphs (1) and (4), Articles 26 through 31-2, and Article 95 apply mutatis mutandis to a federation member.

(3) The following provisions apply mutatis mutandis to the management of a federation: Article 32, paragraphs (1), (3) and (4), Article 33, Article 33-2, Article 34, paragraphs (1) through (3), the main clause of paragraph (4), paragraphs (5) through (7), paragraphs (9), (10), (13) and (14), Article 34-3, Article 34-4 (excluding paragraph (1), item (v)), Article 34-5 paragraphs (1), (2) and (5), Article 35, Article 36, paragraphs (1) through (3), Article 37, Articles 39 through 39-4, Article 39-5 (excluding paragraph (4)), Articles 39-6 through 41-3, Article 42, paragraph (1) and paragraphs (3) through (8), Articles 42-2 through 47-2, Article 47-3, paragraphs (1) and (2), Articles 47-4 through 47-6, Article 48, paragraphs (1) through (4), Articles 49 through 51, Articles 52 through 54-3, and Articles 54-5 through 58-3. In this case, the term "Article 11, paragraph(1), item (iv)" in Article 34, paragraph (3), Article 34-4, paragraph (2), item (ii), Article 34-5, paragraph (1), Article 41-2, paragraph (1), Article 54-2, paragraph (1) and (2), and Article 54-3, paragraph (1), and the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 34, paragraphs (13) and (14), Article 34-4, paragraph (2), item (i), Article 55, paragraphs (1) and (2), and Article 58-3, paragraph (1) are deemed to be replaced with "Article 97, paragraph (1), item (ii)"; the phrase "Each person has one vote" in Article 34, paragraph (6) is deemed to be replaced with "Each person has one vote (or in the case of a federation providing each federation member with two election rights or more pursuant to the provisions of Article 89, paragraph (2), each person has one voting right per election right)"; in paragraph 10 of that Article, the phrase "its members other than associate members" is deemed to be replaced with "its direct or indirect members (excluding associate federation members and persons constituting those associate federation members)" and the phrase "persons eligible to be its members (other than associate members) that have given their consent to founding the cooperative" is deemed to be replaced with "either persons eligible to be its members (other than associate federation members) that have given their consent to founding the federation or persons who directly or indirectly constitutes them (excluding associate federation members, and persons constituting those associate federation members)"; the phrase "cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) (excluding a cooperative engaged in the credit business or mutual aid insurance business falling short of the standard of the scale established by Cabinet Order)" in paragraphs (13) and (14) of that Article and the phrase "cooperative engaged in the business referred to in Article 11 paragraph (1), item (iv) (excluding a cooperative that does not reach the scale specified by Cabinet Order)" in Article 41-2, paragraph (1) are deemed to be replaced with "federation engaged in the business referred to in Article 97, paragraph (1), item (ii)" and "federation engaged in the business referred to in Article 97 paragraph (1), item (ii)" respectively; the phrase "a member of the cooperative or an officer or employee of a corporation that is a member of the cooperative" in Article 34, paragraph (13), item (i) is deemed to be replaced with "an officer or employee of a corporation that is a member of the federation"; the term "Article 11, paragraph (1), item (v) or (vii)" in Article 48, paragraph (1), item (v) and Article 50, item (iii)-2 is deemed to be replaced with "Article 97, paragraph (1), item (iii) or (v)"; the phrase "the matters referred to in Article 50, item (ii), item (iii)-2, or item (iv)" in Article 52, paragraph (7) is deemed to be replaced with "the matters referred to in Article 50, item (ii), item (iii)-2, or item (iv) and the rights and obligations to be taken over under Article 91-2 as applied mutatis mutandis pursuant to Article 100, paragraph (5)"; the term "Article 11, paragraph (1), items (ii) and (xiv)" in Article 55, paragraph (7) is deemed to be replaced with "Article 97, paragraph (1), item (x)"; and other necessary technical replacement of terms is specified by Cabinet Order.

(4) The provisions of Articles 60 through 67-2 apply mutatis mutandis to funding a federation. In this case, the phrase "20 persons or more (or 15 persons or more in the case of a type-specific fishery cooperative)" in Article 61, paragraph (2) is deemed to be replaced with "two persons or more"; the phrase "Article 21, paragraph (1), Article 49, paragraphs (2) and (3), and Articles 50-2 through 50-4" in Article 62, paragraph (6) is deemed to be replaced with "Article 49, paragraphs (2) and (3), Articles 50-2 through 50-4, and Article 98-2, paragraph (1)"; and other necessary technical replacements of terms is specified by Cabinet Order.

(5) The provisions of Articles 68-2 through 69-4, Article 70 (excluding paragraph (3)), Articles 71 through 74-2, Article 75, paragraph (1), Article 76, paragraphs (1) and (3), Article 77, Article 91, and Article 91-2 apply mutatis mutandis to the dissolution and liquidation of a federation. In this case, the term "a cooperative" in Article 68-2, paragraph (1) is deemed to be replaced with "a federation (excluding a federation referred to in Article 91, paragraph (2) as applied mutatis mutandis pursuant to Article 100, paragraph (5) following the deemed replacement of terms; the same applies in the following Article)"; the term "Article 68, paragraph (1), item (i) or (iv)" in Article 68-3, paragraph (1) is deemed to be replaced with "Article 91, paragraph (1), item (i) or (iv) as applied mutatis mutandis pursuant to Article 100, paragraph (5)"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 69, paragraph (3) is deemed to be replaced with "Article 97, paragraph (1), item (ii)"; the term "the main clause of paragraph (10) of Article 34, and Article 34, paragraphs (11) and (12)" in Article 70, paragraph (2) is deemed to be replaced with "the main clause of paragraph (10) of Article 34"; the phrase "its members other than associate members" in the main clause of paragraph (10) of Article 34 as applied mutatis mutandis pursuant to Article 70, paragraph (2) is deemed to be replaced with "its direct or indirect members (excluding associate members and persons constituting those associate members)"; the phrase "or a commencement of bankruptcy proceedings" in Article 74 is deemed to be replaced with ", a commencement of bankruptcy proceedings, or the reasons stated in Article 91, paragraph (5), item (i) as applied mutatis mutandis pursuant to Article 100, paragraph (5)"; the term "Article 34-4" in Article 77 is deemed to be replaced with "Article 34-4 (excluding paragraph (1), item (v))"; the term "federation engaged in the business referred to in Article 87, paragraph (1), item (iv)" in Article 91, paragraph (2) is deemed to be replaced with "federation engaged in the business referred to in Article 97, paragraph (1), item (ii)"; the phrase "cooperative, fishery production cooperative, or federation" in Article 91-2, paragraph (2) is deemed to be replaced with "cooperative or federation"; and other necessary technical replacement of terms is prescribed by Cabinet Order.

Chapter VI-2 Mutual Aid Insurance Federations of Fishery Industry Cooperatives

(Type of Business)

Article 100-2 (1) A mutual aid insurance federation of fishery industry cooperatives (referred to as a "federation" in this Chapter) may engage in the following businesses:

(i) business related to mutual aid insurance regarding persons directly or indirectly constituting the federation (collectively referred to as "direct or indirect members" in this Chapter); and

(ii) business incidental to the business referred to in the preceding item.

(2) For the benefit of its direct or indirect members, a federation may act as an agent regarding the business operation of an insurance company or other equivalent person designated by the competent minister, or substitute for their business chores (limited to the substitution prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries).

(3) In accordance with the provisions of its articles of association, a federation may allow a person other than its direct or indirect members to use its services; provided, however, that the total amount of services that can be used by persons that are neither its direct or indirect members nor other federations' direct or indirect members in a single fiscal year must not exceed the total amount of services used by its direct or indirect members or other federations' direct or indirect members, except for the cases related to the business stated in the preceding paragraph.

(4) For the proviso to the preceding paragraph to be applied to use of the services stated in paragraph (1), item (i), a person who is in the same household with a federation's direct or indirect member is deemed to be its direct or indirect member.

(Scope of Subsidiaries)

Article 100-3 (1) A federation must not acquire a company other than the following companies as its subsidiary (the following companies are referred to as "subsidiary candidates" in paragraph (6)):

(i) an insurance company;

(ii) a foreign company engaged in the insurance business (meaning the insurance business prescribed in Article 2, paragraph (1) of the Insurance Business Act);

(iii) a small amount and short term insurer (meaning the small amount and short term insurer prescribed by Article 2, paragraph (18) of the Insurance Business Act);

(iv) a company exclusively providing the following services (in the case of a company providing the services stated in (a), it is limited to a company that provides its services mainly aiding the federation's businesses or its subsidiary's services):

(a) appended services; and

(b) related services;

(v) a company specified by Order of the Ministry of Agriculture, Forestry and Fisheries to develop new business fields (limited to a company of which either the federation's subsidiary other than a company stated in the preceding item that is specified by Order of the Ministry of Agriculture, Forestry and Fisheries (the specified company is referred to as a "specified subsidiary" in paragraph (3) of the following Article) or the federation itself does not hold voting rights in excess of the threshold number of voting rights as prescribed in paragraph (1) of that Article in total);

(vi) a holding company specified by Article 9, paragraph (4), item (i) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade which acquires only the companies stated in the preceding items as their subsidiaries, and which is specified by Order of the Ministry of Agriculture, Forestry and Fisheries (including a company expected to become the holding company).

(2) The term "subsidiary" as prescribed by the preceding paragraph means a company of which the federation holds more than 50 percent of the voting rights vested in all its shareholders or equity holders. In this case, a company is deemed to be a subsidiary of the federation, if the federation and one or more of its subsidiaries have more than 50 percent of the voting rights vested in all shareholders or equity holders of the company, or if one or more subsidiaries of the federation have more than 50 percent of the voting rights vested in all shareholders or equity holders of the company.

(3) The provisions of Article 11-8, paragraph (3) apply mutatis mutandis to voting rights vested in a federation or its subsidiary in the case referred to in the preceding paragraph.

(4) In paragraph (1), the meanings of the terms stated in the following items are as prescribed in those items:

(i) appended services: services specified by Order of the Ministry of Agriculture, Forestry and Fisheries as appended to the business of a federation or the services of a company stated in paragraph (1), items (i) through (iii); and

(ii) related services: services specified by Order of the Ministry of Agriculture, Forestry and Fisheries as incidental or related to the business referred to in paragraph (1), item (i) of the preceding Article.

(5) The provisions of Article 17-14, paragraph (3) apply mutatis mutandis to a federation. In this case, in that paragraph, the term "paragraph (1)" is deemed to be replaced with "Article 100-3, paragraph (1)", the term "subsidiary candidates" is deemed to be replaced with "subsidiary candidates referred to in that paragraph", the phrase "its subsidiary's exercising their security interests and acquiring shares or equity of that company" is deemed to be replaced with "its subsidiary's exercising their security interests and acquiring shares or equity of that company (the subsidiary means a subsidiary prescribed by paragraph (2) of that Article; the same applies in this paragraph)", and the phrase "or due to any other event specified by an order of the competent ministry" is deemed to be replaced with "due to the federation's or its subsidiary's acquiring shares or equity of a company stated in paragraph (1), item (v) of that Article, or due to any other event specified by Order of the Ministry of Agriculture, Forestry and Fisheries"; and the "the relevant event" in the proviso to that paragraph is deemed to be replaced with "the relevant event (excluding the federation's or its subsidiary's acquisition of shares or equity of a company stated in that paragraph and other event specified by Order of the Ministry of Agriculture, Forestry and Fisheries)".

(6) A federation must obtain approval from the administrative authority in advance if the federation intends to acquire as its subsidiary (meaning a subsidiary prescribed in paragraph (2); the same applies in paragraph (8) of this Article, the following Article, Article 102, item (iv), (b), Article 126, items (ix) through (xi), and Article 130, paragraph (1), item (li) and (lii)) a company stated in paragraph (1), items (i) through (iv) or item (vi) among the subsidiary candidates (the subsidiary candidate excludes a company exclusively engaged in the appended services (meaning the appended services prescribed in paragraph (4), item (i); the same applies in this paragraph, paragraph (8) of this Article, and paragraph (1) of the following Article) or related services (meaning the related services prescribed in paragraph (4), item (ii); the same applies in paragraph (1) of the following Article) as specified by Order of the Ministry of Agriculture, Forestry and Fisheries (in the case of a company engaged in the appended services, the excluded company is limited to a company engaged in the appended services mainly in aiding the federation's the business); the company so acquired is referred to as a "company subject to approval" in the following paragraph), except for the case in which the federation obtains approval for a merger pursuant to the provisions of Article 69, paragraph (2) as applied mutatis mutandis pursuant to Article 105, paragraph (5).

(7) The provisions of Article 87-2, paragraphs (5), (6), (8) and (9) apply mutatis mutandis to a company subject to approval. In this case, in paragraph (5) of that Article, the term "the preceding paragraph" is deemed to be replaced with "Article 100-3, paragraph (6)", and the term "a federation referred to in paragraph (1)" is deemed to be replaced with "a federation referred to in paragraph (1) of that Article", the phrase "its subsidiary's exercising their security interests and acquiring shares or equity in that company" is deemed to be replaced with "its subsidiary's exercising their security interests and acquiring shares or equity in that company (the subsidiary means a subsidiary prescribed by paragraph (2) of that Article; the same applies in this paragraph)", the phrase " any other event specified by an order of the competent ministry" is deemed to be replaced with "any other event specified by Order of the Ministry of Agriculture, Forestry and Fisheries", and the phrase "(or in the case of a company stated in paragraph (1), item (ix) (excluding companies specified by an order of the competent ministry), if the federation or its subsidiary holds voting rights of that company in excess of the threshold number of voting rights in total; the same applies in this paragraph)" is deemed to be deleted; in paragraph (6) of that Article, the term "paragraph (4)" is deemed to be replaced with "Article 100-3, paragraph (6)" and the term "paragraph (1)" is deemed to be replaced with "paragraph (1) of that Article"; in paragraph (8) of that Article, the term "referred to in paragraph (1)" is deemed to be replaced with "referred to in Article 100-3, paragraph (1)", the term "paragraph (4) " is deemed to be replaced with "paragraph (6) of that Article", and the term "the items of paragraph (1)" is deemed to be replaced with "the items of paragraph (1) of that Article"; and in paragraph (9) of that Article, the term "paragraph (1)" is deemed to be replaced with "Article 100-3, paragraph (1)" and the term "an order of the competent ministry" is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries".

(8) In the case referred to in paragraph (1), item (iv) or paragraph (6), the standards to judge whether a company is engaging in the appended services mainly in aiding the business of the federation and services of its subsidiaries or mainly in aiding the business of the federation are to be determined by the competent minister.

(Restrictions on Acquisition of Voting Rights)

Article 101 (1) A federation or its subsidiary must not acquire or hold voting rights of a domestic company (excluding a company stated in paragraph (1), items (i) and (iii) of the preceding Article, a company exclusively engaged in the appended or related business, a company stated in item (vi) of that paragraph, and a company eligible for exception; the same applies in this paragraph) in excess of the threshold number of voting rights in total (meaning one-tenth of a total number of voting rights vested in all shareholders or equity holders of the domestic company).

(2) The provisions of Article 17-15, paragraphs (2) through (7) apply mutatis mutandis to a federation. In this case, in paragraph (2) of that Article, the term "the preceding paragraph" in paragraph 2 of that Article is deemed to be replaced with "Article 101, paragraph (1)", the phrase "a cooperative referred to in the preceding paragraph or its subsidiary" is deemed to be replaced with "a federation or its subsidiary (meaning a subsidiary prescribed by Article 100-3, paragraph (2); the same applies in this Article)", and the phrase "a domestic company falling under the category of a specified business company in excess of the threshold number of the voting rights" is deemed to be replaced with "a domestic company (meaning a domestic company prescribed by Article 101, paragraph (1); the same applies in this Article) in excess of the threshold number of the voting rights (meaning the threshold number of the voting rights as prescribed by that paragraph; the same applies in this Article)"; the term "cooperative referred to in paragraph (1)" in paragraphs (3) through (7) of that Article is deemed to be replaced with "federation"; the phrase "domestic company falling under the category of a specified business company" in paragraph (3) through (6) of that Article is deemed to be replaced with "domestic company"; the term "that paragraph" in paragraph (4) of that Article is deemed to be replaced with "Article 101, paragraph (1)"; in item (i) of that paragraph, the term "Article 54-2, paragraph (3)" is deemed to be replaced with "Article 100-3, paragraph (6)", the phrase "has acquired all or part of the credit business prescribed in Article 54-2, paragraph (2)" is deemed to be replaced with "has acquired a company subject to approval as prescribed by Article 100-3, paragraph (6) as its subsidiary", and the phrase "the cooperative acquired all or part of the credit business" is deemed to be replaced with "the federation acquired the company as its subsidiary"; the term "referred to in the preceding paragraphs" in paragraph 7 of that Article is deemed to be replaced with "referred to in Article 101, paragraph (1) and in Article 17-15, paragraph (2) through the preceding paragraph as applied mutatis mutandis pursuant to Article 101, paragraph (2)".

(3) In the case referred to in paragraph (1) of this Article or in Article 17-15, paragraphs (2) through (7) as applied mutatis mutandis pursuant to the preceding paragraph, a specified subsidiary is deemed not to be a subsidiary of a federation with respect to acquiring or holding voting rights of a company stated in paragraph (1), item (v) of the preceding Article.

(4) A "company eligible for exception" referred to in paragraph (1) means a company having a special relationship with a company stated in paragraph (1), item (v) of the preceding Article (limited to a company held as a subsidiary of a federation), as prescribed by an order of the competent ministry.

(Eligibility to be a Federation Member)

Article 102 Persons eligible to be members of a federation are the following persons as specified in the articles of association:

(i) a fishery cooperative, federation of fishery cooperatives, marine product processing industry cooperative, federation of marine product processing industry cooperatives, or mutual aid insurance federation of fishery industry cooperatives whose districts are a part of or the same as the district of the first-mentioned federation;

(ii) a fishery production cooperative having its address within the districts of the first-mentioned federation;

(iii) a cooperative which has its address within the districts of the first-mentioned federation and is founded in accordance with law, and which engages in the same type of business as the businesses of the persons referred to in the preceding two items; and

(iv) a corporation of which the person referred to in item (i) is the primary contributor or member (the corporation excludes the following persons):

(a) a person stated in item (i) and the preceding item; and

(b) a company stated in Article 100-3, paragraph (1), items (i) through (iii) which is a subsidiary of the first-mentioned federation.

(Voting Rights and Election Rights)

Article 103 (1) Each federation member has one voting right and one right to elect officers and representatives; provided, however, that a federation member under items (iii) and (iv) of the preceding Article (referred to as an "associate member" in this Chapter) does not have a voting right or election right.

(2) The provisions of Article 89, paragraphs (2) and (3) apply mutatis mutandis to the voting rights and election rights vested in federation members. In this case, the term "cooperative" in paragraph (2) of the relevant Article is deemed to be replaced with "fishery cooperative or marine product processing industry cooperative", and the term "a federation" in that paragraph is deemed to be replaced with "a federation of fishery cooperatives, federation of marine product processing industry cooperatives, or mutual aid insurance federation of fishery industry cooperatives".

(Founding Members)

Article 104 In order to establish a mutual aid insurance federation of fishery industry cooperatives, any two or more of fishery cooperatives, fishery production cooperatives, federations of fishery cooperatives, marine product processing industry cooperatives, federations of marine product processing industry cooperatives, or mutual aid insurance federations of fishery industry cooperatives are required to become its founding members.

(Provisions that Apply Mutatis Mutandis)

Article 105 (1) The provisions of Article 11-4, Article 11-15, Articles 15-2 through 15-20, and Articles 15-22 through 15-26 apply mutatis mutandis to a federation's business, and the provisions of Articles 17-2 through 17-13 apply mutatis mutandis to an amendment to the terms of a mutual aid insurance agreement with a federation. In this case, the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 11-4, paragraph (1) and Article 11-15, and the term "Article 11, paragraph (1), item (xii)" in Article 15-2, paragraph (1), Article 15-3, Article 15-4, paragraph (1), Article 15-5, paragraph (1), Article 15-6, Article 15-9, Article 15-11, Article 15-12, Article 15-13, paragraph (1), Article 15-14, Article 15-15, paragraph (1), Article 15-16, paragraph (1), Article 15-17, Article 15-18, Article 15-19, paragraph (1), Article 15-20, paragraph (1), Article 15-22, paragraph (1), Article 15-23, Article 15-24, paragraph (1), Article 17-2, paragraph (1), Article 17-4, paragraph (2), Article 17-5, paragraph (1), Article 17-7, paragraph (1), Article 17-11, paragraph (1), Article 17-12, paragraph (1) and Article 17-13, paragraph (1) are deemed to be replaced with "Article 100-2, paragraph (1), item (i)"; in Article 11-4, paragraph (2), the phrase "100 million yen (or less than 10 million yen, if a cooperative satisfies the requirements by Cabinet Order regarding a number of its members (excluding cooperative members under Article 18, paragraph (5) (referred to as "associate members" in this Chapter and Chapter IV)), its geographical conditions and other particulars, or if a cooperative does not engage in the business referred to in Article 11, paragraph (1), item (iv))" is deemed to be replaced with "100 million yen"; the term "an order of the competent ministry" in Article 11-15 is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; the term "paragraph (7) of that Article" in Article 15-2, paragraph (1) is deemed to be replaced with "paragraph (2) of that Article"; the phrase "assets classified under an account for mutual aid insurance business pursuant to Article 15-21" in Article 15-19, paragraph (1) is deemed to be replaced with "assets"; the phrase "assets classified under an account for mutual aid insurance business pursuant to Article 15-21" in Article 15-23 is deemed to be replaced with "assets"; and other necessary technical replacement of terms is specified by Cabinet Order.

(2) The provisions of Article 19, paragraphs (3) through (5), Article 20, Articles 22 through 24, Article 25, paragraphs (1) and (4), Articles 26 through 31-2, and Article 95 apply mutatis mutandis to a federation member.

(3) The following provisions apply mutatis mutandis to the management of a federation: Article 32, paragraphs (1), (3), and (4), Article 33, Article 33-2, Article 34, paragraphs (1) and (2), and the main clause of paragraph (4), paragraphs (5) through (7), and paragraphs (9), (10), (13) and (14), Article 34-2, Article 34-3, Article 34-4 (excluding paragraph (1), item (v) and paragraph (2), item (ii)), Article 34-5, paragraphs (3) through (5), Articles 35 through 40, Article 41-2 (excluding paragraph (1)), Articles 41-3 through 51, Articles 52 through 54, Article 54-5, Article 54-6, Article 55, paragraphs (1) through (6), and Articles 56 through 58-3. In this case, the phrase "Each person has one vote" in Article 34, paragraph (6) is deemed to be replaced with "Each person has one vote (or in the case of a federation providing each federation member with two election rights or more pursuant to the provisions of Article 89, paragraph (2) as applied mutatis mutandis pursuant to Article 103, paragraph (2)), each person has one voting right per election right)"; in paragraph (10) of that Article (including as applied mutatis mutandis pursuant to Article 34-2, paragraph (3) following the deemed replacement of the terms), the phrase "its members other than associate members" is deemed to be replaced with "its direct or indirect members (excluding associate federation members, cooperative members under Article 18, paragraph (5), federation members under Article 88, item (iii) or (iv) or Article 98, item (ii), and persons constituting those members)", and the phrase "persons eligible to be its members (other than associate members) that have given their consent to founding the cooperative" is deemed to be replaced with "either persons eligible to be its members (other than associate members) that have given their consent to founding the federation or persons who directly or indirectly constitutes them (excluding associate federation members, cooperative members under Article 18, paragraph (5), federation members under Article 88, item (iii) or (iv) or Article 98, item (ii), and persons constituting those members)"; the phrase "cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) (excluding a cooperative engaged in the credit business or mutual aid insurance business falling short of the standard of the scale established by Cabinet Order)" in paragraphs (13) and (14) of that Article is deemed to be replaced with "federation engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)"; and the phrase "a member of the cooperative or an officer or employee of a corporation that is a member of the cooperative" in paragraph (13), item (i) of that Article is deemed to be replaced with "an officer or employee of a corporation that is a member of the federation"; and the term "subsidiary" in item (ii) of that paragraph is deemed to be replaced with "subsidiary (meaning the subsidiary prescribed by Article 100-3, paragraph (2); the same applies in Article 39, paragraph (5) and Article 58-2, paragraph (2))"; the term "paragraphs (10) and (12) of the preceding Article" in Article 34-2, paragraphs (3) and (6) is deemed to be replaced with "paragraph (10) of the preceding Article"; the term "paragraph (10) of that Article" in paragraph (3) of that Article is deemed to be replaced with "that paragraph"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 34-4, paragraph (2), item (i) and Article 58-3, paragraph (1) is deemed to be replaced with "Article 100-2, paragraph (1), item (i)"; the term "the preceding two paragraph" in Article 41-2, paragraph (3) is deemed to be replaced with "the preceding paragraph"; the phrase "one-tenth or more of its surplus (or one-fifth or more of its surplus, in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii))" in Article 55, paragraph (1) is deemed to be replaced with "one-fifth or more of its surplus"; the phrase "half of the total amount of capital contributions, in the case of a cooperative requiring capital contribution (or less than the total amount of capital contributions, in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii))" in paragraph (2) of that Article is deemed to be replaced with "the total amount of capital contributions, in the case of a cooperative requiring capital contribution"; the phrase "an order of the competent ministry" in Article 58-3, paragraphs (1), (2), (4) and (5) is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; and other necessary technical replacement of terms is specified by a Cabinet Order.

(4) The provisions of Article 60 through Article 67-2 apply mutatis mutandis to founding a federation. In this case, the phrase "20 persons or more (or 15 persons or more in the case of a type-specific fishery cooperative)" in Article 61, paragraph (2) is deemed to be replaced with "two persons or more", and the phrase "Article 21, paragraph (1), Article 49, paragraphs (2) and (3), and Articles 50-2 through 50-4" in Article 61, paragraph (6) is deemed to be replaced with "Article 49, paragraphs (2) and (3), Article 50-2 through Article 50-4 and Article 103 paragraph (1)", and other necessary technical replacement of terms is specified by Cabinet Order.

(5) The provisions of Article 68 (excluding paragraph (4)) and Articles 69 through 77 apply mutatis mutandis to the dissolution and liquidation of a federation. In this case, the term "cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii)" in Article 68, paragraph (2) is deemed to be replaced with "federation"; the phrase " its members (excluding associate members) are fewer than 20 (or fewer than 15 in the case of a type-specific fishery cooperative)" in paragraph (5) of that Article is deemed to be replaced with "its membership (excluding associate members) has reduced to one"; the term "Article 11, paragraph (1), item (iv) or (xii)" in Article 69, paragraph (3) is deemed to be replaced with "Article 100-2, paragraph (1), item (i)"; the term "the main clause of paragraph (10) of Article 34, and Article 34, paragraphs (11) and (12)" in Article 70, paragraph (2) is deemed to be replaced with "the main clause of paragraph (10) of Article 34"; the phrase "its members other than associate members" in the main clause of paragraph (10) of Article 34 as applied mutatis mutandis pursuant to Article 70, paragraph (2) is deemed to be replaced with "its direct or indirect members (excluding associate federation members, cooperative members under Article 18, paragraph (5), federation members under Article 88, item (iii) or (iv) or Article 98, item (ii), and persons constitute those members)"; the term "the main clause of paragraph (10) of the preceding Article and paragraph (12) of the preceding Article" in Article 34-2, paragraph (3) as applied mutatis mutandis pursuant to Article 70, paragraph (3) following the deemed replacement of terms is deemed to be replaced with "the main clause of paragraph (10) of the preceding Article"; the term "Article 34-4" in Article 77 is deemed to be replaced with "Article 34-4 (excluding paragraph (1), item (v) and paragraph (2), item (ii))"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter VII Specified Credit Agency Business

(License)

Article 106 (1) A person may not engage in a specified credit agency business unless licensed by the competent minister.

(2) The term "specified credit agency business" as prescribed by the preceding paragraph means the business of taking any of the following actions for a cooperative engaged in the business referred to 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):

(i) acting as an agent or intermediary for the cooperative entering into an agreement for lending funds;

(ii) acting as an agent or intermediary for the cooperative entering into an agreement for accepting a deposit for a savings or fixed-term installment savings account;

(iii) acting as an agent or intermediary for the cooperative entering into an agreement for discounting notes; or

(iv) acting as an agent or intermediary for the cooperative entering into an agreement for fund transfer transactions.

(3) A specified credit agent (meaning a person engaged in a specified credit agency business (meaning the specified credit agency business as prescribed by the preceding paragraph; the same applies below) upon obtaining the license referred to in paragraph (1); the same applies below) may not engage in the specified credit agency business, unless requested by their principal cooperative (meaning a cooperative engaged in the business referred to 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), which depends on a specified credit agent taking any of the actions stated in the items of the preceding paragraph, when lending funds, accepting a deposit for a savings or fixed-term installment savings account, discounting notes, or conducting fund transfer transactions as prescribed by the items of the preceding paragraph; the same applies below) or unless requested by another specified credit agent that is also requested by their principal cooperative.

(Exemptions)

Article 107 (1) Notwithstanding paragraph (1) of the preceding Article, a bank or other entity (meaning a bank or other entity engaged in financial business specified by Cabinet Order, and excluding a person registered as under Article 12 of Act on Provision of Financial Services (limited to registration regarding a category referred to in Article 11, paragraph (2) of that Act); the same applies in this Article) may engage in a specified credit agency business.

(2) If a bank or other entity engages in a specified credit agency business pursuant to the provisions of the preceding paragraph, the bank or other entity is deemed to be a specified credit agent, and the following provisions are applied: the provisions of Article 11-10 (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)), paragraph (3) of the preceding Article, Article 109, Article 122, paragraph (2), and Article 127, paragraph (2) of this Act; the provisions of Article 52-36, paragraph (3), Articles 52-39 through Article 52-41, Article 52-43 through Article 52-45, Article 52-49 through Article 52-56, Article 52-58 through Article 52-60, Article 53, paragraph (4) and Article 56 (limited to the part relating to item (xi)) of the Banking Act as applied mutatis mutandis pursuant to paragraph (1) of the following Article (referred to as the "Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act" below); and the provisions of Chapters 10 and 11 of this Act relating to the provisions mentioned above. In this case, the phrase "any of the following items" in Article 52-56, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act is deemed to be replaced with "item (iv) or (v)" and the phrase "revoke the license referred to in Article 52-36, paragraph (1) or order it to suspend all or part of its bank agency services by setting a due date" in that paragraph is deemed to be replaced with "order it to suspend all or part of its specified credit agency business by setting a due date", and other necessary technical replacement of terms is specified by Cabinet Order.

(3) If a bank or other entity intends to engage in a specified credit agency business, they must submit the documents including the matters stated in the items of Article 52-37, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act and the documents stated in paragraph (2), item (ii) of that Article to the competent minister.

(The Provisions of the Banking Act that Apply Mutatis Mutandis to a Specified Credit Agency Business)

Article 108 (1) The provisions of Chapter 7-4 (excluding Article 52-36, paragraphs (1) and (2), Article 52-45-2 through Article 52-48, and Article 52-61), Article 53, paragraph (4), and Article 56 (limited to the parts relating to items (x) through (xii)) of the Baking Act apply mutatis mutandis to a specified credit agent if those provisions are related to a bank agent, to a principal cooperative if those provisions are related to a principal bank, and to a specified credit agency business if those provisions are related to bank agency services.

(2) In the case referred to in the preceding paragraph, in the provisions referred to in that paragraph, the term "Prime Minister" is deemed to be replaced with "competent minister", the term "Cabinet Office Order" is deemed to be replaced with "an order of the competent ministry", the term "Article 52-36, paragraph (1)" is deemed to be replaced with "Article 106, paragraph (1) of the Fishery Industry Cooperative Act", the term "activity as a bank agent" is deemed to be replaced with "activity as a specified credit agent", the term "contract for specified deposit, etc." is deemed to be replaced with "specified savings agreement prescribed by Article 11-11 of the Fishery Industry Cooperative Act", the term "principal bank agent" is deemed to be replaced with "principal specified credit agent", and the term "secondary bank agent" is deemed to be replaced with "secondary specified credit agent"; the term "paragraph (1) of the preceding Article" in Article 52-37, paragraph (1) of the Banking Act is deemed to be replaced with "Article 106, paragraph (1) of the Fishery Industry Cooperative Act"; the term "the items of Article 2, paragraph (14)" in Article 52-43 and Article 52-44, paragraph (1), item (ii) of that Act is deemed to be replaced with "the items of Article 106, paragraph (2) of the Fishery Industry Cooperative Act"; the term "Article 2, paragraph (14), item (i)" in Paragraph (2) of that Article is deemed to be replaced with "Article 106, paragraph (2), item (ii) of the Fishery Industry Cooperative Act"; the term "Article 52-45-2" in paragraph (3) of that Article is deemed to be replaced with "Article 109 of the Fishery Industry Cooperative Act"; the phrase "the documents that its principal bank prepares pursuant to the provisions of Article 20, paragraphs (1) and (2) and Article 21, paragraphs (1) and (2) or the documents that the bank holding company that has that principal bank as its subsidiary company prepares pursuant to the provisions of Article 52-28, paragraph (1) and Article 52-29, paragraph (1)" in Article 52-51, paragraph (1) of that Act is deemed to be replaced with "the documents that its principal cooperative prepares pursuant to Article 58-3, paragraphs (1) and (2) of the Fishery Industry Cooperative Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3) of that Act)"; and other necessary technical replacement of terms is specified by Cabinet Order.

(The Provisions of the Financial Instruments and Exchange Act that Apply Mutatis Mutandis to Specified Credit Agency Business)

Article 109 The provisions of Chapter III, Section 2, Subsection 1 of the Financial Instruments and Exchange Act (excluding Articles 35 through 36-4, Article 37, paragraph (1), item (ii), Article 37-2, Article 37-3, paragraph (1), items (ii) and (vi), and paragraph (3), Article 37-5, Article 37-6, paragraphs (1) and (2), the proviso to paragraph (4), and paragraph (5) of that Article, Article 37-7, Article 38, items (i), (ii), (vii) and (viii), Article 38-2, Article 39, the proviso to paragraph (3), and paragraph (4), (6) and (7), and Articles 40-2 through 40-7) apply mutatis mutandis if a specified credit agent acts as an agent or intermediary regarding a specified savings agreement. In this case, in these provisions, the term "financial instruments business" is deemed to be replaced with "acting as an agent or intermediary regarding a specified savings agreement prescribed by Article 11-11 of the Fishery Industry Cooperative Act", and the phrase "acts that constitute financial instruments transaction" is deemed to be replaced with "entering into a specified savings agreement prescribed by Article 11-11 of the Fishery Industry Cooperative Act"; the term "Cabinet Office Order" in these provisions (excluding Article 37-6, paragraph (3) and the main clause of Article 39, paragraph (3) of the Financial Instruments and Exchange Act) is deemed to be replaced with "an order of the competent ministry"; the term "financial instruments transaction contract" in these provisions (excluding Article 37-6, paragraph (3) of that Act) is deemed to be replaced with "specified savings agreement prescribed by Article 11-11 of the Fishery Industry Cooperative Act"; in Article 37-3, paragraph (1) of that Act, the phrase "seeks to conclude" is deemed to be replaced with "acts as an agent or intermediary regarding", and the phrase "must deliver a document stating the following particulars to the customer in advance, pursuant to the provisions of Cabinet Office Order'' is deemed to be replaced with "must deliver a document stating the following particulars to the customer pursuant to the provisions of Cabinet Office Order, and also provide the customer with the details of the specified savings agreement and other information that is to serve as a reference for persons having savings or fixed-term installment savings account (referred to as "account holders" in this paragraph) in order to contribute to their protection, pursuant to the provisions of an order of the competent ministry"; the term "financial instruments business operator, etc." in item (i) of that paragraph is deemed to be replaced with "principal cooperative (meaning the principal cooperative prescribed by Article 106, paragraph (3) of the Fishery Industry Cooperative Act) of a specified credit agent (meaning the specified credit agent prescribed by that paragraph)"; in Article 37-6, paragraph (3) of that Act, the phrase "a financial instruments transaction contract becomes subject to a cancelation under paragraph (1)" is deemed to be replaced with "a specified credit agent has made any payments such as damages to a cooperative (meaning the cooperative prescribed by Article 2 of the Fishery Industry Cooperative Act) in connection with a cancelation of a specified savings agreement as under paragraph (1) (meaning a specified savings agreement prescribed by Article 11-11 of that Act; the same applies in Article 39 of this Act)", the phrase "for the cancellation of that financial instruments transaction contract beyond the amount specified by Cabinet Office Order as the amount of fees, remuneration, or other consideration payable by the customer with regard to that financial instruments transaction contract (referred to as a "consideration" in the following paragraph) for the period until the cancellation of that financial instruments transaction contract" is deemed to be replaced with "in connection with what the agent has paid", and the phrase "the financial instruments business operator, etc. may not request the customer to pay damages or a penalty" is replaced with "the agent may not demand the cancelling person make any payments such as damages to the agent''; in Article 39, paragraph (1), item (i) of that Act, the phrase "in connection with a purchase and sale or other transaction of securities (excluding a purchase and sale with a repurchase requirement and a predetermined repurchase price, and other transactions specified by Cabinet Order) or a derivatives transaction (hereinafter collectively referred to as a "purchase and sale or other transaction of securities, etc." in this Article)" is deemed to be replaced with "in connection with a cancelation of a specified savings agreement", the phrase "from the securities or derivatives transaction (hereinafter collectively referred to as "securities, etc." in this Article), or in the event that a predetermined amount of profit does not accrue from those securities, etc., the financial instruments business operator, etc." is deemed to be replaced with "in connection with a cancelation of a specified savings agreement, or in the event that a predetermined amount of profit does not accrue from the specified savings agreement, the specified credit agent", the phrase "the customer (if a trust company, etc. (meaning a trust company or a financial institution that has obtained the authorization referred to in Article 1, paragraph (1) of the Act on Engagement in Trust Business by a Financial Institution; the same applies hereinafter) conducts the purchase and sale of securities or a derivatives transaction on the account of a person that establishes a trust based a trust contract, this includes the person that establishes the trust; hereinafter the same applies in this Article)" is deemed to be replaced with "the customer", and the phrase "to supplement its profits" is deemed to be replaced with "to supplement its profits other than as under the specified savings agreement"; in item (ii) of that paragraph, the phrase "a purchase and sale or other transaction of securities, etc., to a customer or to a person designated by the customer, that the financial instruments business operator, etc." is deemed to be replaced with "entering into a specified savings agreement, to a customer or to a person designated by the customer, that the specified credit agent", the term "the relevant securities, etc." is deemed to be replaced with "the specified savings agreement", and the phrase "add to the profits that the customer has accrued in connection with those securities, etc." is deemed to be replaced with "add to the profits that the customer has accrued in connection with the specified savings agreement, other than as under the specified savings agreement"; in item (iii) of that paragraph, the term "a purchase and sale or other transaction of securities, etc." is deemed to be replaced with "entering into a specified savings agreement", the term "relevant securities, etc." is deemed to be replaced with "specified savings agreement", and the phrase "add to the profit that the customer has accrued in connection with those securities, etc." is deemed to be replaced with " add to the profit that the customer has accrued in connection with the specified savings agreement, other than as under the specified savings agreement"; the term "a purchase and sale or other transaction of securities, etc." in paragraph (2) of that Article is deemed to be replaced with "entering into the specified savings agreement"; the phrase "which is specified by Cabinet Office Order as a potential cause of" is deemed to be replaced with "which may cause"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter VII-2 Electronic Payment Services for a Specified Credit Business

(Registration)

Article 110 (1) A person may not provide electronic payment services for a specified credit business unless registered by the competent minister.

(2) The term " electronic payment services for a specified credit business" as referred to in the preceding paragraph means the services of taking any of the following actions (excluding actions stated in item (i) which are taken by a person holding a savings account as prescribed by that item for the purpose of making regular payments to a specific person, and other actions specified by an order of the competent ministry as being not likely to impair the protection of the users):

(i) receiving instructions directed to a cooperative (limited to a cooperative engaged in the business referred to 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); the same applies in this Chapter) in order to initiate a fund transfer transaction and transfer the funds deposited in a savings account held at the cooperative (including when only the substance contained in the instruction is received; and limited to the receipt by a method prescribed by an order of the competent ministry if only the substance contained in the instructions is received), and transmitting the instructions to the cooperative by using an electronic information processing system, at the request of a person holding the savings account at the cooperative (including a request via two or more persons); or

(ii) getting information from a cooperative on a savings account or a fixed-term installment savings account held at the cooperative, and providing the information to the account holder (including when the information is provided via another person or provided after the information is processed) by using an electronic information processing system, at the request of the account holder (including a request via two or more person).

(Obligation to Enter Into an Agreement with a Cooperative)

Article 111 (1) An electronic payment service provider for a specified credit business (meaning the electronic payment services for a specified credit business (meaning the electronic payment services for a specified credit business as prescribed by paragraph (2) of the preceding Article; the same applies below) after being registered under paragraph (1) of that Article; the same applies below) must enter into an agreement with each cooperative stated in the items of paragraph (2) of that Article regarding the electronic payment services for the specified credit business, before taking the actions stated in the items of paragraph (2) of that Article (excluding actions specified by an order of the competent ministry as prescribed by that paragraph), and must provide the services to the cooperative in accordance with the agreement.

(2) The agreement referred to in the preceding paragraph must provide for the following matters:

(i) matters concerning the liabilities of the damage to the users which are to be shared by the cooperative and the electronic payment service provider for the specified credit business if the user suffers the damage in relation to the electronic payment services for the specified credit business (limited to the services provided in connection with the cooperative; the same applies in the following item);

(ii) matters concerning measures that the electronic payment service provider for the specified credit business takes in order to ensure the proper handling and security management of the user's information obtained in the course of providing the electronic payment services for the specified credit business, and measures that the cooperative may take if the service provider does not take the measures mentioned above; or

(iii) other matters specified by an order of the competent ministry as necessary to ensure the appropriate provision of the electronic payment services for the specified credit business.

(3) Upon entering into an agreement referred to in paragraph (1), the cooperative and the electronic payment service provider for the specified credit business must publicize the details of the agreement as stated in the items of the preceding paragraph, through the use of the internet or otherwise as provided by an order of the competent ministry, without delay.

(Establishment of Standards by a Cooperative)

Article 112 (1) A cooperative must establish the standards for the matters required of an electronic payment service provider for a specified credit business when entering into an agreement referred to in paragraph (1) of the preceding Article, and must publicize the standards through the use of the internet or otherwise as provided by an order of the competent ministry.

(2) The matters required of an electronic payment service provider for a specified credit business as prescribed by the preceding paragraph are to include the measures that are to be taken by the service provider with which the cooperative enters into an agreement as referred to item (i) of the preceding Article, in order to ensure the proper handling and security management of the user's information obtained by the service provider in the course of providing the electronic payment services for the specified credit business, and other matters specified by an order of the competent ministry.

(3) In entering into an agreement referred to in paragraph (1) of the preceding Article, the cooperative may not give discriminatory treatment to electronic payment service providers for a specified credit business which satisfy the standards referred to in paragraph (1).

(Special Exception for an Agreement with the Norinchukin Bank)

Article 113 Notwithstanding Article 111, paragraph (1), if an electronic payment service provider for a specified credit business enters into an agreement with the Norinchukin Bank for providing the electronic payment services for the specified credit business (limited to an agreement in that the Norinchukin Bank's member cooperative agrees that the service provider with which the Norinchukin Bank enters into the agreement provides the cooperative with the electronic payment services for the specified credit business), based on Article 95-5-5, paragraph (1) of the Norinchukin Bank Act (Act No. 93 of 2001), it is not required to enter into an agreement with the Norinchukin Bank as referred to in Article 111, paragraph (1).

(Certification as a Certified Association of Electronic Payment Service Providers for a Specified Credit Business)

Article 114 Pursuant to the provisions of a Cabinet Order, the competent minister may certify a person to provide the services prescribed in the following Article (referred to as the "certified services" in items (iii) and (iv)) upon their application, if the person is a general incorporated association established by electronic payment service providers for a specified credit business, and satisfies the following requirements:

(i) the purpose of the association is to ensure the appropriate provision of the electronic payment services for the specified credit business, and to contribute to the sound development of the services and the protection of the interests of the users;

(ii) the articles of association provides that an electronic payment provider for the specified credit business is included as a member (referred to as a "member" in the following Article and Article 129-8, item (v));

(iii) the association provides for the method for providing the certified services in a proper and reliable manner; or

(iv) the association has sufficient knowledge, ability, and financial basis to provide the certified services in a proper and reliable manner.

(Services by a Certified Association of Electronic Payment Service Providers for a Specified Credit Business)

Article 115 A certified association of electronic payment service providers for a specified credit business (meaning a general incorporated association certified under the provisions of the preceding Article; the same applies below) is to provide the following services:

(i) giving the guidance or recommendation or providing other services to the members to ensure that they comply with the provisions of this Act, other laws and regulations, and the rules referred to in item (iii) when providing the electronic payment services for the specified credit business;

(ii) giving the guidance or recommendation or providing other services in relation to the members' electronic payment services for the specified credit business, as necessary to ensure the appropriateness of the agreements and to protect the interests of the users of the electronic payment services for the specified credit business;

(iii) establishing the rules necessary for the members to provide the electronic payment services for the specified credit business in an appropriate manner and to ensure their appropriate handling and security management of the information when they handle it;

(iv) investigating whether or not the members comply with this Act, with an order issued under this Act, with a disposition made under this Act or the order, or with the rules referred to in the preceding item;

(v) collecting, organizing, or providing information necessary to protect the interests of the users of the electronic payment services for the specified credit business;

(vi) processing grievances from the users of the members' electronic payment services for the specified credit business;

(vii) public relations to the users of the electronic payment services for the specified credit business;

(viii) in addition to what is provided for in the preceding items, services for contributing to the sound development of the electronic payment services for the specified credit business and the protection of the users of the electronic payment services for the specified credit business.

(Electronic Payment Service for a Specified Credit Business by Electronic Payment Service Providers)

Article 116 (1) Notwithstanding Article 110, paragraph (1), an electronic payment service provider prescribed by Article 2, paragraph (18) of the Banking Act (referred to as an "electronic payment service provider") may provide the electronic payment services for a specified credit business.

(2) If an electronic payment service provider intends to provide the electronic payment services for a specified credit business, the service provider must submit the documents including the matters stated in the items of Article 52-61-3, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to paragraph (1) of the following Article and the documents stated in paragraph (2), item (iii) of that Article to the competent minister.

(3) The competent minister must prepare a list of names of the electronic payment service providers having submitted the documents as prescribed by the preceding paragraph, and make the list available for public inspection.

(4) If an electronic payment service provider engaged in the electronic payment service for a specified credit business pursuant to the provisions of paragraph (1) violates this Act, the Norinchukin Bank Act, or the disposition of the competent minister based on this Act, or the service provider is found to have taken any other actions significantly inappropriate in providing the electronic payment service for a specified credit business, and if the competent minister is not able to achieve the purpose of the supervision by other means, the competent minister may order the service provider to discontinue the electronic payment service for the specified credit business.

(5) If the competent minister has ordered the discontinuance of the electronic payment service for a specified credit business pursuant to the preceding paragraph, the competent minister is to give a public notice to that effect in an official gazette.

(6) If an electronic payment service provider engages in the electronic payment service for a specified credit business pursuant to the provisions of paragraph (1), the service provider is deemed to be an electronic payment service provider for a specified credit business, and the provisions of Article 111 through the preceding Article of this Act and the provisions of Article 52-61-6, paragraphs (1) and (3), Article 52-61-7, paragraph (1), Article 52-61-8, Article 52-61-9, Article 52-61-12 through Article 52-61-16, Article 52-61-17, paragraph (1), Article 52-61-21 through Article 52-61-30, Article 53, paragraph (5) and Article 56 (limited to the parts relating to item (xiv) and items (xvi) through (xviii)) of the Banking Act as applied mutatis mutandis pursuant to the provisions of paragraph (1) of the following Article, the provisions of Chapter X of this Act related to the above-mentioned provisions of the Banking Act, and the provisions of Article 95-5-5 and Article 95-5-6 of the Norinchukin Bank Act are applied. In this case, in Article 52-61-17, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the following article following the deemed replacement of terms, the phrase "any of the following items" is deemed to be replaced with "item (iii)", the phrase "revoke the registration referred to in Article 110, paragraph (1) of the Fishery Industry Cooperative Act, or order the suspension of all or a part of their services during a designated period of no longer than six months" is deemed to be replaced with "order the suspension of all or a part of their services during a designated period of no longer than six months", and other necessary technical replacement of terms is specified by Cabinet Order.

(The provisions of the Banking Act that Apply Mutatis Mutandis to an Electronic Payment Service Provider for a Specified Credit Business)

Article 117 (1) The provisions of Chapter VII-5 of the Banking Act (excluding Article 52-61-2, Article 52-61-10, Article 52-61-11, Article 52-61-19, and Article 52-61-20), and the provisions of Article 53, paragraph (5) and Article 56 of that Act (limited to the parts relating to items (xiii) through (xviii)) apply mutatis mutandis to electronic payment services for a specified credit business if those provisions are related to electronic payment services, to an electronic payment service provider for a specified credit business if those provisions are related to an electronic payment service provider, to a certified association of electronic payment service providers for a specified credit business if those provisions are related to a certified association of electronic payment service providers, and to a cooperative if those provisions are related to a bank.

(2) In the case referred to in the preceding paragraph, in the provisions referred to in that paragraph (excluding Article 52-61-21 and Article 52-61-26 of the Banking Act), the term "Prime Minister" is deemed to be replaced with "competent minister", the term "Cabinet Office Order" is deemed to be replaced with "an order of the competent ministry", the term "electronic payment service providers register" is deemed to be replaced with "register of electronic payment service providers for a specified credit business regarding a fishery industry cooperative", the term "this Act" is deemed to be replaced with "the Fishery Industry Cooperative Act", and the term "association members" is deemed to be replaced with "members"; in Article 52-61-3, paragraph (1) of the Banking Act, the term "the preceding Article" is deemed to be replaced with "Article 110, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 52-61-2" in Article 52-61-4, paragraph (1) of that Act is deemed to be replaced with "Article 110, paragraph (1) of the Fishery Industry Cooperative Act"; the phrase "any of the following sub-items" in Article 52-61-5, paragraph (1), item (i), (c) of that Act is deemed to be replaced with "3. or 9."; in (c), 9. of that item, the phrase "equivalent to this Act, the Agricultural Cooperative Act, the Fishery Industry Cooperative Act, the Act on Financial Business by Cooperatives, the Shinkin Bank Act , the Labor Bank Act, the Norinchukin Bank Act or the Shoko Chukin Bank Limited Act" is deemed to be replaced with "equivalent to this Act", and the phrase "in clauses 1. through 8." is deemed to be replaced with "in 3."; the phrase "one of the following orders" in (d) of that item is deemed to be replaced with "an order stated in 3. or 9."; in (d), 9. of that item, the phrase "the Agricultural Cooperative Act, the Fishery Industry Cooperative Act, the Act on Financial Business by Cooperatives, the Shinkin Bank Act, the Labor Bank Act, the Act on Provision of Financial Services, the Norinchukin Bank Act or the Shoko Chukin Bank Limited Act" is deemed to be replaced with "the Fishery Industry Cooperative Act", and the phrase "1. through 9." is deemed to be replaced with "3."; the phrase "(c), 1. through 9. of the preceding item" in item (ii), (b), 4. of that paragraph is deemed to be replaced with "(c), 3. or 9. of the preceding item"; the phrase "(d), 1. through 9. of the preceding item" in (b), 5. of that item is deemed to be replaced with "(d), 3. or 9. of the preceding item"; the phrase "the items of Article 2, paragraph (17)" in Article 52-61-8, paragraph (1) of that Act is deemed to be replaced with "the items of Article 110, paragraph (2) of the Fishery Industry Cooperative Act"; the phrase "services conducted" in paragraph (2) of that Article is deemed to be replaced with "business conducted"; the term "Article 52-61-2" in Article 52-61-17, paragraph (1) of that Act is deemed to be replaced with "Article 110, paragraph (1) of the Fishery Industry Cooperative Act"; the phrase "the Act or" in item (iii) of that Article is deemed to be replaced with "the Act, Norinchukin Bank or"; the term "Article 52-61-2'' in paragraph (2) of that Article and Article 52-61-18 of that Act is deemed to be replaced with "Article 110, paragraph (1) of the Fishery Industry Cooperative Act"; the term "its membership list" in the title of Article 52-61-21 and in paragraph (1) of that Article is deemed to be replaced with "a list of its members"; in paragraph (3) of that Article, the phrase "not the association member" is deemed to be replaced with "not the member (meaning the member prescribed by Article 114, item (ii) of the Fishery Industry Cooperative Act; the same applies below)", and the phrase "for an association member" is deemed to be replaced with "for a member"; in Article 52-61-26 of that Act, the term "Article 52-61-19, item (ii)" is deemed to be replaced with "Article 114, item (ii) of the Fishery Industry Cooperative Act", the phrase "this Act, an order that is based on this Act, a disposition that is based on this Act or on the order" is deemed to be replaced with "this Act, the Norinchukin Bank Act, an order based on these Acts, a disposition based on these Act or on the order", the phrase "Article 52-61-20, item (iii)" is deemed to be replaced with "Article 115, item (iii) of the Fishery Industry Cooperative Act", and the term "association member" is deemed to be replaced with "member"; the term "Article 52-61-10, paragraph (1)" in Article 53, paragraph (5) of that Act is deemed to be replaced with "Article 111, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 52-61-2" in Article 56, items (xiii) and (xv) of that Act is deemed to be replaced with "Article 110, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 52-61-19" in items (xvi) and (xvii) of that Article is deemed to be replaced with "Article 114 of the Fishery Industry Cooperative Act"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter VII-3 Designated Dispute Resolution Organizations

(Designation of a Person Providing Dispute Resolution Services)

Article 118 (1) The competent minister may designate a person satisfying the following requirements as a person providing dispute resolution services, upon their application:

(i) the person is a corporation (including an association or foundation without juridical personality which has a designated representative or administrator, and excluding a corporation established in accordance with foreign laws or regulations or other foreign organization; the same applies in item (iv), (d));

(ii) the person does not fall under any of the following: the designation under this paragraph is revoked in accordance with the provisions of Article 52-84, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act or in accordance with the provisions of Article 308-24, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, and five years have not passed since the date of the revocation; or the designation under another law, as specified by Cabinet Order for the services equivalent to dispute resolution services, is revoked in accordance with the above-mentioned provisions, and five years have not passed since the date of the revocation;

(iii) the person does not fall under the following: the person violates this Act or the Attorney Act (Act No. 205 of 1949), or equivalent foreign laws or regulations, and is sentenced to a fine (including equivalent punishment under foreign laws or regulations), and five years have not passed since the date on which the sentence has been completed or the sentence has ceased to be subject to enforcement;

(iv) none of the officers falls under any of the following:

(a) a person specified by an order of the competent ministry as unable to properly perform their duties relating to the dispute resolution services due to a mental or physical disorder if the service category (meaning whether the dispute resolution service is provided either for a credit business or its related business, or for a mutual aid insurance business or its related business; the same applies below) subject to the designation under this paragraph is a credit business or its related business, or a person so specified by the Order of the Ministry of Agriculture, Forestry and Fisheries if the service category is a mutual aid insurance business or its related business;

(b) a person subject to an order commencing bankruptcy proceedings that has not been released from bankruptcy restrictions, or a person who is treated in the same manner under any foreign laws or regulations;

(c) a person sentenced to imprisonment without work or severer punishment (including equivalent punishment under foreign laws or regulations) for whom five years have not passed since the date on which the sentence has been completed, or the sentence has ceased to be subject to enforcement;

(d) a person who was an officer of a corporation (the officer includes a person treated similarly under foreign laws or regulations; the same applies in this sub-item) within one month before the date of revocation and for whom five years have not passed since the date of revocation, if a designation under this paragraph is revoked in accordance with Article 52-84, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or in accordance with Article 308-24, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or if an administrative disposition conferred in a foreign country, which is equivalent to a designation under this paragraph, is revoked in accordance with the foreign laws or regulations equivalent to this Act; or a person who was an officer of a corporation within one month before the date of revocation and for whom five years have not passed since the date of revocation, if an administrative disposition under another law, as specified by Cabinet Order for services equivalent to dispute resolution services, is revoked, or if an administrative disposition conferred in a foreign country, which is equivalent to the specified designation as mentioned above, is revoked in accordance with the foreign law or regulations equivalent to the other law as mentioned above.

(e) a person who violates this Act or the Attorneys Act, or equivalent foreign laws or regulations, and is sentenced to a fine (including punishment under equivalent foreign laws or regulations), for whom five years have not passed since the date on which the sentence has been completed or the sentence has ceased to be subject to enforcement;

(v) the person has a sufficient financial and technical basis for appropriately carrying out the dispute resolution services;

(vi) the composition of its officers or employees is not likely to impair the fair implementation of the dispute resolution services;

(vii) the provisions for implementation of dispute resolution services (referred to as "operational provisions" in this Article and the following Article) comply with laws and regulations, and are sufficient for carrying out the dispute resolution services in a fair and appropriate manner in accordance with the provisions of this Act;

(viii) the number of cooperatives raising objection (limited to the objection given with a reasonable reason; the same applies in this item) accounts for a percentage specified by Cabinet Order or lower of the total number of the cooperatives engaged in the business referred to 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) in relation to a credit business or its related business, or of the total number of the cooperatives engaged in the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i) in relation to a mutual aid insurance business or its related business, as a result of opinions collected in accordance with the provisions of the following paragraph regarding the details of the master agreement for implementation of dispute resolution procedures such as the matters related to its cancelation (the master agreement for implementation of dispute resolution procedures means an agreement between a designated dispute resolution organization (meaning a person designated under this paragraph; the same applies below) and a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii), Article 97, paragraph (1), item (ii), Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i) regarding the implementation of dispute resolution services; the same applies in this item and the following Article) (the details of this master agreement do not include the matters stated in the items of Article 52-67, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) in relation to a credit business or its related business, and the matters stated in the items of Article 308-7, paragraph (2) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) in relation to a mutual aid insurance business or its related business), and regarding the other details of the operational provisions (the other details of the operational provisions do not include the matters that must be included in the operational provisions pursuant to the provisions of Article 52-67, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act and the matters necessary to conform to the standards stated in the items of paragraph (4) Article 52-67 of the Banking Act or paragraph (5), item (i) of that Article 52-67 in relation to a credit business or its related business, and do not include the matters that must be included in the operational provisions pursuant to the provisions of Article 308-7, paragraph (3) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act and matter necessary to conform to the standards stated in the items of paragraph (4) of Article 308-7 of the Insurance Business Act or paragraph (5), item (i) of that Article in relation to a mutual aid insurance business or its related business).

(2) A person intending to file an application referred to in the preceding paragraph must explain the details of the operational provisions to cooperatives engaged in the business referred to 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) in accordance with an order of the competent ministry if the operational provisions are connected with a credit business or its related business, or must explain the details of the operational provisions to cooperatives engaged in the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i), in accordance with Order of the Ministry of Agriculture, Forestry and Fisheries if the operational provisions are connected with a mutual aid insurance business or its related business; and must ask those cooperatives whether there is any objection (including the reasons if there is any objection) and prepare a document stating the results, in advance.

(3) If the competent minister intends to make a designation under paragraph (1), the minister must consult with the Minister of Justice in advance regarding whether the requirements stated in items (v) through (vii) of that paragraph are satisfied (the requirements are limited to the part related to the services involved in dispute resolution procedures (meaning procedures to resolve a dispute over which the parties can reach a settlement regarding a credit or mutual aid insurance business or its related business, without resorting to litigation procedures; the same applies in paragraph (5), item (i)) and also limited to the part related to the standards stated in the items of Article 52-67, paragraphs (4) and (5) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) in relation to the operational provisions for a credit business or its related business, or the standards stated in the items of Article 308-7, paragraphs (4) and (5) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) in relation to the operational provisions for a mutual aid insurance business or its related business).

(4) The designation under paragraph (1) for the dispute resolution services is made for each service category.

(5) In this Article, the meanings of the terms stated in the following items are as prescribed in those items:

(i) dispute resolution services: service related to grievance processing procedures (meaning procedures for processing grievances regarding a credit or mutual aid insurance business or its related business) and dispute resolution procedures, and any services incidental to them;

(ii) a credit business or its related business: a credit business conducted by a cooperative engaged in the business referred to 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), and a business conducted pursuant to other laws, that is specified by an order of the competent ministry as related to the credit business, and a specified credit agency business conducted by a specified credit agent for the cooperative; and

(iii) a mutual aid insurance business or its related business: a mutual aid insurance business conducted by a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i), and a business conducted pursuant to other laws, that is specified by Order of the Ministry of Agriculture, Forestry and Fisheries as related to the mutual aid insurance business, and a mutual aid agent's acting as an agent or intermediary for the cooperative entering into a mutual aid insurance agreement.

(6) If the competent minister has made a designation pursuant to the provisions of paragraph (1), the minister must give public notice of the trade name or name and the location of the principal place of business or office of the designated dispute resolution organization, the service category relating to the designation, and the date of the designation in an official gazette.

(Operational Provisions)

Article 119 A designated dispute resolution organization must provide for operational provisions concerning the following matters:

(i) matters concerning the details of the master agreement for implementation of dispute resolution procedures;

(ii) matters concerning entering into the master agreement for implementation of dispute resolution procedures;

(iii) matters concerning the implementation of dispute resolution services (meaning the dispute resolution services prescribed in paragraph (5), item (i) of the preceding Article; the same applies in this Article and Article 129-7-3);

(iv) matters concerning amounts to be borne by a participating cooperative (meaning a cooperative engaged in the business referred to 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), or the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i), with which the organization enters into a master agreement for implementation of dispute resolution procedures; the same applies in the following item) in relation to the expenses for dispute resolution services;

(v) matters concerning fees for the implementation of dispute resolution services, if the fees are collected from a participating cooperative that is a party to the dispute or from its service users (including a mutual aid insurance policyholder or relevant person other than the users in relation to dispute resolution services for a mutual aid insurance business or its related business (meaning the mutual aid business or its related business as prescribed in paragraph (5), item (iii) of the preceding Article; the same applies in item (viii) and Article 121, paragraph (1)));

(vi) matters concerning cooperation with other designated dispute resolution organizations, or national institutions, local governments, private businesses or other parties that respond to consultation, process grievances or resolve disputes;

(vii) matters concerning processing grievances related to dispute resolution services; and

(viii) in addition to the matters stated in the preceding items, the matters specified by an order of the competent ministry as necessary for implementing dispute resolution services in relation to the operational provisions for a credit business or its related business (meaning the credit business or its related business as prescribed in paragraph (5), item (ii) of the preceding Article; the same applies to paragraph (1) of the following Article), or the matters specified by Order of the Ministry of Agriculture, Forestry and Fisheries as necessary for implementing dispute resolution services in relation to the operational provisions for a mutual aid insurance business or its related business.

(The Provisions of the Banking Act That Apply Mutatis Mutandis to Designated Credit Business Dispute Resolution Organizations)

Article 120 (1) The provisions of Chapter 7-6 (excluding Article 52-62 and Article 52-67, paragraph (1)) and Article 56 (limited to the part related to item (xix)) of the Banking Act apply mutatis mutandis to a designated credit business dispute resolution organization (meaning a designated dispute resolution organization whose service category is a credit business or its related business; the same applies in Article 127, paragraph (2) and Article 132, item (iii)).

(2) In the case referred to in the preceding paragraph, in the provisions referred to in that paragraph, the term "Prime Minister" is deemed to be replaced with the "competent minister", and the term "Cabinet Office Order" is deemed to be replaced with the "an order of the competent ministry"; the term "member bank" in the provisions referred to in that paragraph (excluding Article 52-65, paragraph (2) of the Banking Act) is deemed to be replaced with "participating cooperative"; the term "dispute related to banking services" in the provisions of the preceding paragraph (excluding Article 52-67, paragraph (2), item (iv) of that Act) is deemed to be replaced with "disputes related to a credit business or its related business"; the term "complaint related to banking services" in the provisions of the preceding paragraph (excluding paragraph (2), item (i) of that Article) is deemed to be replaced with "grievance related to a credit business or its related business"; in Article 52-63, paragraph (1), of that Act, the term "paragraph (1) of the preceding paragraph" is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act", and the phrase "the following particulars" is deemed to be replaced with "the service category of the dispute resolution services for which designation is sought (meaning the service category of the dispute resolution services prescribed by item (iv), a. of that paragraph) and the following particulars"; the term "dispute resolution services" in item (ii) of that paragraph is deemed to be replaced with "dispute resolution services (meaning the dispute resolution services prescribed by Article 118, paragraph (5), item (i) of the Fishery Industry Cooperative Act; the same applies below)"; the term "paragraph (1), item (iii) of the preceding Article" in paragraph (2), item (i) of that Article is deemed to be replaced with "Article 118, paragraph (1), item (iii) of the Fishery Industry Cooperative Act"; the term "paragraph (2) of the preceding Article" in item (vi) of that paragraph is deemed to be replaced with "Article 118, paragraph (2) of the Fishery Industry Cooperative Act"; the term "this Act" in Article 52-65, paragraph (1) of that Act is deemed to be replaced with "the Fishery Industry Cooperative Act"; in paragraph (2) of that Article, the term "member bank (meaning the bank with which the basic contract for implementing procedures is concluded" is deemed to be replaced with "participating cooperative (meaning participating cooperative prescribed by Article 119, item (iv) of the Fishery Cooperative Associations Act", and the phrase "the basic contract for the implementation of dispute resolution procedures or any other contract" is deemed to be replaced with "the master agreement for implementation of dispute resolution procedures (meaning the master agreement for implementation of dispute resolution procedures as prescribed by Article 118, paragraph (1), item (viii) of that Act; the same applies below) or any other agreement"; in Article 52-66 of that Act, the phrase "or a person that has obtained the designation under the provisions of other laws" is deemed to be placed with "or designated mutual aid insurance business dispute resolution organization (meaning the designated mutual aid insurance business dispute resolution organization prescribed by Article 121, paragraph (1) of the Fishery Industry Cooperative Act; the same applies in Article 52-83, paragraph (3)) or a person that has obtained the designation under the provisions of any law other than that Act", the term "complaint processing procedures" is deemed to be replaced with "grievance processing procedures (meaning the grievance processing procedures prescribed by Article 118, paragraph (5), item (i) of that Act; the same applies below)", and the term "dispute resolution procedures" is deemed to be replaced with "dispute resolution procedures (meaning the dispute resolution procedures prescribed by paragraph (3) of that Article; the same applies below)"; the term "item (i) of the preceding paragraph" in Article 52-67, paragraph (2) of that Act is deemed to be replaced with "Article 119, item (i) of the Fishery Industry Cooperative Act"; the term "complaint related to banking services" in item (i) of that paragraph is deemed to be replaced with "grievance related to a credit business or its related business (meaning a grievance regarding a credit business or its related business (meaning the credit business or its related business prescribed by Article 118, paragraph (5), item (ii) of the Fishery Industry Cooperative Act; the same applies below); the same applies below)"; the term "dispute related to banking services" in item (iv) of that paragraph is deemed to be replaced with "disputes related to a credit business or its related business (meaning a dispute over which the parties can reach a settlement regarding a credit business or its related business; the same applies below)"; in paragraph (3) of that Article, the term "paragraph (1), item (ii)" is deemed to be replaced with "Article 119, item (ii) of the Fishery Industry Cooperative Act", the phrase "from a bank" is deemed to be replaced with "from a cooperative (meaning a fishery cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv), a federation of fishery cooperatives engaged in the business referred to in Article 87, paragraph (1), item (iv) of that Act, a marine product processing industry cooperative engaged in the business referred to in Article 93, paragraph (1), item (ii) of that Act, or a federation of marine product processing industry cooperatives engaged in the business referred to in Article 97, paragraph (1), item (ii) of that Act; the same applies in this paragraph and Article 52-79, item (i))", and "the bank" is deemed to be replaced with "the cooperative"; the term "paragraph (1), item (iii)" in paragraph (4) of that Article is deemed to be replaced with "Article 119, item (iii) of the Fishery Industry Cooperative Act"; the term "paragraph (1), item (iv)" in paragraph (5) of that Article is deemed to be replaced with "Article 119, item (iv) of the Fishery Industry Cooperative Act"; the term "item (v) of that paragraph" in item (i) of that paragraph is deemed to be replaced with "item (v) of that Article"; the term "banking services" in Article 52-73, paragraph (3), item (ii) of tat Act is deemed to be replaced with "credit business or its related business"; the term "Article 52-62, paragraph (1)" in Article 52-74, paragraph (2) is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "bank" in Article 52-79, item (i) of that Act is deemed to be replaced with "cooperative"; in Article 52-82, paragraph (2), item (i) of that Act, the phrase "requirements set forth in Article 52-62, paragraph (1), items (v) through (vii) (" is deemed to be replaced with "requirements stated in Article 118, paragraph (1), items (v) through (vii) of the Fishery Industry Cooperative Act (", and the term "Article 52-62, paragraph (1), item (v)" is deemed to be replaced with "Article 118, paragraph (1), item (v) of that Act"; the phrase "or a person that has obtained a designation under the provisions of other laws" in Article 52-83, paragraph (3) of that Act is deemed to be replaced with "or designated mutual aid insurance business dispute resolution organization or a person that has obtained a designation under the provisions of any law other than that Act"; the term "Article 52-62, paragraph (1)" in Article 52-84, paragraph (1) of that Act is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 52-62, paragraph (1), item (ii)" in item (i) of that paragraph is deemed to be replaced with "Article 118, paragraph (1), item (ii) of the Fishery Industry Cooperative Act"; the term "Article 52-62, paragraph (1)" in item (ii) of that paragraph is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; in paragraph (2), item (i) of that Article, the term "Article 52-62, paragraph (1), item (v)" is deemed to be replaced with "Article 118, paragraph (1), item (v) of the Fishery Industry Cooperative Act" and the phrase "referred to in Article 52-62, paragraph (1)" is deemed to be replaced with "referred to in Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 52-62, paragraph (1)" in paragraph (3) of that Article and Article 56, item (xix) of that Act is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; and other necessary technical replacement of terms is specified by Cabinet Order.

(The Provisions of the Insurance Business Act That Apply Mutatis Mutandis to Designated Mutual Aid Insurance Business Dispute Resolution Organizations)

Article 121 (1) The provisions of Part IV of the Insurance Business Act (excluding Article 308-2 and Article 308-7, paragraph (1)) and Article 311, paragraph (1) (limited to the part relating to Article 308-21) and paragraph (2) apply mutatis mutandis to a designated mutual aid insurance business dispute resolution organization (meaning a designated dispute resolution organization whose service category is a mutual aid insurance business or its related business; the same applies in Article 132, item (iii)).

(2) In the case referred to in the preceding paragraph, in the provisions referred to in that paragraph, the term "Prime Minister" is deemed to be replaced with "Minister of Agriculture, Forestry and Fisheries", and the term "Cabinet Office Order" is deemed to be replaced with "Order of the Ministry of Agriculture, Forestry and Fisheries"; in the provisions referred to in that paragraph (excluding Article 308-5, paragraph (2) of the Insurance Business Act), the term "member insurance-related business operator" is deemed to be replaced with "participating cooperative", and the term "customer" is deemed to be replaced with "user"; the term "disputes related to insurance business, etc." in provisions referred to in the preceding paragraph (excluding Article 308-7, paragraph (2), item (iv) of that Act) is deemed to be replaced with "disputes related to a mutual aid insurance business or its related business"; the term "complaints related to insurance business, etc." in the provisions referred to in the preceding paragraph (excluding item (i) of paragraph (2) of that Article) is deemed to be replaced with "grievances related to a mutual aid insurance business or its related business"; the term "paragraph (1) of the preceding Article" in Article 308-3, paragraph (1) of that Act is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "the category of business of dispute resolution, etc." in item (i) of that paragraph is deemed to be replaced with "the service category of the dispute resolution services (meaning the service of the dispute resolution services as prescribed by Article 118, paragraph (1), item (iv), (a) of the Fishery Industry Cooperative Act)"; the term "business of dispute resolution, etc." in item (iii) of that paragraph is deemed to be replaced with "dispute resolution services (meaning the dispute resolution services prescribed by Article 118, paragraph (5), item (i) of the Fishery Industry Cooperative Act; the same applies below)"; the term "paragraph (1), item (iii) of the preceding Article" in paragraph (2), item (i) of that Article is deemed to be replaced with "Article 118, paragraph (1), item (iii) of the Fishery Industry Cooperative Act"; the term "paragraph (2) of the preceding Article" in item (vi) of that paragraph is deemed to be replaced with "Article 118, paragraph (2) of the Fishery Industry Cooperative Act"; the term "this Act" in Article 308-5, paragraph (1) of that Act is deemed to be replaced with "the Fishery Industry Cooperative Act"; in paragraph (2) of that Article, the phase "the member insurance-related business operator (meaning the insurance-related business operator with whom a basic contract for implementation of dispute resolution procedures have been concluded" is deemed to be replaced with "the participating cooperative (meaning the participating cooperative prescribed by Article 119, item (iv) of the Fishery Industry Cooperative Act", and the phrase "customer (including the policyholder, etc. other than a customer" is deemed to be replaced with "user (including a mutual aid insurance policyholder or relevant person as prescribed by Article 15-5, item (iv) of that Act other than their users", and the phrase "the basic contract for implementation of dispute resolution procedures or other contracts" is deemed to be replaced with "the master agreement for implementation of dispute resolution procedures (meaning the master agreement for implementation of dispute resolution procedures as prescribed by Article 118, paragraph (1), item (viii) of that Act; the same applies below) or any other agreement"; in Article 308-6 of that Act, the phrase "or a person who has obtained the designation under the provisions of other laws" is deemed to be replaced with "or designated mutual aid insurance business dispute resolution organization (meaning the designated mutual aid insurance business dispute resolution organization prescribed by Article 121, paragraph (1) of the Fishery Industry Cooperative Act; the same applies in Article 308-23, paragraph (3)) or a person that has obtained the designation under the provisions of any law other than that Act", the term "complaint processing procedures" is deemed to be replaced with "grievance processing procedures (meaning the grievance processing procedures prescribed by Article 118, paragraph (5), item (i) of that Act; the same applies below)", and the term "dispute resolution procedures" is deemed to be replaced with "dispute resolution procedures (meaning the dispute resolution procedures prescribed by paragraph (3) of that Article; the same applies below)"; the term "item (i) of the preceding paragraph" in Article 308-7, paragraph (2) of that Act is deemed to be replaced with "Article 119, item (i) of the Fishery Industry Cooperative Act"; the term "complaints related to insurance business, etc." in item (i) of that paragraph is deemed to be replaced with "grievances related to a mutual aid insurance business or its related business (meaning grievances regarding a mutual aid insurance business or its related business (meaning the mutual aid insurance business or its related business as prescribed by Article 118, paragraph (5), item (iii) of the Fishery Industry Cooperative Act; the same applies below); the same applies below)"; the term "disputes related to insurance business, etc." in item (iv) of that paragraph is deemed to be replaced with "disputes related to a mutual aid insurance business or its related business (meaning a dispute over which the parties can reach a settlement regarding a mutual aid insurance business or its related business; the same applies below)"; in paragraph (3) of that Article, the term "paragraph (1), item (ii)" is deemed to be replaced with "Article 119, item (ii) of the Fishery Industry Cooperative Act", the phrase "from an insurance-related business operator" is deemed to be replaced with "from a cooperative (meaning a fishery cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii), or a marine product processing industry cooperative or mutual aid federation of fishery industry cooperatives engaged in the business referred to in Article 93, paragraph (1), item (vi) of that Act; the same applies in this paragraph and Article 308-19, item (i))", and the term "the insurance-related business operator" is deemed to be replaced with "the cooperative"; the term "paragraph (1), item (iii)" in paragraph (4) of that Article is deemed to be replaced with "Article 119, item (iii) of the Fishery Industry Cooperative Act"; the term "paragraph (1), item (iv)" in paragraph (5) of that Article is deemed to be replaced with "Article 119, item (iv) of the Fishery Industry Cooperative Act"; the term "item (v) of that paragraph" in item (i) of that paragraph is deemed to be replaced with "item (v) of that Article"; the term "insurance business, etc." in Article 308-13, paragraph (3), item (ii) of that Act is deemed to be replaced with "mutual aid insurance business or its related business"; the term "Article 308-2, paragraph (1)" in Article 308-14, paragraph (2) is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "insurance-related business operator" in Article 308-19, item (i) of that Act is deemed to be replaced with "cooperative"; in Article 308-22, paragraph (2), item (i) of that Act, the phrase "requirements set forth in Article 308-2, paragraph (1), items (v) through (vii) (" is deemed to be replaced with "requirements stated in Article 118, paragraph (1), items (v) through (vii) of the Fishery Industry Cooperative Act (", and the term "Article 308-2, paragraph (1), items (v) through (viii)" is deemed to be replaced with "Article 118, paragraph (1), items (v) through (viii) of that Act"; the phrase "or a person with the designation under other laws" in Article 308-23, paragraph (3) of that Act is deemed to be replaced with "or designated mutual aid insurance business dispute resolution organization or a person with the designation under the provisions of any law other than the Fishery Industry Cooperative Act"; the term "Article 308-2, paragraph (1)" in Article 308-24, paragraph (1) of that Act is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; the term "Article 308-2, paragraph (1), item (ii)" in item (i) of that paragraph is deemed to be replaced with "Article 118, paragraph (1), item (ii) of the Fishery Industry Cooperative Act"; the term "Article 308-2, paragraph (1)" in item (ii) of that paragraph is deemed to be replaced with "Article 108, paragraph (1) of the Fishery Industry Cooperative Act"; in paragraph (2), item (i) of that Article, the term "Article 308-2, paragraph (1), item (v)" is deemed to be replaced with "Article 118, paragraph (1), item (v) of the Fishery Industry Cooperative Act", and the term "Article 308-2, paragraph (1)" is replaced with "Article 118, paragraph (1) of that Act"; the term "Article 308-2, paragraph (1)" in paragraphs (3) and (4) of that Article is deemed to be replaced with "Article 118, paragraph (1) of the Fishery Industry Cooperative Act"; and other necessary technical replacement of terms is specified by Cabinet Order.

Chapter VIII Supervision

(Collection of Reports)

Article 122 (1) The administrative authority may require a cooperative to submit reports necessary to know whether the cooperative complies with laws and regulations, dispositions by the administrative authority pursuant to laws and regulations, its articles of association, bylaws, credit business provisions or mutual aid insurance provisions, or may order a cooperative to submit materials concerning cooperative members or federation members (collectively referred to as "cooperative members" below), officers, employees, amount of services provided by the cooperative or other general situation of the cooperative, which are particularly necessary for the proper handling of the administration of the cooperative.

(2) If the administrative authority finds it particularly necessary to know whether a cooperative (excluding a fishery production cooperative) complies with laws and regulations, dispositions by the administrative authority pursuant to laws and regulations, its articles of association, bylaws, credit business provisions, or mutual aid insurance provisions, the administrative authority may require the cooperative's subsidiary corporation or other similar corporation (meaning a subsidiary or other corporation specified by an order of the competent ministry as a corporation whose management is controlled by the cooperative; the same applies below), a person requested to engage in a credit business (meaning a specified credit agent or other person requested to engage in the credit business by the cooperative (including any persons requested by that agent or that other person (including a request via two or more persons)); the same applies below), or mutual aid insurance agent to submit reports or materials that should be used as reference regarding the status of the business operations or accounting of the cooperative, to the extent necessary.

(3) The term "subsidiary" as used in the preceding paragraph refers to a company of which a cooperative (excluding a fishery production cooperative) holds more than 50 percent of the voting rights vested in all shareholders or equity holders. In this case, a company is deemed to be a subsidiary of the cooperative, if the cooperative and one or two or more of its subsidiaries hold more than 50 percent of the voting rights vested in all shareholders or equity holders of the company, or if one or two or more of subsidiaries of the cooperative hold more than 50 percent of the voting rights vested in all shareholders or equity holders of the company.

(4) The provisions of Article 11-8, paragraph (3) apply mutatis mutandis to the voting rights held by a cooperative (excluding a fishery production cooperative) or its subsidiary in the case referred to in the preceding paragraph.

(5) A subsidiary corporation or other similar corporation of a cooperative (excluding a fishery production cooperative), a person requested to engage in a credit business by the cooperative, or the cooperative's mutual aid insurance agent may refuse to submit reports or materials pursuant to the provisions of paragraph (2) if there is a justifiable reason.

(Inspection of the Status of Business Operations or Accounting)

Article 123 (1) If a cooperative member requests an inspection of the cooperative's business operations or accounting upon obtaining the consent of one-tenth or more of the total members due to the suspicion that the cooperative's business operations or accounting is in violation of laws and regulations, dispositions by the administrative authority pursuant to laws and regulations, or the articles of association, bylaws, credit business provisions or mutual aid insurance provisions, the administrative authority must inspect the status of the business operations or accounting.

(2) The administrative authority may inspect the status of the business operations or accounting of a cooperative at any time if the administrative authority finds that the business operations or accounting of the cooperative is suspected to be in violation of laws and regulations, dispositions by the administrative authority pursuant to laws and regulations, or the articles of incorporation, bylaws, credit business provisions, or mutual aid insurance provisions.

(3) The administrative authority may inspect the status of the business operations or accounting of a cooperative at any time, if the administrative authority finds it necessary to ensure the sound operation of the business of the cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii) or Article 100-2, paragraph (1), item (i).

(4) The administrative authority must inspect books and others items for the status of the business operations or accounting of a cooperative that requires its members to make capital contribution (referred to as a "cooperative requiring capital contribution" in Article 130, paragraph (1), item (xl); excluding a fishery production cooperative), annually in principle.

(5) If the administrative authority finds it particularly necessary in inspecting the status of the business operations or accounting of a cooperative (excluding a fishery production cooperative) pursuant to the preceding paragraphs, the administrative authority may inspect the status of the business operations or accounting of the cooperative's subsidiary corporation or other similar corporation, a person requested to engage in a credit business by the cooperative, or the cooperative's mutual aid insurance agent, to the extent necessary.

(6) The provisions of paragraph (5) of the preceding Article apply mutatis mutandis to the inspection referred to in the preceding paragraph.

(Supervisory Orders of Administrative Authorities)

Article 123-2 (1) If the administrative authority finds it necessary to ensure sound operation of the credit business or mutual aid insurance business of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i), in terms of the status of the business operations or assets of the cooperative or its subsidiary or other affiliated person (meaning a subsidiary (meaning a subsidiary referred to in Article 122, paragraph (3); the same applies in Article 126, item (iii) through (viii) and Article 130, paragraph (1), item (xix), (xlix) and (l)) or any other company having a special relationship with the cooperative as specified by an order of the competent ministry; the same applies in Article 127, paragraph (6)), the administrative authority must determine the matters for which the measures should be taken in relation to the credit business or mutual aid insurance business and the period during which those measures should be taken, and require the cooperative to submit an improvement plan for ensuring sound operations of the business, or order the cooperative to change the submitted improvement plan.

(2) If an administrative authority finds it necessary to ensure the sound operation of the business of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 102, paragraph (1), item (i), or to protect its members, considering a change in the status or circumstances of the business operations or assets of the cooperative or a change in the status or circumstances of the assets of both the cooperative and its subsidiary or other affiliated person, the administrative authority may order the cooperative to suspend all or part of the change to the articles of association, bylaws, credit business provisions, mutual aid insurance provisions, or the method of executing the business, suspend all or part of its business, or deposit its assets, or may prohibit or limit the disposition of its assets or issue any other orders necessary for supervising the cooperative, in relation to its business.

(3) If the administrative authority issues an order concerning the credit business to ensure the sound operation of the credit business pursuant to the provisions of the preceding two paragraphs (including requiring the submission of an improvement plan), which is found to be necessary considering the status of the capital held by a cooperative by itself or the status of the capital held by both the cooperative and its subsidiary or other affiliated person, this order must be issued as specified by an order of the competent ministry according to the classification specified by an order of the competent ministry regarding the status of the capital held by them.

(4) If the administrative authority issues an order concerning the mutual aid insurance business to ensure the sound operation of the mutual aid insurance business pursuant to the provisions of paragraph (1) or (2) (including requiring the submission of an improvement plan), which is found to be necessary considering a cooperative's capacity to pay mutual aid insurance proceeds or other amounts, this order must be issued as specified by Order of the Ministry of Agriculture, Forestry and Fisheries according to the classification specified by Order of the Ministry of Agriculture, Forestry and Fisheries regarding the cooperative's capacity to pay mutual aid insurance proceeds or other amounts.

(Measures Against Violation of Laws and Regulations)

Article 124 (1) If an administrative authority collects a report pursuant to Article 122 or conducts an inspection pursuant to Article 123, and if the administrative authority finds that a cooperative's business operations or accounting is in violation of laws or regulations, dispositions by the administrative authority pursuant to any law or regulation, or its articles of association, bylaws, credit business provisions, or mutual aid insurance provisions, the administrative authority may order the cooperative to take necessary measures within a specified period.

(2) If a cooperative fails to comply with the order referred to in the preceding paragraph, the administrative authority may order the cooperative to suspend all or part of it services or elect new officers within a specified period.

(3) If a cooperative violates particularly important matters specified in the credit business provisions or mutual aid insurance provisions and the administrative authority issues an order referred to in paragraph (1), but the cooperative does not comply with the order, the administrative authority may revoke the approval referred to in Article 11-5, paragraph (1) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)) or Article 15-2, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)).

(Dissolution Order by the Administrative Authority)

Article 124-2 In the following cases, the administrative authority may order the dissolution of a cooperative:

(i) if a cooperative engages in any business other than the business that it is allowed to engage in under the provisions of laws;

(ii) if a cooperative fails to commence its business after one year of the date of its founding, or suspends its business for one year or more, without a justifiable reason;

(iii) if a cooperative violates laws or regulations and the administrative authority issues an order referred to in paragraph (1) of the preceding Article, but the cooperative fails to comply with the order;

(iv) if a fishery production cooperative violates the provisions of Article 80, Article 81 or Article 82, paragraph (2).

(Special Provisions for Notice of a Dissolution Order)

Article 124-3 (1) If there is no person having authority to represent a cooperative or their whereabouts are unknown, the administrative authority may publish the gist of an order under the preceding Article in an official gazette in lieu of issuing a notice of the order.

(2) In the case referred to in the preceding paragraph, the relevant order becomes effective on the day on which 20 days have elapsed from the date of publication in an official gazette.

(Revocation of Resolutions, Voting, or Election)

Article 125 (1) If a cooperative member (excluding a cooperative member under Article 18, paragraph (5) and a federation member under Article 88, item (iii) or (iv), Article 98, item (ii) or Article 102, item (iii) or (iv)) demands revocation of a resolution, voting or election at a general meeting within one month of the date of the resolution, voting or election, upon obtaining the consent of one-tenth or more of the total members (excluding cooperative members under Article 18, paragraph (5) and federation members under Article 88, item (iii) or (iv), Article 98, item (ii) or Article 102, item (iii) or (iv)), due to the fact that the convocation procedure of the general meeting, the method of reaching the resolution, or the election is in violation of laws or regulations, dispositions by the administrative authority pursuant to laws and regulations, the articles of association, or bylaws, and if the administrative authority finds that the violation takes place, the administrative authority may revoke the resolution, voting or election.

(2) The provisions of the preceding paragraph apply mutatis mutandis to the case of an inaugural meeting.

(3) The provisions of Chapter 3 (excluding Articles 12 and 14) of the Administrative Procedure Act (Act No. 88 of 1993) do not apply to the dispositions under the preceding two paragraphs.

Chapter IX Miscellaneous Provisions

(Notification to the Administrative Authority)

Article 126 If a cooperative falls under any of the following items, it must notify the administrative authority to that effect pursuant to the provisions of Order of the Ministry of Agriculture, Forestry and Fisheries:

(i) if a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i) intends to establish or terminate a mutual aid insurance agent;

(ii) if a cooperative engaged in the business referred to in Article 11, paragraph (1), item (xii), Article 93, paragraph (1), item (vi)-2, or Article 100-2, paragraph (1), item (i) appoints a mutual aid insurance actuary, or its mutual aid insurance actuary resigns;

(iii) if a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 93, paragraph (1), item (ii) or (vi)-2 intends to acquire a subsidiary candidate (meaning a subsidiary candidate prescribed by Article 17-14, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1)); the same applies in this Article) as its subsidiary (excluding the case in which the cooperative intends to acquire all or part of credit business referred to in Article 54-2, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (3)) or carry out a merger upon obtaining the approval under Article 54-2, paragraph (3) (including as applied mutatis mutandis pursuant to Article 96, paragraph (3); the same applies in the following item) or under Article 69, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (5)));

(iv) if a subsidiary satisfying the requirements to be a subsidiary candidate of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) or Article 93, paragraph (1), item (ii) or (vi)-2 is no longer a subsidiary (excluding the case in which the subsidiary has transferred all or part of the credit business referred to in Article 54-2, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (3)) upon obtaining the approval under Article 54-2, paragraph (3));

(v) if a subsidiary satisfying the requirements to be a subsidiary candidate of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii) or Article 93, paragraph (1), item (ii) or (vi)-2 no longer satisfies the requirements to be a subsidiary candidate;

(vi) if a cooperative engaged in the business referred to in Article 87, paragraph (1), item (iv) or Article 97, paragraph (1), item (ii) intends to acquire as its subsidiary a company stated in Article 87-2, paragraph (1), item (v) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)) (the company so acquired excludes a company subject to approval (meaning a company subject to approval as prescribed by Article 87-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)); the same applies in item (viii))), or a company stated in Article 87-2, paragraph (1), items (vi) through (viii) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)) (this excludes the case in which the cooperative intends to acquire all or part of the credit business referred to in Article 54-2, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (3) or Article 100, paragraph (3) or carry out a merger, upon obtaining the approval under Article 54-2, paragraph (3) as applied mutatis mutandis pursuant to Article 92, paragraph (3) or Article 100, paragraph (3) or under Article 69, paragraph (2) as applied mutatis mutandis pursuant to Article 92, paragraph (5) or Article 100, paragraph (5));

(vii) if a subsidiary of a cooperative engaged in the business referred to in Article 87, paragraph (1), item (iv) or Article 97, paragraph (1), item (ii) is no longer a subsidiary (excluding the case in which the subsidiary has transferred all or part of the credit business referred to in Article 54-2, paragraph (1) upon obtaining the approval under Article 54-2, paragraph (3) as applied mutatis mutandis pursuant to Article 92, paragraph (3) or Article 100, paragraph (3));

(viii) if a company subject to approval that is held as a subsidiary of a cooperative engaged in the business referred to in Article 87, paragraph (1), item (iv) or Article 97, paragraph (1), item (ii) no longer satisfies the requirements to be a company subject to approval;

(ix) if a mutual aid insurance federation of fishery industry cooperatives intends to acquire a company stated in Article 100-3, paragraph (1), item (iv) or (v) (excluding the company subject to approval (meaning the company subject to approval as prescribed in paragraph (6) of that Article; the same applies in item (xi))) as its subsidiary (excluding cases in which the federation intends to carry out a merger upon obtaining approval under Article 69, paragraph (2) as applied mutatis mutandis pursuant to Article 105, paragraph (5));

(x) if a subsidiary of a mutual aid insurance federation of fishery industry cooperatives is no longer its subsidiary;

(xi) if a company subject to approval that is held as a subsidiary of a mutual aid insurance federation of fishery industry cooperatives no longer satisfies the requirements to be a company subject to approval; or

(xii) cases that fall under other cases specified by Order of the Ministry of Agriculture, Forestry and Fisheries (or falls under cases specified by an order of the competent ministry, in the case of a credit business or warehouse receipts).

(Conditions of Authorization or Other Actions)

Article 126-2 (1) Conditions may be attached to authorization, license or approval under this Act (referred to as "authorization or other action" in the following paragraph), and those conditions may be subject to change.

(2) The conditions referred to in the preceding paragraph must be the minimum conditions necessary either for the purpose of the authorization or other action or for ensuring the implementation of matters relating to the authorization or other action.

(Delegation to Order of the Ministry of Agriculture, Forestry and Fisheries or Other Orders)

Article 126-3 In addition to what is provided for in this Act, the procedures for the implementation of this Act and other matters necessary for the enforcement of this Act are prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries (by an order of the competent ministry, in the case of a credit business or warehouse receipts).

(Method of Public Notice)

Article 126-4 (1) A cooperative must provide for posting public notice on a bulletin board at its office as the method of issuing public notice in its articles of association.

(2) In addition to the method of issuing public notice as referred to in the preceding paragraph, a cooperative may provide for any of the following methods in its articles of association; provided, however, that in the case of a cooperative engaged in the businesses referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i), the cooperative must provide for either of the methods stated in item (ii) or (iii) in its articles of association:

(i) a method of publication in an official gazette;

(ii) a method of publication in a daily newspaper that publishes matters related to current affairs; or

(iii) issuing electronic public notice (meaning the method of issuing public notice as prescribed in Article 2, item (xxxiv) of the Companies Act, which enables an unspecified number of people to receive information subject to the public notice through an electronic or magnetic method (meaning the electronic or magnetic method prescribed by that item); the same applies in this Article).

(3) If a cooperative provides for the method stated in item (iii) of the preceding paragraph as its method of issuing public notice, it is sufficient to provide for electronic public notice as its method of issuing public notice. In this case, the cooperative may provide for either of the methods stated in item (i) or item (ii) of the preceding paragraph as its method of issuing public notice at the time it is unable to issue electronic public notice due to an accident or other unavoidable reason.

(4) If a cooperative issues public notice by posting it on a bulletin board at its office or by using electronic public notice, the cooperative must keep it public until the date prescribed by the following items in accordance with the categories of public notices stated in the items:

(i) a public notice stating that an objection may be made within the period prescribed by it: the day on which the relevant period has passed; or

(ii) a public notice other than the public notice stated in the preceding item: the day on which one month has passed since the commencement of the relevant public notice.

(5) The provisions of Article 940, paragraph (3), Article 941, Article 946, Article 947, Article 951, paragraph (2), Article 953 and Article 955 of the Companies Act apply mutatis mutandis if a cooperative gives public notice under this Act or other law by an electronic public notice. In this case, in Article 940, paragraph (3) of the Companies Act, the term "the preceding two paragraphs" is deemed to be replaced with "Article 126-4, paragraph (4) of the Fishery Industry Cooperative Act", and the phrase "these provisions" is deemed to be replaced with "the provisions of that paragraph"; and the term "this Act" in Article 941 of that Act is deemed to be replaced with "the Fishery Industry Cooperative Act".

(Supervisory Administrative Authority)

Article 127 (1) Except for the cases referred to in Article 72 (including as applied pursuant to Article 86, paragraph (4), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5)) or Article 91-2, paragraph (1) (including as applied mutatis mutandis pursuant to Article 100, paragraph (5)), the term "administrative authority" in this Act refers to a competent minister, in the case of a cooperative whose districts extend beyond prefectures (excluding fishery production cooperatives), or a federation of fishery cooperatives, federation of marine product processing industry cooperatives, or mutual aid insurance federation of fishery industry cooperatives, whose districts are the same as the districts of a prefecture; or refers to a prefectural governor with jurisdiction over the principal office, in the case of other cooperatives (or refers to a competent minister and a prefectural governor regarding matters related to inspections under Article 123, paragraph (3) in relation to a credit business or mutual aid insurance business of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, item (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i) if a demand has been made by the prefectural governor, and the competent minister finds it necessary).

(2) The "competent minister" as referred to in this Act (excluding the provisions referred to in paragraph (8)) means the Minister of Agriculture, Forestry and Fisheries; provided, however, that this term refers to both the Minister of Agriculture, Forestry and Fisheries and the Prime Minister, in the case of a cooperative engaged in the business referred to 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), a specified credit agent, an electronic payment service provider for a specified credit business, an electronic payment service provider, a certified association of electronic payment service providers for a specified credit business, or a designated credit business dispute resolution organization (or refers only to the Prime Minister, regarding matters related to inspection under Article 123, paragraphs (1) through (5) in relation to the standards referred to in Article 11-8, paragraph (1), items (i) and (ii) (including as applied pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1)) or in relation to an amount of credit or financial contribution extended or made to the same person as prescribed by Article 11-14, paragraph (1) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), or Article 100, paragraph (1)) (referred to as "credit or financial contribution" in paragraph (6) of this Article)).

(3) Notwithstanding the proviso to the preceding paragraph, the Minister of Agriculture, Forestry and Fisheries and the Prime Minister are not precluded from independently exercising the authority vested in administrative authorities as prescribed by Articles 122 and 123 (excluding authority vested only in the Prime Minister pursuant to the provisions of the proviso to the preceding paragraph) and the authority vested in competent ministers as prescribed by Article 52-53 and Article 52-54, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 108 of this Act following the deemed replacement of the terms, as prescribed by Article 52-61-14, paragraphs (1) and (2), Article 52-61-15, paragraphs (1) and (2), Article 52-61-27, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 117 of this Act following the deemed replacement of the terms, and as prescribed by Article 52-81, paragraphs (1) and (2) of the Banking Act as applied mutatis mutandis pursuant to Article 120 following the deemed replacement of the terms.

(4) If the Prime Minister conducts an independent inspection pursuant to the proviso to paragraph (2) or pursuant to the preceding paragraph, the Minister is to promptly notify the Minister of Agriculture, Forestry and Fisheries of the results.

(5) If the Minister of Agriculture, Forestry and Fisheries conducts an independent inspection pursuant to paragraph (3), the Minister is to promptly notify the Prime Minister of the results.

(6) Notwithstanding the proviso to paragraph (2), the Prime Minister is not precluded from independently exercising the authority vested in the administrative agencies as prescribed by Article 123-2, paragraphs (1) and (2) in the circumstances specified by Cabinet Order under which the fiscal order particularly needs to be maintained, considering the status of the capital held by and the level of the credit extended or financial contribution made by a cooperative by itself or by both the cooperative and its subsidiary or other affiliated person.

(7) The Prime Minister must consult with the Minister of Agriculture, Forestry and Fisheries in advance if the Prime Minister exercises the authority independently pursuant to the provisions of the preceding paragraph.

(8) The "competent minister" as prescribed in Article 8, paragraph (2), Article 12, paragraph (2), Article 22, and Article 27, paragraph (1) of the Warehousing Act as applied mutatis mutandis pursuant to Article 12, paragraph (1) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)) and Article 12, paragraph (4) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1); the same applies in the following paragraph) means the Minister of Agriculture, Forestry and Fisheries and the Minister of Land, Infrastructure, Transport and Tourism.

(9) Notwithstanding the preceding paragraph, the Minister of Agriculture, Forestry and Fisheries and the Minister of Land, Infrastructure, Transport and Tourism are not precluded for independently exercising the authority vested in the competent ministers as prescribed by Article 27, paragraph (1) of the Warehousing Act as applied mutatis mutandis pursuant to Article 12, paragraph (4) of this Act following the deemed replacement of the terms.

(10) If the Minister of Agriculture, Forestry and Fisheries conducts an independent inspection pursuant to the provisions of the preceding paragraph, the Minister is to promptly notify the Minister of Land, Infrastructure, Transport and Tourism of the results.

(11) If the Minister of Land, Infrastructure, Transport and Tourism conducts an independent inspection pursuant to the provisions of paragraph (9), the Minister is to promptly notify the Minister of Agriculture, Forestry and Fisheries of the results.

(12) The "order of the competent ministry" as referred to in this Act means the Order of the Ministry of Agriculture, Forestry and Fisheries and the Cabinet Office Order; provided, however, that an order of the competent ministry as referred to in Article 12 of the Warehousing Business Act as applied mutatis mutandis pursuant to Article 12, paragraph (4) of this Act following the deemed replacement of the terms (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1) of this Act) and an order of the competent ministry as referred to in Article 126, item (xii) and Article 126-3 (limited to an order related to warehouse receipts) mean the Order of the Ministry of Agriculture, Forestry and Fisheries and the Order of the Ministry of Land, Infrastructure, Transport and Tourism; and an order of the competent ministry as referred to in Article 123-2, paragraph (3) and Article 126, item (xii) (in the case of an order of the competent ministry referred to in Article 126, item (xii), it is limited to an order related to the financial bankruptcy resolution system and financial crisis management) means the Order of the Ministry of Agriculture, Forestry and Fisheries, the Cabinet Office Order, and the Order of the Ministry of Finance.

(13) The Prime Minister delegates the authority under this Act (excluding those specified by Cabinet Order) to the Commissioner of the Financial Services Agency.

(14) A part of the authority vested in the Minister of Agriculture, Forestry and Fisheries under this Act and the authority delegated to the Commissioner of the Financial Services Agency pursuant to the preceding paragraph may be delegated to the heads of the local branch bureaus (in the case of the authority delegated to the Commissioner of the Financial Services Agency, it may be delegated to the head of the Finance Bureau or the head of the Finance Branch Bureau) pursuant to the provisions of Cabinet Order.

(15) A part of the administrative affairs under the authority vested in the Minister of Agriculture, Forestry and Fisheries under this Act and the authority delegated to the Commissioner of the Financial Services Agency pursuant to paragraph (13) of this Article may be conducted by prefectural governors pursuant to Cabinet Order.

(Consultation with the Minister of Finance)

Article 127-2 The Minister of Agriculture, Forestry and Fisheries and the Prime Minister must consult with the Minister of Finance regarding the necessary measures to maintain the fiscal order in advance, if they find that giving the following dispositions to a cooperative engaged in the business referred to 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) (limited to a cooperative whose district extends beyond prefectures and a federation of fishery cooperatives or federation of marine product processing industry cooperatives whose districts are the same as districts of a prefecture; the same applies in the following Article) may cause a serious impact on maintaining the fiscal order:

(i) an order to suspend all or a part of the business under Article 123-2, paragraph (2) or Article 124, paragraph (2) (limited to an order related to credit businesses);

(ii) revocation of an approval referred to in Article 11-5, paragraph (1) pursuant to the provisions of Article 124, paragraph (3); or

(iii) an order of dissolution under Article 124-2.

(Notice to the Minister of Finance)

Article 127-3 If the Prime Minister has given any of the following dispositions to a cooperative engaged in the business referred to 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), the Prime Minister is to promptly notify the Minister of Finance to that effect:

(i) an approval under Article 11-5, paragraph (1) or (3) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 100, paragraph (1)) (in the case referred to in Article 11-5, paragraph(3), it is limited to cases related to the repeal of credit business provisions);

(ii) an approval of founding under Article 64;

(iii) an approval under Article 68, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (5)), under Article 69, paragraph (2) (including as applied mutatis mutandis pursuant to Article 91-2, paragraph (2) (including as applied mutatis mutandis pursuant to Article 100, paragraph (5)), Article 92, paragraph (5), Article 96, paragraph (5), and Article 100, paragraph (5)), or under Article 91, paragraph (2) (including as applied mutatis mutandis under Article 100, paragraph (5));

(iv) a disposition of disapproval prescribed by Article 91, paragraph (5), item (ii) (including as applied mutatis mutandis pursuant to Article 100, paragraph (5));

(v) an order under Article 123-2, paragraph (1) or (2) or Article 124, paragraph (1) or (2) (including a request for submission of an improvement plan, and limited to an order related to a credit business);

(vi) revocation under Article 124, paragraph (3) of an approval referred to in Article 11-5, paragraph (1); or

(vii) an order of dissolution under Article 124-2.

(Submission of Materials to the Minister of Finance)

Article 127-4 The Minister of Finance may request the Prime Minister to submit and explain necessary materials regarding the financial resolution system and financial crisis management under the jurisdiction of the Minister of Finance, if the Minister of Finance finds it necessary to plan or formulate a system related to cooperatives engaged in the business referred to 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).

(Hearing of Opinions of the Commissioner of the National Police Agency)

Article 127-5 If the administrative authority suspects that an officer or liquidator of a fishery cooperative or a federation of fishery cooperatives falls under Article 34-4, paragraph (1), item (v) (including as applied mutatis mutandis pursuant to Article 77 (including as applied mutatis mutandis pursuant to Article 92, paragraph (5)) and Article 92, paragraph (3); the same applies in the following Article), the administrative authority may give the reason for the suspicion to and hear the opinions of the Commissioner General of the National Police Agency, when the term "administrative authorities" refers to the competent minister, or may give the reason for the suspicion to and hear the opinions of the Superintendent General of the National Police Agency or the Chief of the Prefectural Police Headquarters, when the term "administrative authorities" refers to a prefectural governor (the Commissioner General of the National Police Agency, the Superintendent General of the National Police Agency, or the Chief of the Prefectural Police Headquarters is collectively referred to as the "Commissioner General or Police Headquarters Chief" in the following Article).

(Opinions to Administrative Authorities)

Article 127-6 If the Commissioner General or Police Headquarters Chief finds that there are reasonable grounds for believing that an officer or liquidator of a fishery cooperative or a federation of fishery cooperatives falls under Article 34-4, paragraph (1), item (v), and it is necessary to take appropriate measures against the cooperative or federation, the Commissioner General or Chief may state to that effect to the administrative authority.

(Classification of Administrative Affairs)

Article 127-7 Administrative affairs that are to be handled by prefectures pursuant to the provisions of this Act (excluding Article 127, paragraph (15)) (limited to those related to a fishery cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv), a federation of fishery cooperatives engaged in the businesses referred to in Article 87, paragraph (1), item (iv), a marine product processing industry cooperative engaged in the business referred to in Article 93, paragraph (1), item (ii), or a federation of marine product processing industry cooperatives engaged in the business referred to in Article 97, paragraph (1), item (ii)) are classified as type 1 statutory entrusted functions under Article 2, paragraph (9), item (i) of the Local Autonomy Act.

Chapter X Penal Provisions

Article 128 (1) If an officer of a cooperative lends funds, discounts a note, or disposes of the assets of the cooperative for speculative transactions, outside the scope of its business under any name whatsoever, the officer is subject to imprisonment with work for not more than three years or a fine of not more than one million yen (or imprisonment with work for not more than three years or a fine of not more than three million yen, in the case of an officer of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i)).

(2) A person who has committed a crime referred to in the preceding paragraph may be subject to both imprisonment with work and a fine, depending on the circumstances.

(3) The provisions of paragraph (1) of this Article do not apply if there are applicable provisions in the Penal Code.

Article 128-2 A person who falls under any of the following items is subject to imprisonment with work for not more than three years or a fine of not more than three million yen, or both:

(i) the person has another person engage in the business of lending funds, accepting a deposit for a savings or fixed-term installment savings account, discounting notes, or conducting fund transfer transactions in violation of the provisions of Article 11-9 (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1));

(ii) the person violates Article 39, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 11-11 (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)), applied mutatis mutandis pursuant to Article 15-12 (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)), or applied mutatis mutandis pursuant to Article 109 of this Act (referred to as the "Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the specified provisions of this Act" below);

(iii) the person conducts a specified credit agency business without obtaining a license in violation of the provisions of Article 106, paragraph (1);

(iv) the person obtains a license referred to in Article 106, paragraph (1) by wrongful means;

(v) the person has another person conduct a specified credit business agency business in violation of Article 52-41 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(vi) the person provides the electronic payment services for specified a credit business without obtaining registration, in violation of Article 110, paragraph (1);

(vii) the person obtains registration under Article 110, paragraph (1) by wrongful means; or

(viii) the person violates an order to discontinue the electronic payment services for a specified credit business under Article 116, paragraph (4).

Article 128-3 A person who falls under any of the following items is subject to imprisonment with work for not more than two years or a fine of not more than three million yen:

(i) the person is in violation of the conditions attached pursuant to the provisions of Article 52-38, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(ii) the person is in violation of an order to suspend all or part of the business pursuant to the provisions of Article 52-61-17, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 52-56, paragraph (1) or Article 117, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act; or

(iii) the person is in violation of an order to suspend all or part of the business pursuant to the provisions of Article 52-61-28, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1).

Article 128-4 A person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine of not more than three million yen, or both:

(i) the person includes or enters false information in and submits a written application for designation under Article 52-63, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-3, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or a document or electronic or magnetic record to be attached to the written application under Article 52-63, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308, paragraph (2) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act;

(ii) the person violates Article 52-69 of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act or violates Article 308-9 of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act;

(iii) the person fails to submit a report under Article 52-80, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act or under Article 308-20, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or submits a report including false information;

(iv) the person fails to submit reports or materials under Article 52-81, paragraph (1) or (2) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-21, paragraph (1) or (2) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, submits false reports or materials, fails to answer or gives a false answer to the questions of the relevant official pursuant to these provisions, or refuses, interferes with, or evades the inspection pursuant to these provisions; or

(v) the person violates an order under Article 52-82, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-22, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act.

Article 128-5 If a person fails to submit a document prescribed by Article 58-2, paragraph (1) or (2) of this Act (including the cases in which these provisions apply mutatis mutandis pursuant to Article 92, paragraph (3), Article 93, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act), Article 52-50 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, or Article 52-61-13 of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, fails to include the information to be included in the document, or submits the document including false information in violation of those provisions, the person is subject to a fine of not more than 500,000 yen (or imprisonment with work for not more than one year or a fine of not more than 3,000,000 yen, if the document is related to a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii) or Article 100-2, paragraph (1), item (i) of this Act, is related to a specified credit agent, or is related to an electronic payment service provider for a specified credit business).

Article 128-6 A person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine of not more than three million yen:

(i) in violation of Article 58-3, paragraph (1) or (2) of this Act (including the cases in which these provisions apply mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act) or Article 52-51, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, the person fails to make a document prescribed by those provisions available for public inspection; in violation of Article 58-3, paragraph (4) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act) or Article 52-51, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, the person fails to take measures prescribed by an order of the competent ministry or Order of the Ministry of Agriculture, Forestry and Fisheries as enabling an unspecified number of people to receive information entered in an electronic or magnetic record as prescribed by those provisions through an electronic or magnetic method; or in violation of those provisions, the person fails to include or enter information that is to be included in the document or entered in the electronic or magnetic record, makes the document stating false information available for public inspection, or takes measures to enable an unspecified number of people to receive false information entered in the electronic or magnetic record through an electronic or magnetic method;

(ii) the person includes false information in and submits a written application under Article 52-37, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, a document to be attached to it pursuant to paragraph (2) of that Article, a written application for registration under Article 52-61-3, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1), or a document to be attached to it pursuant to paragraph (2) of that Article;

(iii) the person engages in the business other than a specified credit agency business or business incidental to the specified credit agency business without obtaining approval under Article 52-42, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(iv) the person fails to submit reports or materials under Article 52-53 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, or under Article 52-61-14, paragraph (1) or (2) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, or submits false reports or materials; or

(v) the person fails to answer or makes a false answer to the questions of the relevant official under Article 52-54, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, or under Article 52-61-15, paragraph (1) or (2) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, or refuses, interferes with, or evades an inspection under these provisions.

Article 129 A person who falls under any of the following items is subject to a fine of not more than 500,000 yen (or imprisonment with work for not more than one year or a fine of not more than three million yen, if the submission or inspection of reports or materials is related to a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (xi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i), is related to its subsidiary corporation or other similar corporation, is related to a person requested to engage in a credit business by the cooperative, or is related to the cooperative's mutual aid insurance agent):

(i) the person fails to make a report under Article 27, paragraph (1) of the Warehousing Business Act as applied mutatis mutandis pursuant to Article 12, paragraph (4) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1) of this Act), makes a false report, or refuses, interferes with, or evades an inspection under Article 27, paragraph (1) of the Warehousing Business Act; or

(ii) the person fails to submit reports or materials under Article 122, submits false reports or materials, or refuses, interferes with, or evades an inspection under Article 123.

Article 129-2 A person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine of not more than one million yen, or both:

(i) the person commits the violation of Article 11-10 of this Act (limited to the part relating to item (i), and including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), or Article 100, paragraph (1) of this Act) or the violation of Article 52-45 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act (limited to the part relating to item (i) of that Article) for the purpose of benefiting a person other than a user (including a cooperative or a specified credit agent) or causing damage to the user; or

(ii) the person divulges a secret obtained in connection with their duties or uses it for their own benefit in violation of Article 52-64, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act or in violation of Article 308-4, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act.

Article 129-3 Any person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine of not more than one million yen, or both:

(i) the person violates Article 39, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(ii) the person takes any of the actions stated in Article 15-9, items (i) through (iii) in violation of the provisions of Article 15-9 (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)); or

(iii) the person fails to deliver a document, delivers a document which does not include information prescribed by Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, delivers a document including false information, provides information which does not include the information prescribed by Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, or provides false information by the method prescribed by Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to paragraph (2) of that Article, in violation of Article 37-3, paragraph (1) (excluding items (ii) and (vi)) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 15-12 of this Act (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)).

Article 129-4 (1) In the case referred to in item (i) of the preceding Article, any property interest received by the offender or a third party with knowledge of the circumstances is confiscated. If it is not possible to confiscate all or part of it, its value is confiscated.

(2) The provisions of Article 209-2 and Article 209-3, paragraph (2) of the Financial Instruments and Exchange Act apply mutatis mutandis to the confiscation under the preceding paragraph. In this case, in Article 209-2, paragraph (1) of the Financial Instruments and Exchange Act, the term "Article 198-2, paragraph (1) or Article 200-2" is deemed to be replaced with "Article 129-4, paragraph (1) of the Fishery Industry Cooperative Act", the phrase "this Article, paragraph (1) of the following Article, and Article 209-4, paragraph (1)" is deemed to be replaced with "this paragraph", and the phrase "the following paragraph and paragraph (1) of the following Article" is deemed to be replaced with "the following paragraph"; the phrase "the mixed property (limited to mixed property in which illegal property related to the provisions of Article 200-2 is mixed)" in paragraph (2) of that Article is deemed to be replaced with "the mixed property"; and the phrase "Article 198-2, paragraph (1) or Article 200-2" in Article 209-3, paragraph (2) of that Act is deemed to be replaced with "Article 129-4, paragraph (1) of the Fishery Industry Cooperative Act".

Article 129-5 If an officer, counselor or other employee of a cooperative subject to investigation, or a person who has served in the above-mentioned position fails to make reports under Article 17-9, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1); the same applies in this Article), makes a false report, or refuses, interferes with, or evades an inspection under Article 17-9, paragraph (1), the person is subject to imprisonment with work for not more than one year or a fine of not more than 500,000 yen.

Article 129-6 If a person violates Article 17-10 of this Act (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1) of this Act) or Article 52-61-25 of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, the person is subject to imprisonment with work for not more than one year or a fine of not more than 500,000 yen.

Article 129-7 Any person who falls under any of the following items is subject to imprisonment with work for not more than six months or a fine of not more than 500,000 yen, or both:

(i) the person fails to indicate the matters prescribed by Article 37, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the specified provisions of this Act (excluding item (ii)) or makes a false indication;

(ii) the person violates Article 37, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(iii) the person fails to deliver a document, delivers a document which does not include information prescribed by Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, delivers a document including false information, provides information which does not include the information prescribed by Article 37-3, paragraph (1) of the Financial Instruments and Exchange Act, or provides false information by the method prescribed by Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to paragraph (2) of that Article, in violation of Article 37-3, paragraph (1) (excluding items (ii) and (vi)) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 11-11 of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1) of this Act) or as applied mutatis mutandis pursuant to Article 109 of this Act;

(iv) the person fails to deliver a document under Article 37-4, paragraph (1) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to the specified provisions of this Act or delivers a document including false information, or the person provides false information by the method prescribed by Article 34-2, paragraph (4) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 37-4, paragraph (2) of that Act; or

(v) the person fails to submit reports or materials under Article 52-61-27, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, submits false reports or materials, fails to answer the questions of the relevant officials under that paragraph, or refuses, interferes with, or evades an inspection under that paragraph.

Article 129-7-2 If a person fails to prepare or keep a record under Article 52-71 or Article 52-73, paragraph (9) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-11 or Article 308-13, paragraph (9) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or prepares a false record, the person is subject to a fine of not more than one million yen.

Article 129-7-3 If a person suspends or discontinues all or part of the dispute resolution services without obtaining the approval referred to in Article 52-83, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or referred to in Article 308-23, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, the person is subject to a fine of not more than 500,000 yen.

Article 129-8 A person who falls under any of the following items is subject to a fine of not more than 300,000 yen:

(i) in violation of the provisions of Article 955, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 126-4, paragraph (5) of this Act, the person fails to include or enter information specified by Order of the Ministry of Justice concerning the investigation of electronic public notices prescribed by Article 955, paragraph (1) of the Companies Act, or includes or enters false information in an investigation record book, etc. (meaning the investigation record book, etc. prescribed by that paragraph; the same applies in this item), or fails to keep the investigation record book, etc.;

(ii) the person fails to give a notification under Article 52-39, paragraph (2) or Article 52-52 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, under Article 52-61-6, paragraph (3) or Article 52-61-7, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, under Article 52-78, paragraph (1), Article 52-79, or Article 52-83, paragraph (2) as applied mutatis mutandis pursuant to Article 121 paragraph (1) of this Act, or under Article 308-18, paragraph (1), Article 308-19 or Article 308-23, paragraph (2) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or gives a false notification;

(iii) the person violates Article 52-40, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(iv) the person posts a sign referred to in Article 52-40, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act or posts a sign similar to it, in violation of paragraph (2) of that Article;

(v) the person uses characters in its name that could be misinterpreted as those of a member of a certified association of electronic payment service providers for a specified credit business, in violation of Article 52-61-21, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act;

(vi) the person fails to make a report under Article 52-68, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-8, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or makes a false report; or

(vii) the person fails to give a notice under Article 52-83, paragraph (3) or Article 52-84, paragraph (3) of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or under Article 308-23, paragraph (3) or Article 308-24, paragraph (4) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, or gives a false notice.

Article 129-9 (1) If a representative of a corporation (including an organization which is not a corporation and for which a representative or administrator has been designated; the same applies in this paragraph) or an agent, employee or other worker of a corporation or individual has committed a violation of the provisions stated in the following items regarding the business of that corporation or individual, in addition to the offender being subject to punishment, the corporation is subject to a fine prescribed by the respective items and the individual is subject to a fine prescribed by the provisions referred to in those items:

(i) Article 128-2, item (ii) or Article 128-3 (excluding item (iii)): a fine of not more than 300 million yen;

(ii) Article 128-4 (excluding item (ii)), Article 128-6 (excluding item (iii)) or Article 129-2, item (i): a fine of not more than 200 million yen;

(iii) Article 128-5: a fine of not more than 500,000 yen (or a fine of not more than two hundred million yen in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i), in the case of a specified credit agent, or in the case of an electronic payment service provider for a specified credit business);

(iv) Article 129: a fine of not more than 500,000 yen (or a fine of not more than two hundred million yen in the case of a cooperative engaged in the business referred to in Article 11, paragraph (1), item (iv) or (xii), Article 87, paragraph (1), item (iv), Article 93, paragraph (1), item (ii) or (vi)-2, Article 97, paragraph (1), item (ii), or Article 100-2, paragraph (1), item (i), in the case of the cooperative's subsidiary corporation or other similar corporation, in the case of a person requested to engage in a credit business by the cooperative, or in the case of the cooperative's mutual aid insurance agent);

(v) Article 129-3, item (i): a fine of not more than a hundred million yen; or

(vi) Article 128-2 (excluding item (ii)), Article 128-3, item (iii), Article 128-4, item (ii), Article 128-6, item (iii), Article 129-2, item (ii), Article 129-3 (excluding item (i)), or Article 129-7 through the preceding Article: a fine stated in those provisions.

(2) If an organization which is not a corporation is subject to punishment pursuant to the provision of the preceding paragraph, its representative or administrator represents the organization in its legal action, and the provisions of the Act on Criminal Procedure under which a corporation is handled as a defendant or suspect apply mutatis mutandis.

Article 129-10 In the following cases, an officer of a fishery production cooperative, or a director or executive officer of a stock company after the organizational change (including persons appointed to act on behalf of a director or executive officer by an order of provisional disposition prescribed by Article 56 of the Civil Provisional Remedies Act (Act No. 91 of 1989) or persons appointed to temporarily perform the duties of a director or executive officer pursuant to the provisions of Article 346, paragraph (2) of the Companies Act or pursuant to the provisions of Article 401, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 403, paragraph (3) of that Act) is subject to a civil fine of not more than one million yen:

(i) if they carry out the procedures for the organizational change in violation of the provisions of Article 86-3, paragraphs (1) through (5);

(ii) if they fail to issue a public notice or demand provided for in Article 53, paragraph (2) as applied mutatis mutandis pursuant to the provisions of Article 86, paragraph (2) that are also applied mutatis mutandis pursuant to the provisions of Article 86-3, paragraph (6), or issue a false public notice or demand;

(iii) if they fail to register as specified by Cabinet Order as referred to in Article 86- 9, paragraph (1);

(iv) if they fail to give a notification under Article 86-10, or give a false notification;

(v) if they fail to keep a document or electronic or magnetic record, fail to include or enter information to be included or entered in the document or electronic or magnetic record, or include or enter false information, in violation of Article 86-11, paragraph (1); or

(vi) if they refuse to allow a person to inspect the document or to inspect the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, refuse to deliver a transcript or extract of the document, refuse to provide the information entered in an electronic or magnetic record by an electronic or magnetic method, or refuse to deliver a document including the information, without a justifiable reason, in violation of the provisions of Article 86-11, paragraph (2).

Article 129-11 A person who falls under any of the following items is subject to a civil fine of not more than one million yen:

(i) in violation of Article 52-76 of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) of this Act, or in violation of Article 308-16 of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act, the person fails to make the list prescribed by those provisions available for public inspection;

(ii) the person fails to make a report or makes a false report in violation of Article 946, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 126-4, paragraph (5) of this Act; or

(iii) the person refuses a request stated in the items of Article 951, paragraph (2) or the items of Article 955, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 126-4, paragraph (5) of this Act, without a justifiable reason.

Article 130 (1) In the following cases, a cooperative's officer, liquidator, accounting auditor conducting audits under Article 41-2, paragraph (3) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), employee who should perform the duties as an accounting auditor, specified credit agent, electronic payment service provider for a specified credit business, or electronic payment service provider (or if the specified credit agent, the electronic payment service provider for the specified credit business, or the electronic payment service provider is a corporation, its company director, accounting advisor, employee to perform the duties as an accounting advisor, executive officer, company auditor, director, auditor, representative, employees who execute the business, or liquidator), or a director, auditor or liquidator of a certified association of electronic payment service providers for a specified credit business is subject to a civil fine of not more than 500,000 yen; provided, however, that this does not apply if a criminal punishment should be imposed for the act in question:

(i) if they engage in any business other than a business that the cooperative may engage in pursuant to the provisions of this Act or any special provisions of any other law;

(ii) if they fail to register as specified by Cabinet Order as referred to in Article 9, paragraph (1);

(iii) if they violate the proviso of Article 11, paragraph (8), the proviso of Article 87, paragraph (11), the proviso of Article 93, paragraph (7), the proviso of Article 97, paragraph (7), or the proviso of Article 100-2, paragraph (3);

(iv) if they violate Article 11-5, paragraph (1) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)) or Article 11-17 (including as applied mutatis mutandis pursuant to Article 96, paragraph (1));

(v) if they fail to give a notification under Article 11-5, paragraph (4) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1)), Article 15-2, paragraph (3) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)), Article 48, paragraph (4) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), Article 68, paragraph (4) (including as applied mutatis mutandis pursuant to Article 96, paragraph (5)), Article 68, paragraph (6) (including as applied mutatis mutandis pursuant to Article 96, paragraph (5) or Article 105, paragraph (5)), Article 68-3, paragraph (3) (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 92, paragraph (5), Article 96, paragraph (5), and Article 100, paragraph (5)), Article 84-7, paragraph (2), Article 85-2, paragraph (4), Article 85-4, paragraph (2), Article 85-5, paragraph (3), Article 91, paragraph (4) or (6) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 100, paragraph (5)), Article 107, paragraph (3), or Article 116, paragraph (2) of this Act, under Article 52-39, paragraph (1) or Article 53, paragraph (4) of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act, under Article 52-61-6, paragraph (1) or Article 53, paragraph (5) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, or under Article 126 of this Act, or they give a false notification;

(vi) if they engage in the business referred to in Article 11, paragraph (3), item (vii)-2, Article 87, paragraph (4), item (vii)-2, Article 93, paragraph (2), item (vii)-2, or Article 97, paragraph (3), item (vii)-2 without obtaining approval from the administrative authority under Article 11-6 (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1));

(vii) if they violate Article 11 -7 (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1));

(viii) if they violate Article 15-2, paragraph (1) or Article 15-17 through 15-19 (including the cases in which these provisions apply mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)), Article 15-21 (including as applied mutatis mutandis pursuant to Article 96, paragraph (1)), or Article 15-22 or Article 15-23 (including the cases in which these provisions apply mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1));

(ix) if they fail to carry out the procedure for appointing a mutual aid insurance actuary, or appoint a person who does not satisfy the requirements specified by Order of the Ministry of Agriculture, Forestry and Fisheries as referred to in Article 15-24, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)) to a mutual aid insurance actuary, in violation of Article 15-24, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1));

(x) if they violate an order under Article 15-26 or Article 17-3 (including the cases in which these provisions apply mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)) or under Article 123-2, paragraph (1) or (2) (including requesting submission of an improvement plan);

(xi) if they violate Article 17, paragraph (4);

(xii) if they fail to give a notification, or give a false notification, in violation of the provisions of Article 17-6, paragraph (2), Article 17-12, paragraph (1), or Article 17-13, paragraph (2) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1));

(xiii) if they fail to convene a general meeting in violation of the provisions of Article 17-6, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1));

(xiv) if they fail to keep a document or electronic or magnetic record, fail to include or enter information to be included or entered in a document or electronic or magnetic record, or include or enter false information, in violation of the provisions of Article 17-7, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1) of this Act), the provisions of Article 310, paragraph (6), Article 311, paragraph (3), or Article 312, paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 21, paragraph (7) of this Act (including as applied mutatis mutandis pursuant to Article 51-2, paragraph (7), Article 86 paragraph (1), Article 89 paragraph (3) (including as applied mutatis mutandis pursuant to Article 98-2, paragraph (2) and Article 103, paragraph (2) of this Act) and Article 96, paragraph (2) of this Act; the same applies in the following item), the provisions of Article 31-2, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 77 (including as applied mutatis mutandis pursuant to Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5) and Article 105, paragraph (5) of this Act; the same applies in this paragraph), Article 82-2, paragraph (2), Article 92, paragraph (2), Article 96, paragraph (2), Article 100, paragraph (2), and Article 105, paragraph (2) of this Act), the provisions of Article 33-2, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act), the provisions of Article 39, paragraph (1) (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act) or paragraph (2) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act), the provisions of Article 40, paragraph (9) (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act) or paragraph (10) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96 paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act), the provisions of Article 50-4, paragraph (2) or (3) of this Act (including the cases in which these provisions apply mutatis mutandis pursuant to Article 51-2, paragraph (7), Article 62, paragraph (6) (including as applied mutatis mutandis pursuant to Article 92, paragraph (4), Article 96, paragraph (4), Article 100, paragraph (4) and Article 105, paragraph (4) of this Act; the same applies in the following item and item (xxxix)), Article 77, Article 86, paragraph (2), and Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act), the provisions of Article 69-3, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 91-2, paragraph (2) (including as applied mutatis mutandis pursuant to Article 100, paragraph (5) of this Act; the same applies in this paragraph), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5) of this Act), the provisions of Article 72-2, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 91-2, paragraph (2), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5) of this Act), or the provisions of Article 84-3, paragraph (3) of this Act;

(xv) if they refuse to allow a requesting person to inspect or copy the document or to inspect or copy the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by Order of the Ministry of Agriculture, Forestry and Fisheries, refuse to deliver a transcript or extract of the document, refuse to provide the information entered in an electronic or magnetic record by an electronic or magnetic method, or refuse to deliver a document including the information, without a justifiable reason, in violation of the provisions of Article 17-7, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1) of this Act), the provisions of Article 310, paragraph (7), Article 311, paragraph (4), or Article 312, paragraph (5) of the Companies Act as applied mutatis mutandis pursuant to Article 21, paragraph (7) of this Act, the provisions of Article 31-2, paragraph (3) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 82-2, paragraph (2), Article 92 paragraph (2), Article 96, paragraph (2), Article 100, paragraph (2), and Article 105, paragraph (2) of this Act), the provisions of Article 33-2, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act ), the provisions of Article 39, paragraph (3) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act), the provisions of Article 40, paragraph (11) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act), the provisions of Article 50-4, paragraph (4) of this Act (including as applied mutatis mutandis pursuant to Article 51-2, paragraph (7), Article 62, paragraph (6), Article 77, Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105 paragraph (3) of this Act), the provisions of Article 69-3, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 91-2, paragraph (2), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5) of this Act), the provisions of Article 72-2, paragraph (3) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 91-2, paragraph (2), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5) of this Act), or Article 84-3, paragraph (5) of this Act;

(xvi) if they fail to issue a public notice under Article 17-12, paragraph (1) or Article 17-13, paragraph (1) of this Act (including the cases in which these provisions apply mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1) of this Act), under Article 499, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77 of this Act, or under Article 85-10, paragraph (1) or Article 85-12, paragraph (1) of this Act, or issue a false public notice;

(xvii) if they fail to give an indication under Article 17-12, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)) or give a false indication;

(xviii) if they violate Article 17-12, paragraph (3) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1));

(xix) if they acquire as their subsidiary a specified business company prescribed by Article 17-15, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1); the same applies in the following item) other than a subsidiary candidate as prescribed by Article 17-14, paragraph (1) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1); the same applies in this item), in violation of the provisions of Article 17-14, paragraph (1);

(xx) if they violate Article 17-15, paragraph (1), or proviso to paragraph (2) of that Article (including as applied mutatis mutandis pursuant to Article 87-3, paragraph (2) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in the following item), Article 96, paragraph (1), and Article 101, paragraph (2)), Article 87-3, paragraph (1) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)), or Article 101, paragraph (1);

(xxi) if they violate the conditions attached pursuant to the provisions of Article 17-15, paragraph (3) or (5) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 87-3, paragraph (2), Article 96, paragraph (1), and Article 101, paragraph (2));

(xxii) if they violate Article 24 (including as applied mutatis mutandis pursuant to Article 92, paragraph (2), Article 96, paragraph (2), Article 100, paragraph (2), and Article 105, paragraph (2));

(xxiii) if they violate the second sentence of Article 26, paragraph (2) (including as applied mutatis mutandis pursuant to Article 86, paragraph (1), Article 92, paragraph (2), Article 96, paragraph (2), Article 100, paragraph (2), and Article 105, paragraph (2));

(xxiv) if they violate Article 34, paragraph (3) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3));

(xxv) if they fail to appoint a person who falls under the category of a person prescribed by Article 34, paragraph (13) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3); the same applies in this item) to an auditor, in violation of the provisions of Article 34, paragraph (13);

(xxvi) if they fail to carry out the procedure for appointing a full-time auditor as prescribed by Article 34, paragraph (14) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), or Article 105, paragraph (3));

(xxvii) if they violate Article 34-5, paragraph (1) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3)), paragraph (3) or (4) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 92, paragraph (3) and Article 105, paragraph (3)), or paragraph (5) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), or Article 83-2, paragraph (4);

(xxviii) if they violate Article 38, paragraph (8) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3) and Article 105, paragraph (3)) or Article 42, paragraph (6) or Article 46, paragraph (4) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3));

(xxviii)-2 if they fail to report to the board of directors (or in the case of a cooperative with management committee members, to the management committee) or make a false report, in violation of the provisions of Article 39-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3)) or Article 39-7, paragraph (4) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3));

(xxix) if they interfere with an investigation under Article 39-5, paragraph (2) of this Act (including as applied mutatis mutandis pursuant to Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act) or under Article 384 of the Companies Act as applied mutatis mutandis pursuant to Article 39-5, paragraph (5) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act; the same applies in the following item and paragraph (3)) or applied mutatis mutandis pursuant to Article 77 of this Act;

(xxx) if a demand is made pursuant to the provisions of Article 343, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 39-5, paragraph (5) of this Act, but they fail to treat the matters relating to the demand as the purpose of the general meeting or fail to submit the matters relating to the demand to the general meeting;

(xxxi) if they fail to disclose as provided by Article 39-6, paragraph (5) (including as applied mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3));

(xxxii) if they fail to prepare a balance sheet, inventory of assets, accounting books or statement of accounts, fail to include or enter information to be included or entered in these documents or electronic or magnetic records, or include or enter false information, in violation of the provisions of Article 40, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act), the provisions of Article 54-6, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3) of this Act), the provisions of Article 75, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5) and Article 105, paragraph (5) of this Act), the provisions of Article 76, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5) and Article 105, paragraph (5) of this Act), or the provisions of Article 507, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 86, paragraph (4) of this Act;

(xxxiii) if they fail to carry out the procedures for appointing accounting auditors (including the appointment of a person to temporarily perform the duties of an accounting auditor) though the number of accounting auditors falls short of the number specified by this Act or by the articles of association;

(xxxiv) if they make a false statement to or conceal facts from a general meeting at the time of reporting pursuant to the provisions of Article 340, paragraph (3) of the Companies Act as applied mutatis mutandis Article 41-3, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3) of this Act; the same applies in this Article);

(xxxv) if they refuse to allow a person to inspect or copy the document or to inspect or copy the information that is entered in an electronic or magnetic record and is displayed by the method prescribed by an order of the competent ministry, without a justifiable reason, in violation of the provisions of Article 396, paragraph (2) of the Companies Act as applied mutatis mutandis pursuant to Article 41-3, paragraph (1) of this Act;

(xxxvi) if they make a false statement or conceal facts at the time of stating its opinions pursuant to the provisions of Article 398, paragraph (1) or (2) of the Companies Act as applied mutatis mutandis pursuant to Article 41-3, paragraph (1) of this Act;

(xxxvii) if they violate Article 42, paragraph (5) (including as applied mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3));

(xxxviii) if they violate Article 47 (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), Article 47-2, paragraph (2) or Article 47-3, paragraph (2) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 42, paragraph (8) (including as applied mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), Article 51-2, paragraph (7), Article 77, Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), Article 47-3, paragraph (3) (including as applied mutatis mutandis pursuant to Article 51-2, paragraph (7), Article 77, Article 92, paragraph (3) and Article 105, paragraph (3)), or Article 84-4;

(xxxviii)-2 if they fail to take measures for electronic provision (meaning the measures for electronic provision as prescribed in Article 47-5-2 of the Companies Act or the measures for electronic provision as prescribed in Article 325-2 of the Companies Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of this Act following the deemed replacement of the terms), in violation of the provisions of Article 325-3, paragraph (1) (excluding item (iv) or (vi)) of the Companies Act as applied mutatis mutandis pursuant to Article 47-5-2 of this Act (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), or in violation of the provisions of Article 325-3, paragraph (1) (excluding items (iv) through (vi)) of the Companies Act as applied mutatis mutandis pursuant to Article 86, paragraph (2) of this Act;

(xxxix) if they fail to provide an explanation without a justifiable reason in violation of the provisions of Article 50-2 (including as applied mutatis mutandis pursuant to Article 51-2, paragraph (7), Article 62, paragraph (6), Article 77, Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3));

(xl) if they reduce the amount of one unit of capital contribution in violation of the provisions of Article 53 or Article 54, paragraph (2) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), transfer or acquire all or part of the credit business prescribed by Article 54-2, paragraph (1) or (2) (including the cases in which these provisions apply mutatis mutandis to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3)) in violation of the provisions of Article 53 or Article 54, paragraph (2) as applied mutatis mutandis pursuant to Article 54-2, paragraph (6) (including as applied mutatis mutandis to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3)), transfer all or part of mutual aid insurance business or transfer assets related to mutual aid insurance business in violation of the provisions of Article 53 or Article 54, paragraph (2) as applied mutatis mutandis pursuant to Article 54-4, paragraph (3) (including as applied mutatis mutandis pursuant to Article 96, paragraph (3)), carry out a merger of a cooperative requiring capital contribution in violation of the provisions of Article 53 or Article 54, paragraph (2) as applied mutatis mutandis pursuant to Article 69, paragraph (4) (including as applied mutatis mutandis pursuant to Article 86, paragraph (4), Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5)), or take over the rights and obligations under Article 91-2, paragraph (1) held by a cooperative requiring capital contribution, in violation of Article 53 or Article 54, paragraph (2) as applied mutatis mutandis pursuant to the provisions of Article 69, paragraph (4) that are also applied mutatis mutandis pursuant to Article 91-2, paragraph (2);

(xli) if they violate Article 54-2, paragraph (7) (including as applied mutatis mutandis pursuant to Article 54-4, paragraph (4) (including as applied mutatis mutandis pursuant to Article 96, paragraph (3)), Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3);.

(xlii) if they fail to give a public notice or a notification, or give a false public notice or a false notification in violation of the provisions of Article 54-3, paragraph (2) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), and Article 100, paragraph (3)) or Article 69-2, paragraph (3) (including as applied mutatis mutandis pursuant to Article 92, paragraph (5), Article 96, paragraph (5), Article 100, paragraph (5), and Article 105, paragraph (5));

(xliii) if they violate Article 55, paragraphs (1) through (3), or paragraph (5) or (6) (including the cases in which these provisions apply mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3), and Article 105, paragraph (3)), Article 55, paragraph (7) (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3) and Article 100, paragraph (3)), Article 56 (including as applied mutatis mutandis pursuant to Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3)) or Article 85;

(xliv) if they acquire their member's ownership interest in them or hold the ownership interest pledged as a collateral, in violation of the provision of Article 58, paragraph (1) (including as applied mutatis mutandis pursuant to Article 86, paragraph (2), Article 92, paragraph (3), Article 96, paragraph (3), Article 100, paragraph (3) and Article 105, paragraph (3));

(xlv) if they fail to file a petition for commencement of bankruptcy proceedings in violation of the provisions of Article 484, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, or Article 85-12, paragraph (1);

(xlvi) if they establish the period prescribed by Article 499, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77 of this Act or the period prescribed by Article 85-10, paragraph (1) of this Act in an unreasonable manner with the intent to delay the conclusion of the liquidation;

(xlvii) if they pay their debts in violation of the provisions of Article 500, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 77, or pay their creditors within the period referred to in Article 85-10, paragraph (1) in violation of those provisions;

(xlviii) if they dispose of the cooperative's assets in violation of the provisions of Article 502 of the Companies Act as applied mutatis mutandis pursuant to Article 77 or Article 86, paragraph (4);

(xlix) if they acquire as their subsidiary a company other than a subsidiary candidate as prescribed by Article 87-2, paragraph (1) in violation of the provisions of Article 87-2, paragraph (1) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this paragraph);

(l) if they acquire as their subsidiary a company subject to approval as prescribed by Article 87-2, paragraph (4) without obtaining approval from the administrative authority as prescribed by Article 87-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this item and item (lvii)) (or if a federation of fisher cooperatives engaged in the business referred to in Article 87, paragraph (1), item (iv) (or a federation of marine product processing industry cooperatives engaged in the business referred to in Article 97, paragraph (1), item (ii), in the case applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this item) or its subsidiary acquires or holds voting rights in excess of the threshold number of voting rights as prescribed by Article 87-3, paragraph (1) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this item) in total, in the case of a company stated in Article 87-2, paragraph (1), item (ix) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this item) (excluding companies specified by an order of the competent ministry as prescribed by Article 87-2, paragraph (4); the same applies in this item)), if they hold the company stated in the items of Article 87-2, paragraph (1) as the subsidiary stated in the other items of that paragraph (limited to the company subject to approval as prescribed in paragraph (4) of that Article) without obtaining approval from an administrative authority as prescribed by Article 87-2, paragraph (4) as applied mutatis mutandis pursuant to Article 87-2, paragraph (6) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)), or if the federation of fishery cooperatives engaged in the business referred to in Article 87, paragraph (1), item (iv) or its subsidiary maintains voting rights of a company stated in Article 87-2, paragraph (1), item (ix) in excess of the threshold number of voting rights as prescribed by Article 87-3, paragraph (1) in total without obtaining approval from the administrative authority as prescribed by Article 87-2, paragraph (7) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1); the same applies in this item), for more than one year of the day when they take notice that a subsidiary candidate prescribed by Article 87-2, paragraph (7) has become the company stated in Article 87-2, paragraph (1), item (ix);

(li) if they acquire as their subsidiary a company other than a subsidiary candidate prescribed by Article 100-3, paragraph (1) in violation of the provisions of that paragraph;

(lii) if they acquire as their subsidiary a company subject to approval as prescribed by Article 100-3, paragraph (6) without obtaining approval from the administrative authority as prescribed by that paragraph, or if they hold the company stated in the items of Article 100-3, paragraph (1) as the subsidiary stated in the other items of that paragraph (limited to the company subject to approval as prescribed by paragraph (6) of that Article) without obtaining approval from the administrative authority as prescribed by Article 87-2, paragraph (4) as applied mutatis mutandis pursuant to paragraph (6) of that Article that is also applied mutatis mutandis pursuant to Article 100-3, paragraph (7);

(liii) if they fail to administer the assets as required under Article 52-43 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act;

(liv) if they fail to prepare or preserve books and documents as prescribed by Article 52-49 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act or as prescribed by Article 52-61-12 of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act, or they prepare false books and documents;

(lv) if they violate an order issued under Article 52-55 of the Banking Act as applied mutatis mutandis pursuant to the specified provisions of this Act or issued under Article 52-61-16 or Article 52-61-28, paragraph (1) of the Banking Act applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act;

(lvi) if they refuse to allow public inspection of the list without a justifiable reason in violation of Article 52-61-21, paragraph (1) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act;

(lvii) if they are in violation of the conditions attached pursuant to the provisions of Article 126-2, paragraph (1) (limited the conditions related to approval under Article 11-6 (including as applied mutatis mutandis pursuant to Article 92 paragraph (1), Article 96, paragraph (1) and Article 100, paragraph (1)), under Article 87-2, paragraph (4) (including as applied mutatis mutandis pursuant to Article 87-2, paragraph (6) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1) and Article 100-3, paragraph (7))) or Article 87-2, paragraph (7) (including as applied mutatis mutandis pursuant to Article 100, paragraph (1)), or under Article 100-3, paragraph (6)); or

(lviii) (1) if they fail to request an investigation under Article 941 of the Companies Act as applied mutatis mutandis pursuant to Article 126-4, paragraph (5) of this Act in violation of the provisions of Article 941 of the Companies Act.

(2) The provisions of the preceding paragraph also apply if a mutual aid insurance investigator fails to report the results of the investigation by the time limit as prescribed by Article 17-8, paragraph (2) (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1)).

(3) The provisions of paragraph (1) also apply if a person prescribed by Article 976 of the Companies Act interferes with an investigation under Article 381, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 39-5, paragraph (5) of this Act or under Article 396, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 41-3, paragraph (1) of this Act.

(4) If an officer or employee of a federation of fishery cooperatives or federation of marine product processing industry cooperatives divulges to another person or misappropriates any secret obtained in connection with the services relating to the investigation business prescribed by Article 87, paragraph (1), item (xi) or paragraph (8) or Article 97, paragraph (1), item (vii) without a justifiable reason, they are subject to a civil fine of not more than 500,000 yen. The same applies if they commit the violation after they have ceased to be an officer or employee.

Article 131 In any of the following cases, a mutual aid insurance agent is subject to a civil fine of not more than 500,000 yen:

(i) if the agent fails to prepare books and documents or to enter the information prescribed by Article 303 of the Insurance Business Act as applied mutatis mutandis pursuant to Article 15-10, paragraph (1) of this Act (including as applied mutatis mutandis pursuant to Article 96, paragraph (1) and Article 105, paragraph (1) of this Act; the same applies in this Article) in the books and documents, makes false information in the books and documents, or fails to preserve the books and documents, in violation of the provisions of that Article;

(ii) if the agent fails to submit the document prescribed by Article 304 of the Insurance Business Act as applied mutatis mutandis pursuant to Article 15-10, paragraph (1) of this Act or to include the information to be included in the document, or submits the documents including false information, in violation of the provisions of that Article;

(iii) if the agent fails to submit reports or materials under Article 305, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 15-10, paragraph (1) of this Act, submits false reports or materials, fails to answer questions or makes false answers, or refuses, interferes with or evades an inspection pursuant to the provisions of that paragraph; or

(iv) if the agent violates an order under Article 306 or Article 307, paragraph (1) of the Insurance Business Act as applied mutatis mutandis pursuant to Article 15-10, paragraph (1) of this Act.

Article 132 Any person who falls under any of the following items is subject to a civil fine of not more than 100,000 yen:

(i) the person violates Article 3, paragraph (2) or Article 13, paragraph (2) (including as applied mutatis mutandis pursuant to Article 92, paragraph (1), Article 96, paragraph (1), and Article 100, paragraph (1));

(ii) the person uses characters in their name that could be misidentified as those of a certified association of electronic payment service providers for a specified credit business, in violation of Article 52-61-21, paragraph (2) of the Banking Act as applied mutatis mutandis pursuant to Article 117, paragraph (1) of this Act; or

(iii) the person uses characters in their name or trade name that could be misidentified as those of a designated credit business dispute resolution organization or designated mutual aid insurance business dispute resolution organization, in violation of Article 52-77 of the Banking Act as applied mutatis mutandis pursuant to Article 120, paragraph (1) or Article 308-17 of the Insurance Business Act as applied mutatis mutandis pursuant to Article 121, paragraph (1) of this Act.

Article 133 Any person who falls under any of the following items is subject to imprisonment with work for not more than one year or a fine of not more than three million yen:

(i) the person fails to appear, fails to make a statement or makes a false statement, or fails to make a report or makes a false report, in violation of a disposition related to a person concerned with the case or a witness as prescribed by Article 47, paragraph (1), item (i) or (ii) of the Act on Prohibition of Private Monopolization and Maintenance as applied mutatis mutandis pursuant to Article 95-4 of this Act;

(ii) the person fails to appear or to conduct an expert examination or gives a false statement as their expert opinion in violation of a disposition related to an expert as prescribed by Article 47, paragraph (1), item (ii) or paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade as applied mutatis mutandis pursuant to Article 95-4 of this Act;

(iii) the person fails to submit the items in violation of a disposition related to the persons holding the items as prescribed by Article 47, paragraph (1), item (iii) or paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance as applied mutatis mutandis pursuant to Article 95-4 of this Act; or

(iv) the person refuses, interferes with or evades an inspection under Article 47, paragraph (1), item (iv) or paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance as applied mutatis mutandis pursuant to Article 95-4 of this Act.

Article 134 A person who fails to appear, fails to submit reports, information or materials, or submits false reports, information or materials in violation of a disposition under Article 40 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade as applied mutatis mutandis pursuant to Article 95-4 of this Act is subject to a fine of not more than 200,000 yen.

Chapter XI Special Provisions on Procedures Concerning for Confiscation

(Procedures for Confiscation of Assets of Third Parties)

Article 135 (1) If the claims or other assets to be confiscated pursuant to the provisions of Article 129-4, paragraph (1) (meaning any assets other than immovable property and movable property; the same applies in the following Article and Article 137) are held by a parson other than the defendant (this person is referred to as a "third party" in this Article), and the third party is not permitted to participate in the proceedings of the case charged to the court, a judicial decision for confiscation may not be made.

(2) The provisions of the preceding paragraph also apply if the assets subject to a superficies, mortgage or any other right held by the third party are to be confiscated pursuant to the provisions of Article 129-4, paragraph (1) and the third party is not permitted to participate in the proceedings of the case charged to the court.

(3) The provisions of Article 209-4, paragraphs (3) through (5) of the Financial Instruments and Exchange Act apply mutatis mutandis if the assets subject to a superficies, mortgage or any other right held by the third party are to be confiscated but the right held by the third party should be kept in existence pursuant to the provisions of Article 209-3, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 129-4, paragraph (2) of this Act. In this case, the phrase "paragraph (2) of the preceding Article" in Article 209-4, paragraphs (3) and (4) of the Financial Instruments and Exchange Act is deemed to be replaced with "paragraph (2) of the preceding Article as applied mutatis mutandis pursuant to Article 129-4, paragraph (2) of the Fisheries Cooperative Act".

(4) The provisions of the Act on Emergency Measures Concerning Procedures for Confiscation of Assets Held by Third Parties in Criminal Cases (Act No. 138 of 1963) apply mutatis mutandis to the procedures for confiscation of the assets prescribed by paragraphs (1) and (2) of this Article, except as otherwise provided by this Act.

(Disposition of Confiscated Claims or Other Assets)

Article 136 The provisions of Article 209-5, paragraph (1) of the Financial Instruments and Exchange Act apply mutatis mutandis to a claim or other assets confiscated in connection with the crime referred to in Article 129-3, item (i) of this Act; the provisions of Article 209-5, paragraph (2) of the Financial Instruments and Exchange Act apply mutatis mutandis if a judicial decision has become final and biding regarding confiscation of a claim that is to be confiscated in connection with the crime referred to in Article 129-3, item (i) of this Act; and the provisions of Article 209-6 of the Financial Instruments and Exchange Act apply mutatis mutandis if the relevant organization is commissioned to register the transfer of rights on assets based on a judicial decision for confiscation of the assets for which the transfer of the rights needs to be registered, in connection with the crime referred to in Article 129-3, item (i) of this Act.

(Special Provisions for Criminal Compensation)

Article 137 The provisions of paragraph (6) of Article 4 of the Criminal Compensation Act (Act No. 1 of 1950) apply mutatis mutandis to the details of compensation under that Act for the enforcement of a decision for confiscation of claims or other assets that are to be confiscated in connection with the crime referred to in Article 129-3, item (i).