

# Cabinet Office Order on Audit Certification of Financial Statements (Order of the Ministry of Finance No. 12 of March 28, 1957)

(Order of the Ministry of Finance No. 12 of 1957)

Pursuant to the provisions of Article 193-2 of the Securities and Exchange Act (Act No. 25 of 1948) and in order to enforce those provisions of that Article, a Ministerial Order Amending All the Rules on Audit Certification of Financial Documents (Securities and Exchange Commission Rule No. 4 of 1951) is hereby established as follows.

(Scope of Documents on Financial Calculations Subject to Audit Certification)

Article 1 The documents specified by Cabinet Office Order, as specified in Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, hereinafter referred to as the "Act"), are the following documents (excluding the explanatory notes set forth in Article 8-17, paragraph (1), item (xi) of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Order of the Ministry of Finance No. 59 of 1963; hereinafter referred to as the "Regulation on Financial Statements") (including as applied mutatis mutandis pursuant to Article 228 of the Regulation on Financial Statements), and those set forth in Article 15-12, paragraph (1), item (xii) of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Order of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the "Regulation on Consolidated Financial Statements") (including as applied mutatis mutandis pursuant to Article 214 of the Regulation on Consolidated Financial Statements)):

(i) those from among the financial statements (meaning financial statements as specified in Article 1, paragraph (1), item (i) of the Regulation on Financial Statements; the same applies hereinafter) or the financial documents (meaning financial documents submitted by a foreign company pursuant to the provisions of Article 328 of the Regulation on Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to paragraph (5) of that Article; hereinafter the same applies in this Article and Article 4, paragraph (6)), those for the most recent business year and the immediately preceding business year if they are related to securities other than regulated securities (meaning regulated securities as specified in Article 5, paragraph (1) of that Act; hereinafter the same applies in this item) and those for the most recent specified period (meaning a specified period as specified in Article 24, paragraph (1) of the Act as applied mutatis mutandis pursuant to

paragraph (5) of that Article; hereinafter the same applies in this item) and the immediately preceding specified period if they are related to regulated securities (excluding financial statements or the financial documents (hereinafter referred to as "documents" in this item) of the most recent business year or specified period (hereinafter referred to as the "business year, etc." in this Article) and the immediately preceding business year, etc. contained in a written notice, which have the same contents as the documents contained in any of a written notice or annual securities report submitted previously pursuant to the provisions of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act (including the case where these provisions are applied mutatis mutandis pursuant to paragraph (5) of that Article; hereinafter the same applies in this Article and Article 4, paragraph (6));

(ii) the type-1 interim financial statements (meaning the type-1 interim financial statements as specified in Article 1, paragraph (1), item (ii) of the Regulation on Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (excluding type-1 interim financial statements contained in the written notice which have the same contents as the type-1 interim financial statements contained in any of a written notice or semiannual securities report submitted previously pursuant to the provisions of Article 5, paragraph (1) or Article 24-5, paragraph (1) of the Act);

(iii) the type-2 interim financial statements (meaning the type-2 interim financial statements as specified in Article 1, paragraph (1), item (iii) of the Regulation on Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (excluding type-2 interim financial statements contained in a written notice which have the same contents as the type-2 interim financial statements contained in any of a written notice or semiannual securities report submitted previously pursuant to the provisions of Article 5, paragraph (1), or Article 24-5, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to paragraph (3) of that Article; hereinafter the same applies in this Article except in item (v), item (ix) and item (x)));

(iv) the consolidated financial statements (meaning the consolidated financial statements as specified in Article 1, paragraph (1), item (i) of the Regulation on Consolidated Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (excluding consolidated financial statements contained in a written notice which have the same contents as the consolidated financial statements contained in any of a written notice or annual securities report submitted previously pursuant to the provisions of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act);

(v) the type-1 interim consolidated financial statements (meaning the type-1 interim consolidated financial statements as specified in Article 1, paragraph (1), item (ii) of the Regulation on Consolidated Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (excluding type-1 interim consolidated financial statements contained in a written notice which have the same contents as the type-1 interim consolidated financial statements contained in any of a written notice or semiannual securities report submitted previously pursuant to the provisions of Article 5, paragraph (1) or Article 24-5, paragraph (1) of the Act);

(vi) the type-2 interim consolidated financial statements (meaning the type-2 interim consolidated financial statements as specified in Article 1, paragraph (1), item (iii) of the Regulation on Consolidated Financial Statements; the same applies hereinafter) contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act (excluding type-2 interim consolidated financial statements contained in a written notice which have the same contents as the type-2 interim consolidated financial statements contained in any of a written notice or semiannual securities reports submitted previously pursuant to the provisions of Article 5, paragraph (1), or Article 24-5, paragraph (1) of the Act);

(vii) the financial statements or the financial documents (hereinafter referred to as "documents" in this item) for the most recent business year, etc. and the immediately preceding business year, etc. contained in an annual securities report to be submitted pursuant to the provisions of Article 24, paragraph (1) or (3) of the Act (excluding documents contained in an annual securities report to be submitted pursuant to the provisions of paragraph (1) of that Article which have the same contents as the documents contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(viii) the consolidated financial statements contained in an annual securities report to be submitted pursuant to the provisions of Article 24, paragraph (1) or (3) of the Act (excluding consolidated financial statements contained in an annual securities report to be submitted pursuant to the provisions of paragraph (1) of that Article which have the same contents as the consolidated financial statements contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(ix) the type-1 interim financial statements contained in a semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act (excluding type-1 interim financial statements contained in a semiannual securities report which have the same contents as the type-1 interim financial statements contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(x) the type-1 interim consolidated financial statements contained in a semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act (excluding type-1 interim consolidated financial statements contained in a semiannual securities report which have the same contents as the type-1 interim consolidated financial statements contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(xi) the type-2 interim financial statements contained in a semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act (excluding type-2 interim financial statements contained in a semiannual securities report which have the same contents as the type-2 interim financial statements contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(xii) the type-2 interim consolidated financial statements contained in a semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act (excluding type-2 interim consolidated financial statements contained in a semiannual securities report which have the same contents as the type-2 interim consolidated financial statements contained in a written notice submitted previously pursuant to the provisions of Article 5, paragraph (1) of the Act);

(xiii) documents referred to in any of the preceding items after amendment by an amendment notice or an amendment report to be submitted pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1) or Article 10, paragraph (1) of the Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 24-2, paragraph (1) and Article 24-5, paragraph (5) of the Act);

(xiv) the documents referred to in item (i) to item (xii) or documents equivalent thereto contained in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, in an annual securities report to be submitted pursuant to the provisions of Article 24, paragraph (1) or (3) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 24, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act), and in a semiannual securities report to be submitted pursuant to the provisions of Article 24-5, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act; and

(xv) documents referred to in the preceding item after amendment by an amendment notice or an amendment report to be submitted pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1), or Article 10, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the

Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 24-2, paragraph (1) and Article 24-5, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act).

(Certification Deemed to Be Equivalent to Audit Certification)

Article 1-2 The case where a company underwent a certification that is deemed equivalent to an audit certification pursuant to the provisions of Cabinet Office Order as specified in Article 193-2, paragraph (1), item (i) of the Act is the case where a company underwent a certification that is deemed equivalent to an audit certification by way of accepting an offer of the service that is deemed equivalent to the service referred to in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948) made by a foreign audit corporation etc. (meaning a foreign audit corporation, etc. as specified in Article 1-3, paragraph (7) of that Act) for financial documents of a foreign company, etc. (meaning financial documents of a foreign company, etc. as specified in Article 34-35, paragraph (1) of that Act).

(Approval of Exemption from the Requirements to Receive Audit Certification)

Article 1-3 If a company (including a designated corporation as specified in Article 1, paragraph (1) of the Regulation on Financial Statements; the same applies hereinafter) submitting the documents specified in the items of Article 1 intends to receive the approval specified in Article 193-2, paragraph (1), item (iii) of the Act, the company must submit a written application for approval for the documents to the Director-General of a Local Finance Bureau, etc. (meaning the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau to whom the documents are to be submitted pursuant to the provisions of Article 20 (excluding paragraph (3)) of the Cabinet Office Order on Disclosure of Corporate Affairs (Order of the Ministry of Finance No. 5 of 1973; hereinafter referred to as the "Cabinet Office Order on Disclosure") or pursuant to the provisions of Article 30 of the Cabinet Office Order on Disclosure of Information on Regulated Securities (Order of the Ministry of Finance No. 22 of 1993); hereinafter the same applies in Article 5).

(Relationship Between a Certified Public Accountant or an Audit Corporation and an Audited Company, etc. Which is a Special Interested Party)

Article 2 (1) What is specified by Cabinet Office Order concerning a certified public accountant (including a foreign certified public accountant as specified in Article 16-2, paragraph (5) of the Certified Public Accountants Act; the same applies hereinafter) as specified in Article 193-2, paragraph (4) of the Act is the relationship in a case that falls under any of the following items; provided, however, that with regard to item (vi), the relationship is limited to those in a case relating to the audit certification referred to in Article 193-2, paragraph (1) of the Act (hereinafter referred to as the "audit certification") for consolidated financial statements, etc. (meaning consolidated financial statements, type-1 interim

consolidated financial statements, or type-2 interim consolidated financial statements; the same applies in the following paragraph):

(i) the case where a special interested party has the relationship with another one as specified in Article 24, paragraph (1) or (3) of the Certified Public Accountants Act (including as applied mutatis mutandis pursuant to Article 16-2, paragraph (6) of that Act);

(ii) the cases where, pursuant to the provisions of Article 24-2 of the Certified Public Accountants Act (including as applied mutatis mutandis pursuant to Article 16-2, paragraph (6) of that Act), the services referred to in Article 2, paragraph (1) of that Act may not be provided;

(iii) the cases where, pursuant to the provisions of Article 24-3, paragraph (1) of the Certified Public Accountants Act (including as applied mutatis mutandis pursuant to Article 16-2, paragraph (6) of that Act), the audit-related services specified in Article 24-3, paragraph (3) of that Act may not be provided;

(iv) the cases where a person who is engaged in the audit of the company or any other person that intends to receive an audit certification (hereinafter referred to as the "audited company, etc.") as an assistant (hereinafter referred to as an "assistant") has the relationship as specified in Article 24, paragraph (1), item (i) or item (ii), or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i), item (iv) to item (vi), item (viii) or item (ix) of the Order for Enforcement of the Certified Public Accountants Act (Cabinet Order No. 343 of 1952);

(v) the cases where any relative within the second degree of a certified public accountant has any of the relationships as specified in Article 24, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) of the Order for Enforcement of the Certified Public Accountants Act; or

(vi) the cases where a certified public accountant, the accountant's spouse or assistant has any of the relationships specified in Article 24, paragraph (1), item (i) or item (ii), or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i) or item (iv) to item (vii) of the Order for Enforcement of the Certified Public Accountants Act (with regard to an assistant, excluding item (vii) of that paragraph) with a consolidated subsidiary company (meaning a consolidated subsidiary company as specified in Article 2, item (iv) of the Regulation on Consolidated Financial Statements, and if an audited company, etc. is a foreign company (meaning a foreign company as specified in Article 1, item (xx)-4 of the Cabinet Office Order on Disclosure; the same applies in this item and Article 4, paragraph (1), item (i), (i)), this means any company equivalent to a consolidated subsidiary company; the same applies in the following paragraph and Article 4, paragraph (1), item (i), (i)) or with an equity method affiliate (meaning a non-consolidated subsidiary company (meaning a non-consolidated subsidiary company specified in Article 2, item (vi) of the Regulation on Consolidated

Financial Statements; the same applies in Article 4, paragraph (1), item (i), (ii) or an affiliated company (meaning an affiliated company specified in Article 2, item (vii) of the Regulation on Consolidated Financial Statements) to which the equity method specified in Article 2, item (viii) of the Regulation on Consolidated Financial Statements is applied, and if the audited company, etc. is a foreign company, this means any company equivalent to a non-consolidated subsidiary company; the same applies in the following paragraph) of the audited company, etc.

(2) What is specified by Cabinet Office Order concerning audit corporations, specified in Article 193-2, paragraph (4) of the Act, is the relationships in the cases which fall under any of the following items; provided, however, that the relationships are limited to those in cases concerning the audit certification of consolidated financial statements, etc. with regard to item (vi) to item (ix):

(i) the case where an audit corporation has the relationship specified in Article 34-11, paragraph (1) of the Certified Public Accountants Act;

(ii) the case where the business referred to in Article 2, paragraph (1) of the Certified Public Accountants Act may not be carried out pursuant to the provisions of Article 34-11-2, paragraph (1) or (2) of that Act;

(iii) the case where a partner of an audit corporation who provides the service of the audit certification for the audited company, etc. or the partner's spouse has the relationship specified in Article 34-11, paragraph (3) of the Certified Public Accountants Act;

(iv) the case where an assistant has any of the relationships as specified in Article 24, paragraph (1), item (i) or item (ii) or paragraph (3) of the Certified Public Accountants Act, or in Article 7, paragraph (1), item (i), item (iv) to item (vi), item (viii) or item (ix) of the Order for Enforcement of the Certified Public Accountants Act;

(v) the case where any relative within the second degree of a partner of an audit corporation who provides the service of the audit certification for the audited company, etc. has any of the relationships specified in Article 24, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) of the Order for Enforcement of the Certified Public Accountants Act;

(vi) the case where an audit corporation has any of the relationships specified in Article 34-11, paragraph (1), item (i) of the Certified Public Accountants Act or in Article 15, item (i) to item (iii) of the Order for Enforcement of the Certified Public Accountants Act with a consolidated subsidiary company or an equity method affiliate of the audited company, etc.;

(vii) the case where a partner of an audit corporation who provides the service of the audit certification for the audited company, etc. or the partner's spouse or assistant has any of the relationships specified in Article 24, paragraph (1), item (i) or item (ii), or paragraph (3) of the Certified Public Accountants Act, or in

Article 7, paragraph (1), item (i) or item (iv) to item (vii) of the Order for Enforcement of the Certified Public Accountants Act (with regard to an assistant, excluding item (vii) of that paragraph) with a consolidated subsidiary company or an equity method affiliate of the audited company, etc.;

(viii) the case where any of the partners of an audit corporation is a person who serves as a director, executive officer, company auditor, or employee of an equity method affiliate of the audited company, etc., or a person who has any of the relationships specified in Article 15, item (v) of the Order for Enforcement of the Certified Public Accountants Act with a consolidated subsidiary company or an equity method affiliate of the audited company, etc.; or

(ix) the case where more than half of the partners of an audit corporation have, with regard to themselves or their spouses, the relationships specified in Article 24, paragraph (1), item (i) or item (ii), or paragraph (3) of the Certified Public Accountants Act or in Article 7, paragraph (1), item (i) or item (iv) to item (vii) of the Order for Enforcement of the Certified Public Accountants Act with a consolidated subsidiary company or an equity method affiliate of the audited company, etc.

(Audit Certification Procedures)

Article 3 (1) The audit certification of financial statements, financial documents, or consolidated financial statements (hereinafter referred to as "financial statements, etc.") is to be performed based on an audit report prepared by the certified public accountant or the audit corporation that has carried out the audit of the financial statements, etc. (if an electronic or magnetic record (meaning the electronic or magnetic record specified in Article 13, paragraph (5) of the Act; the same applies hereinafter) is prepared in lieu of a written audit report, including the electronic or magnetic record; the same applies hereinafter), the audit certification of type-2 interim financial statements or type-2 interim consolidated financial statements (hereinafter referred to as "type-2 interim financial statements, etc.") is to be performed based on an interim audit report prepared by the certified public accountant or the audit corporation that has carried out the audit of the type-2 interim financial statements, etc. (hereinafter referred to as "interim audit") (if an electronic or magnetic record is prepared in lieu of a written interim audit report, including the electronic or magnetic record; the same applies hereinafter), and the audit certification of type-1 interim financial statements or type-1 interim consolidated financial statements (hereinafter referred to as "type-1 interim financial statements, etc.") is to be performed based on a review report during the period prepared by the certified public accountant or the audit corporation that has carried out the audit of the type-1 interim financial statements, etc. (hereinafter referred to as a "review during the period") (if an electronic or magnetic record is prepared in lieu of a written review report during

the period, including the electronic or magnetic record; the same applies hereinafter).

(2) An electronic or magnetic record prepared in lieu of a written audit report, written interim audit report, and written review report during the period as specified in the preceding paragraph must be provided with an **electronic signature** (meaning an electronic signature referred to in Article 2, paragraph (1) of the Act on Electronic Signatures and Certification Business (Act No. 102 of 2000) by the preparer as a measure in lieu of the signing by the preparer.

(3) The audit report, the interim audit report, or the review report during the period referred to in paragraph (1) must be prepared based on the results of the audit, the interim audit or the review during the period that has been conducted in accordance with the auditing standards and practices that are generally accepted as fair and appropriate.

(4) The following standards for auditing made public by the Business Accounting Council as prescribed in Article 24, paragraph (1) of the Order for Organization of the Financial Services Agency (Cabinet Order No. 392 of 1998) are to fall under the auditing standards that are generally accepted as fair and appropriate as specified in the preceding paragraph; provided, however, that the standards set forth in item (v) are limited to cases in which the standards are applied pursuant to the provisions of the following paragraph:

- (i) auditing standards;
- (ii) interim auditing standards;
- (iii) quality control standards for auditing;
- (iv) standards for review during the period; and
- (v) Standard to Address Fraud Risks in an Audit.

(5) The standards set forth in item (v) of the preceding paragraph are to apply only when an audited company, etc. falls under any of the following:

(i) a company that is required to submit an annual securities report pursuant to the provisions of Article 24, paragraph (1) of the Act due to securities issued by the company falling under item (i) or item (ii) of the paragraph (including a cooperative financial institution (meaning a cooperative financial institution as specified in Article 2, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Financial Institutions (Act No. 44 of 1993)) that is required to submit an annual securities report pursuant to the provisions of Article 24, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 27 of the Act); or

(ii) a company that is required to submit an annual securities report pursuant to the provisions of Article 24, paragraph (1) of the Act due to securities issued by the company falling under item (iii) or item (iv) of the paragraph (excluding any company in which the amount of stated capital recorded on the balance sheet pertaining to the most recent fiscal year is less than five hundred million yen, or the amount of net sales (including business revenue and operating revenue as well

as those equivalent thereto; hereinafter the same applies in this item) recorded on the profit and loss statement pertaining to the most recent fiscal year or the amount obtained by dividing the total amount of net sales recorded on the profit and loss statement pertaining to the respective fiscal years that ended in the most recent three years, whichever is larger, is less than one billion yen and the total amount of liabilities recorded on the balance sheet pertaining to the most recent fiscal year is less than two billion yen).

(Contents of an Audit Report)

Article 4 (1) In an audit report, interim audit report, or review report during the period referred to in paragraph (1) of the preceding Article, a certified public accountant or a representative of an audit corporation must concisely and clearly include the particulars specified in the following items for the respective categories set forth in those items, and must write the date of preparation and sign it in person. In this case, if an audit corporation prepares the audit report, interim audit report, or review report during the period, in addition to the representative of the audit corporation, the partner who provides the services concerning the audit certification (hereinafter referred to as the "engagement partner") must sign in person; provided, however, that if an audit certification is a designated certification (meaning a designated certification as specified in Article 34-10-4, paragraph (2) of the Certified Public Accountants Act) or a specified certification (meaning a specified certification as specified in Article 34-10-5, paragraph (2) of that Act), an engagement partner serving as a designated partner (meaning a designated partner as specified in Article 34-10-4, paragraph (2) of that Act) related to a designated certification or as a designated limited liability partner (meaning a designated limited liability partner as specified in Article 34-10-5, paragraph (2) of that Act) related to the specified certification must write the date of preparation and sign it in person:

(i) an audit report: the following contents:

(a) the following contents concerning the opinions of the certified public accountant or the audit corporation that conducted the audit:

1. the scope of the financial statements, etc. that was the subject matter of the audit pertaining to those opinions;

2. opinions as to whether the financial statements, etc. that were the subject matter of the audit are adequately presented, in all material respects, the financial position, financial performance and cash flow situation in the fiscal year pertaining to the financial statements, etc. (in the case of consolidated financial statements, the consolidated fiscal year; the same applies hereinafter) in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(b) grounds for the opinions referred to in (a), 2.;

(c) particulars concerning the explanatory notes under Article 8-27 of the Regulation on financial statements (including as applied mutatis mutandis pursuant to Article 15-22 of the Regulation on Consolidated Financial Statements);

(d) major contents to consider in an audit (excluding the cases where a statement to the effect that an opinion specified in paragraph (22) will not be expressed and the reason therefor are to be contained in the audit report);

(e) particulars concerning other included contents (excluding the cases where a statement to the effect that an opinion specified in paragraph (22) will not be expressed and the reason therefor are to be contained in the audit report);

(f) additional information;

(g) the responsibility of the management and the company auditor, etc. (meaning the company auditor, board of company auditors, audit and supervisory committee, or audit committee; the same applies hereinafter);

(h) the responsibility of the certified public accountant or the audit corporation that has conducted the audit; and

(i) particulars concerning the rewards that the certified public accountant or the audit corporation that has conducted the audit (including persons belonging to the same network as these (meaning an organization structured including the certified public accountant or the audit corporation that provides the service by using a common name or foreign audit firms, etc. specified in Article 39, item (i), (g) of the Ordinance for Enforcement of the Certified Public Accountant Act (Cabinet Office Ordinance No.81 of 2007); the same applies in paragraph (11), item (ii) and item (iii))) has received or is to receive from the audited company, etc. or its consolidated subsidiary company or non-consolidated subsidiary company (when the audited company, etc. is a foreign company, any company equivalent to a non-consolidated subsidiary company) (for rewards accepted or to be accepted from the non-consolidated subsidiary company, limited to those for which there are adequate grounds to find that they affect the maintenance of the independence of the certified public accountant or the audit corporation that has conducted the audit);

(j) the relationships between interested parties which should be clearly indicated pursuant to the provisions of Article 25, paragraph (2) of the Certified Public Accountants Act (including as applied mutatis mutandis pursuant to Article 16-2, paragraph (6) and Article 34-12, paragraph (4) of that Act; the same applies hereinafter);

(ii) an interim audit report: the following contents:

(a) the following particulars concerning the opinions of the certified public accountant or the audit corporation that conducted the interim audit:

1. the scope of the type-2 interim financial statements, etc. that was the subject matter of the interim audit pertaining to those opinions;

2. opinions as to whether the type-2 interim financial statements, etc. that were the subject matter of the interim audit present useful information concerning the financial position, financial performance, and cash flow situation during the interim accounting period pertaining to the type-2 interim financial statements, etc. (in the case of type-2 interim consolidated financial statements, the interim consolidated accounting period (meaning the interim consolidated accounting period as specified in Article 1-2, item (ii), (a), 1. of the Regulation on Consolidated Financial Statements); the same applies hereinafter) in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(b) grounds for the opinions referred to in (a), 2.

(c) particulars concerning the explanatory notes under Article 236 of the Regulation on Financial Statements (including as applied mutatis mutandis pursuant to Article 223 of the Regulation on Consolidated Financial Statements);

(d) additional information;

(e) the responsibility of the management and the company auditor, etc.;

(f) the responsibility of the certified public accountant or the audit corporation that conducted the interim audit; and

(g) the relationships between interested parties which should be clearly indicated pursuant to the provisions of Article 25, paragraph (2) of the Certified Public Accountants Act;

(iii) a review report during the period: the following contents:

(a) the following contents concerning the conclusion written by the certified public accountant or the audit corporation that conducted the review during the period:

1. the scope of the type-1 interim financial statements, etc. that was the subject matter of the review during the period pertaining to that conclusion;

2. a conclusion as to whether the type-1 interim financial statements, etc. subject to the review during the period were found to contain no contents, in all material respects, that would lead one to believe that they fail to adequately present the financial position, financial performance, and cash flow situation during the interim accounting period pertaining to the type-1 interim financial statements, etc. (in the case of type-1 interim consolidated financial statements, the interim consolidated accounting period, etc.; the same applies in the items of paragraph (17) and paragraph (18), item (iv)), in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(b) grounds for the conclusion referred to in (a), 2.

(c) particulars concerning the explanatory notes under Article 149 of the Regulation on Financial Statements (including as applied mutatis mutandis pursuant to Article 120 of the Regulation on Consolidated Financial Statements);

(d) additional information;

(e) the responsibility of the management and the company auditor, etc.;

(f) the responsibility of the certified public accountant or the audit corporation that conducted the review during the period; and

(g) the relationships between interested parties which should be clearly indicated pursuant to the provisions of Article 25, paragraph (2) of the Certified Public Accountants Act.

(2) If the details of comparative information (meaning those equivalent to comparative information as specified in Article 8-3 of the Regulation on Consolidated Financial Statements) are to be contained in the audit report prepared by the certified public accountant or the audit corporation that conducted the audit on consolidated financial statements prepared in accordance with the designated international accounting standards (meaning the designated international accounting standards as specified in Article 312 of the Regulation on Consolidated Financial Statements; hereinafter the same applies in this Article) or Japan's Modified International Standards (meaning Japan's modified international standards as specified in Article 314 of the Regulation on Consolidated Financial Statements; hereinafter the same applies in this Article) or U.S.-style consolidated financial statements (meaning U.S.-style consolidated financial statements as specified in Article 316 of the Regulation on Consolidated Financial Statements) contained in a written notice or an annual securities report submitted for the first time by the issuer of securities pursuant to the provisions of Article 5, paragraph (1) or Article 24, paragraph (1) or (3) of the Act, the contents specified in item (i) of the preceding paragraph are to be contained therein by including the contents for the consolidated fiscal year preceding the consolidated fiscal year pertaining to the consolidated financial statements or U.S.-style consolidated financial statements.

(3) With regard to the opinions referred to in paragraph (1), item (i), (a), 2., the particulars set forth in the following items are to be included for the respective categories of opinions set forth in those items:

(i) an unqualified opinion: a statement that the financial statements, etc. that were subject to the audit are found to be adequately presented, in all material respects, the financial position, financial performance and cash flow situation during the fiscal year pertaining to the financial statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(ii) a qualified opinion with exclusions: a statement that, apart from the exclusions, the financial statements, etc. subject to the audit are adequately presented, in all material respects, the financial position, financial performance, and cash flow situation during the fiscal year pertaining to the financial statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate; or

(iii) an adverse opinion: a statement that the financial statements, etc. that were subject to the audit are inappropriate.

(4) With regard to the grounds for the opinions referred to in paragraph (1), item (i), (b), the following particulars are to be included:

(i) a statement that the audit was conducted based on the auditing standards that are generally accepted as fair and appropriate;

(ii) a statement that the audit evidence obtained as a result of the audit is sufficient and appropriate to provide a basis for the expression of opinions;

(iii) If the opinions referred to in paragraph (1), item (i), (a), 2. fall under the categories of opinion set forth in item (ii) of the preceding paragraph, the particulars set forth in the following (a) or (b):

(a) the exclusions and the impact of the exclusions on the financial statements, etc. subject to the audit, as well as the reason that the opinions set forth in item (ii) of the preceding paragraph were presented based on these; or

(b) the significant audit procedures that could not be implemented and the contents affected by the fact that the relevant significant audit procedures could not be implemented, as well as the reason that the opinions set forth in item (ii) of the preceding paragraph were presented based on these;

(iv) If the opinions referred to in paragraph (1), item (i), (a), 2. fall under the categories of opinions set forth in item (iii) of the preceding paragraph, the reason that the financial statements, etc. subject to the audit are inappropriate.

(5) With regard to the major particulars to consider during an audit referred to in paragraph (1), item (i), (d) (meaning among the contents on which the certified public accountant or the audit corporation that conducted the audit has consulted with the company auditor, etc. in the audit process of the financial statements, etc. for the fiscal year subject to the audit, the contents that the certified public accountant or the audit corporation determines as being especially significant in the audit as a person specialized in auditing and accounting; the same applies hereinafter), the following particulars are to be included:

(i) If the information in relation to the major particulars to consider in the audit is disclosed in the financial statements, etc., the part where the relevant information is disclosed;

(ii) details of the major particulars to consider in the audit;

(iii) the reason that the relevant particulars were determined as the major particulars to consider in the audit; and

(iv) responses in the audit for the major particulars to consider in the audit.

(6) Particulars concerning other included contents referred to in paragraph (1), item (i), (e) (meaning included contents other than the particulars concerning the financial statements, etc., audit reports, information on securities, information on corporate reorganization and other equivalent information included in a written notice to be submitted pursuant to the provisions of Article 5, paragraph (1) of the

Act (including as applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in paragraph (10), item (i)), included contents other than the particulars concerning the financial statements, etc. audit reports, information on securities, information on corporate reorganization and other equivalent information included in an amendment notice to be submitted pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1) or Article 10, paragraph (1) of the Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in paragraph (10), item (i)), included contents other than the financial statements, etc. and audit reports included in an annual securities report to be submitted pursuant to the provisions of Article 24, paragraph (1) or (3) of the Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in paragraph (10), item (ii)) or included contents other than the financial statements, etc. and audit reports included in an amendment report to be submitted pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1), or Article 10, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 24-2, paragraph (1) of the Act (as applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in paragraph (10), item (ii)) following the deemed replacement of terms; hereinafter the same applies in this paragraph) are those concerning the following:

(i) the scope of other included contents;

(ii) the responsibility of the management and the company auditor, etc. regarding other included contents;

(iii) the fact that the certified public accountant or the audit corporation does not express an opinion on other included contents;

(iv) the responsibility of the certified public accountant or the audit corporation regarding other included contents; and

(v) whether there are any particulars that the certified public accountant or the audit corporation is to report regarding other included contents and the details of the particulars, if any.

(7) With regard to the additional information referred to in paragraph (1), item (i), (f), any change in the accounting policy, any significant contingent events, any significant post-balance sheet events, and other particulars which the certified public accountant or the audit corporation that conducted the audit determines appropriate to emphasize or explain, are to be included separately.

(8) With regard to the responsibility of the management and the company auditor, etc. referred to in paragraph (1), item (i), (g), the following information concerning the particulars set forth in the following items are to be included:

(i) the responsibility of the management: the following particulars:

(a) a statement that the management has a responsibility to prepare the financial statements, etc.;

(b) a statement that the management has a responsibility to design and implement internal controls to make sure that there is no material misstatement in the financial statements, etc.; and

(c) a statement that the management has a responsibility to conduct an evaluation concerning the going concern assumption (meaning the going concern assumption prescribed in Article 8-27 of the Regulation on Financial Statements (including as applied mutatis mutandis pursuant to Article 15-22 of the Regulation on Consolidated Financial Statements); hereinafter the same applies in this Article) and make the required disclosure; and

(ii) the responsibility of the company auditor, etc.: a statement that the company auditor, etc. has a responsibility to supervise the process pertaining to financial reports (meaning the financial reports specified in Article 2, item (i) of the Cabinet Office Order on the System for Ensuring the Appropriateness of Documents on Financial Calculations and of Other Information (Cabinet Office Order No. 62 of 2007); the same applies hereinafter).

(9) With regard to the responsibility of the certified public accountant or the audit corporation that conducted the audit referred to in paragraph (1), item (i), (h), the following particulars are to be included:

(i) a statement that the certified public accountant or the audit corporation that conducted the audit has a responsibility to express their opinions on the financial statements, etc. from an independent standpoint;

(ii) a statement that the Auditing standards that are generally accepted as fair and appropriate require the certified public accountant or the audit corporation that conducted the audit to reasonably assure that there is no material misstatement in the financial statements, etc.;

(iii) a statement that the audit procedure must include procedure to obtain audit evidence related to items of financial statements;

(iv) a statement that the presentation as a whole in the financial statements, etc. has been reviewed, including an evaluation of the accounting policy and the application method thereof adopted by the management and of the financial estimates provided by the management;

(v) a statement that the selection and application of the audit procedures are based on the judgment made by the certified public accountant or the audit corporation that conducted the audit;

(vi) a statement that the audit of financial statements is not aimed at expressing an opinion on the effectiveness of internal controls;

(vii) a statement that the evaluation of management concerning the going concern assumption is to be reviewed;

(viii) a statement that the certified public accountant or the audit corporation that conducted the audit collaborates appropriately with the company auditor, etc.; and

(ix) a statement that the certified public accountant or the audit corporation that conducted the audit determines major particulars to consider in the audit and includes them in the audit report (excluding the cases where a statement to the effect that an opinion will not be expressed as specified in the provisions of paragraph (22) and the reason therefor are to be included in the audit report).

(10) Notwithstanding the provisions of paragraph (1) and the preceding paragraph, if the particulars set forth in paragraph (1), item (i), (d) and (i), and item (ix) of the preceding paragraph do not fall under any of the following cases, they may be omitted:

(i) if an audited company, etc. is any of the persons set forth in the items of paragraph (5) of the preceding Article and submits a written notice pursuant to the provisions of Article 5, paragraph (1) of the Act or an amendment notice pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1), or Article 10, paragraph (1) of the Act; or

(ii) if an audited company, etc. is any of the persons set forth in the items of paragraph (5) of the preceding Article and submits an annual securities report pursuant to the provisions of Article 24, paragraph (1) of the Act or an amendment report pursuant to the provisions of Article 7, paragraph (1), Article 9, paragraph (1), or Article 10, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 24-2, paragraph (1) of the Act following the deemed replacement of terms.

(11) Notwithstanding the provisions of paragraph (1), in the cases set forth in the following items, the particulars specified in those items may be omitted:

(i) if the same contents as the particulars set forth in paragraph (1), item (i), (d) that are to be included in an audit report pertaining to the financial statements or financial documents of the audited company, etc. are included in an audit report pertaining to the consolidated financial statements of the audited company, etc., and when that effect is stated in the audit report pertaining to the relevant financial statements or financial documents: the particulars set forth in (d) of that item that are to be included in the audit report;

(ii) if the certified public accountant or the audit corporation that has conducted the audit of the financial statements or financial documents of the audited company, etc. (including persons belonging to the same network as these) conducts the audit of the consolidated financial statements of the audited company, etc. and the particulars set forth in paragraph (1), item (i), (i) are stated in the audit report pertaining to the consolidated financial statements, and when that effect is stated in the audit report pertaining to the relevant financial statements or financial documents: the particulars set forth in (i) of that item that are to be included in the audit report; and

(iii) if the certified public accountant or the audit corporation that has conducted the audit of the financial statements, etc. of the audited company, etc. (including persons belonging to the same network as these) conducts the audit of the financial

statements, etc. of a person who directly or indirectly holds all of the issued shares (limited to **voting shares**) or equity interests of the audited company, etc. and the particulars set forth in paragraph (1), item (i), (i) are stated in the audit report pertaining to the consolidated financial statements of that person, and when that effect is stated in the audit report pertaining to the financial statements, etc. of the audited company, etc.: the particulars set forth in (i) of that item that are to be included in the audit report.

(12) With regard to the opinions referred to in paragraph (1), item (ii), (a), 2., the particulars set forth in the following items are to be included for the respective categories of opinion set forth in those items:

(i) an opinion that the type-2 interim financial statements, etc. present useful information: the fact that the type-2 interim financial statements, etc. subject to the interim audit present useful information concerning the financial position, financial performance, and cash flow situation during the interim accounting period pertaining to the type-2 interim financial statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(ii) a qualified opinion with exclusions: a statement that, apart from the exclusions, the type-2 interim financial statements, etc. subject to the interim audit present useful information concerning the financial position, financial performance, and cash flow situation during the interim accounting period pertaining to the type-2 interim financial statements, etc. in accordance with the business accounting standards that are generally accepted as fair and appropriate; or

(iii) an opinion that the type-2 interim financial statements, etc. do not present useful information: a statement that the type-2 interim financial statements, etc. subject to the interim audit do not present useful information.

(13) With regard to the grounds for the opinions referred to in paragraph (1), item (ii), (b), the following particulars are to be included:

(i) a statement that the interim audit was conducted based on the interim auditing standards that are generally accepted as fair and appropriate;

(ii) a statement that the audit evidence that was obtained as a result of the interim audit is sufficient and appropriate to provide a basis for the expressing of opinions;

(iii) If the opinions referred to in paragraph (1), item (ii), (a), 2. fall under the categories of opinion set forth in item (ii) of the preceding paragraph, the particulars set forth in the following (a) or (b):

(a) the exclusions and the impact of the exclusions on the type-2 interim financial statements, etc. subject to the interim audit, as well as the reason that the opinions set forth in item (ii) of the preceding paragraph were presented based on these; or

(b) the significant interim audit procedures that could not be implemented and the contents affected by the fact that the relevant significant interim audit procedure could not be implemented, as well as the reason that the opinions set forth in item (ii) of the preceding paragraph were presented based on these; and

(iv) if the opinions referred to in paragraph (1), item (ii), (a), 2. fall under the categories of opinion set forth in item (iii) of the preceding paragraph, the reason that the type-2 interim financial statements, etc. subject to the interim audit do not present useful information.

(14) With regard to the additional information referred to in paragraph (1), item (ii), (d), any change in the accounting policy, any significant contingent events, any significant post-balance sheet events, and other particulars which the certified public accountant or the audit corporation that conducted the interim audit determines appropriate to emphasize or explain, are to be included separately.

(15) With regard to the responsibility of the management and the company auditor, etc. referred to in paragraph (1), item (ii), (e), the information concerning the particulars set forth in the following items are to be included:

(i) the responsibility of the management: the following particulars:

(a) a statement that the management has a responsibility to prepare the type-2 interim financial statements, etc.;

(b) a statement that the management has a responsibility to design and implement internal controls to make sure that there is no material misstatement in the type-2 interim financial statements, etc.; and

(c) a statement that the management has a responsibility to conduct an evaluation concerning the going concern assumption and make the required disclosure; and

(ii) the responsibility of the company auditor, etc.: a statement that the company auditor, etc. has a responsibility to supervise the process pertaining to the financial reports.

(16) With regard to the responsibility of the certified public accountant or the audit corporation that conducted the interim audit referred to in paragraph (1), item (ii), (f), the following particulars are to be included:

(i) a statement that the certified public accountant or the audit corporation that conducted the interim audit has a responsibility to express their opinions on the type-2 interim financial statements, etc. from an independent standpoint;

(ii) a statement that the interim auditing standards that are generally accepted as fair and appropriate require the certified public accountant or the audit corporation that conducted the interim audit to reasonably assure that the type-2 interim financial statements, etc. as a whole contain no material misstatement which impairs the investors' decision-making process with regard to the useful presentation of the type-2 interim financial statements, etc.;

(iii) a statement that the interim audit has been conducted mainly by using analytical procedures, etc. (meaning analytical procedures, questions and public inspection) and by applying additional audit procedures as needed;

(iv) a statement that the presentation of the type-2 interim financial statements, etc. has been reviewed, including an evaluation of the accounting policy and the application method thereof adopted by the management and of the financial estimates provided by the management.

(v) a statement that the selection and application of the interim audit procedure are based on the judgment made by the certified public accountant or the audit corporation that conducted the interim audit;

(vi) a statement that the interim audit is not aimed at expressing an opinion on the effectiveness of internal controls;

(vii) a statement that the evaluation of management regarding the going concern assumption is to be reviewed; and

(viii) a statement that the certified public accountant or the audit corporation that conducted the interim audit collaborates appropriately with the company auditor, etc.

(17) With regard to the conclusion referred to in paragraph (1), item (iii), (a), 2., the particulars set forth in the following items are to be included for the respective categories of the conclusion set forth in those items:

(i) an unqualified conclusion: a statement that, any particulars, in all material respects, that would lead one to believe that the type-1 interim financial statements, etc. fail to adequately present the financial position, financial performance, and cash flow situation during the interim accounting period, etc. pertaining to the type-1 interim financial statements, etc., were not found in the type-1 interim financial statements, etc. subject to the review during the period, in accordance with the business accounting standards that are generally accepted as fair and appropriate;

(ii) a qualified conclusion with exclusions: a statement that, apart from the exclusions, any particulars that would lead one to believe that the type-1 interim financial statements, etc. fail to adequately present, in material respects, the financial position, financial performance, and cash flow situation during the interim accounting period, etc. pertaining to the type-1 interim financial statements, etc., were not found in the type-1 interim financial statements, etc. subject to the review during the period, in accordance with the business accounting standards that are generally accepted as fair and appropriate; or

(iii) a negative conclusion: a statement that particulars that would lead one to believe that the type-1 interim financial statements, etc. fail to adequately present, in material respects, the financial position, financial performance, and cash flow situation during the interim accounting period, etc. pertaining to the type-1 interim financial statements, etc., were found in the type-1 interim financial

statements, etc. subject to the review during the period, in accordance with the business accounting standards that are generally accepted as fair and appropriate.

(18) With regard to the grounds for the conclusion referred to in paragraph (1), item (iii), (b), the following particulars are to be included:

(i) a statement that the review during the period was conducted based on the standards for review during the period that are generally accepted as fair and appropriate;

(ii) a statement that the evidence that was obtained as a result of the review during the period provides a basis for the expression of a conclusion;

(iii) if the conclusion referred to in paragraph (1), item (iii), (a), 2. falls under the category of the conclusion set forth in item (ii) of the preceding paragraph, the particulars set forth in the following (a) or (b):

(a) the exclusions and the impact of the exclusions on the type-1 interim financial statements, etc. subject to the review during the period (limited to the cases where it is allowed to explain the impact) and the reason that the conclusion set forth in item (ii) of the preceding paragraph was reached based on these; or

(b) the significant procedures for review during the period that could not be implemented and the particulars affected by the fact that the relevant significant procedures for review during the period could not be implemented, as well as the reason that the conclusion set forth in item (ii) of the preceding paragraph were reached based on these; and

(iv) if the conclusion referred to in paragraph (1), item (iii), (a), 2. falls under the category of the conclusion set forth in item (iii) of the preceding paragraph, the reason that the particulars that would lead one to believe that the type-1 interim financial statements, etc. fail to adequately present, in material respects, the financial position, financial performance, and cash flow situation during the interim accounting period, etc. pertaining to the type-1 interim financial statements, etc., were found in the type-1 interim financial statements, etc. subject to the review during the period, in accordance with the business accounting standards that are generally accepted as fair and appropriate.

(19) With regard to the additional information referred to in paragraph (1), item (iii), (d), any change in the accounting policy, any significant contingent events, any significant post-balance sheet events, and other particulars, which the certified public accountant or the audit corporation that conducted the review during the period determines appropriate to emphasize or explain, are to be included separately.

(20) With regard to the responsibility of the management and the company auditor, etc. referred to in paragraph (1), item (iii), (e), the information concerning the particulars set forth in the following items are to be included:

(i) the responsibility of the management: the following particulars:

(a) a statement that the management has a responsibility to prepare the type-1 interim financial statements, etc.;

(b) a statement that the management has a responsibility to design and implement internal controls so that there are no material misstatements in the type-1 interim financial statements, etc.; and

(c) a statement that the management has a responsibility to conduct an evaluation concerning the going concern assumption and make the required disclosures; and

(ii) the responsibility of the company auditor, etc.: a statement that the company auditor, etc. has a responsibility to supervise the process pertaining to the financial reports.

(21) With regard to the responsibility of the certified public accountant or the audit corporation that conducted the review during the period referred to in paragraph (1), item (iii), (f), the following particulars are to be included:

(i) a statement that the certified public accountant or the audit corporation that conducted the review during the period has a responsibility to provide a conclusion concerning the type-1 interim financial statements, etc. from an independent position;

(ii) a statement that the review during the period was conducted by asking questions, or through analytical procedures or any other procedures for review during the period, and that it was conducted under more limited review procedures than the audit of annual financial statements, etc.

(iii) a statement that the evaluation of management regarding the going concern assumption is to be reviewed; and

(iv) a statement that the certified public accountant or the audit corporation that conducted the quarterly review collaborates with the company audit, etc. appropriately.

(22) If the certified public accountant or the audit corporation could not form a basis to express an opinion referred to in paragraph (1), item (i), (a), 2., could not form a reasonable basis to express an opinion referred to in paragraph (1), item (ii), (a), 2., or could not provide the conclusion referred to in paragraph (1), item (iii), (a), 2. due to the fact that the significant audit procedures or procedures for review during the period were not implemented or due to any other reason, notwithstanding the provisions of that paragraph, the certified public accountant or the audit corporation must include a statement, in the audit report, interim audit report, or review report during the period, that the opinion referred to in item (i), (a), 2. or item (ii), (a), 2. of that paragraph or the conclusion referred to in item (iii), (a), 2. of that paragraph will not be provided and the reason therefor.

(23) If the financial statements, etc. subject to the audit were prepared in accordance with designated international accounting standards, the contents specified in the following items are to be included therein for the respective

categories of cases set forth in those items with regard to business accounting standards that are generally accepted as fair and appropriate as specified in paragraph (1), item (i), (a), 2. and paragraph (3), items (i) and (ii):

(i) if the designated international accounting standards are the same as the international accounting standards (meaning the international accounting standards as specified in Article 312 of the Regulation on Consolidated Financial Statements; the same applies in this item and the following item): the international accounting standards; or

(ii) if the designated international accounting standards are different from the international accounting standards: the designated international accounting standards.

(24) The provisions of the preceding paragraph apply mutatis mutandis to the cases in which the type-2 interim financial statements, etc. subject to the interim audit were prepared in accordance with the designated international accounting standards. In this case, the term "paragraph (1), item (i), (a), 2. and paragraph (3), item (i) and item (ii)" in that paragraph is deemed to be replaced with "paragraph (1), item (ii), (a), 2. and paragraph (12), item (i) and item (ii)".

(25) The provisions of Article 23 apply mutatis mutandis to the cases in which the type-1 interim financial statements, etc. subject to the review during the period were prepared in accordance with the designated international accounting standards. In this case, the term "paragraph (1), item (i), (a), 2. and paragraph (3), item (i) and item (ii)" in that paragraph is deemed to be replaced with "paragraph (1), item (iii), (a), 2., the items of paragraph (17), and paragraph (18), item (iv)".

(26) If consolidated financial statements being subject to the audit were prepared in accordance with the Japan's modified international standards, the Japan's modified international standards are to be provided for the corporate accounting standards that are generally accepted as fair and appropriate as set forth in paragraph (1), item (i), (a), 2. and paragraph (3), item (i) and item (ii).

(27) The provisions of the preceding paragraph apply mutatis mutandis to the cases in which the type-2 interim financial statements, etc. subject to the interim audit were prepared in accordance with the Japan's modified international standards. In this case, the term "paragraph (1), item (i), (a), 2. and paragraph (3), item (i) and item (ii)" in that paragraph is deemed to be replaced with "paragraph (1), item (ii), (a), 2. and paragraph (12), item (i) and item (ii)".

(28) The provisions of Article 26 apply mutatis mutandis to the cases in which type-1 interim financial statements, etc. subject to the review during the period were prepared in accordance with the Japan's modified international standards. In this case, the term "paragraph (1), item (i), (a), 2. and paragraph (3), item (i) and item (ii)" in that paragraph is deemed to be replaced with "paragraph (1), item (iii), (a), 2., the items of paragraph (17), and paragraph (18), item (iv)".

(Submission of a Written Outline of the Audit)

Article 5 (1) As part of the report or materials to be submitted pursuant to the provisions of Article 193-2, paragraph (6) of the Act, a certified public accountant or an audit corporation must submit a written outline containing the information of the persons engaged in the audit, the interim audit or the review during the period (hereinafter referred to as the "audit, etc."), the number of audit days, etc., and the outline of any other particulars concerning the audit, etc. to the Director-General of a Local Finance Bureau, etc. to whom the documents set forth in the items of Article 1 concerning the audit, etc. should be submitted, after the audit, etc. is completed.

(2) The written outline specified in the preceding paragraph must be prepared by using the forms specified in the following items for the respective categories of audit, etc. set forth in those items:

(i) the written outline of an audit of financial statements, etc. (excluding financial statements, etc. concerning the fund specified in Article 1, item (ix) of the Cabinet Office Order on Disclosure of Information on Regulated Securities and the trust property specified in item (ix)-4 of that Article (hereinafter referred to as a "fund or trust property" in this paragraph)): Form No. 1;

(ii) the written outline of an interim audit of type-2 interim financial statements, etc. (excluding type-2 interim financial statements, etc. concerning a fund or trust property): Form No. 2;

(iii) the written outline of an audit of financial statements, etc. or an interim audit of type-2 interim financial statements, etc. concerning a fund or trust property: Form No. 3; and

(iv) the written outline of a review during the period: Form No. 4.

(3) The written outline specified in paragraph (1) must be submitted by the dates specified in the following items for the respective categories of written outlines set forth in those items:

(i) the written outline set forth in item (i), item (ii) and item (iv) of the preceding paragraph: the last day of the month following the month containing the date on which the audit report, the interim audit report, or the review report during the period pertaining to the written outline is prepared;

(ii) the written outline set forth in item (iii) of the preceding paragraph: the last day of the month on which three months have elapsed from the date on which the audit report or the interim audit report pertaining to the written outline is prepared.

(Documents Related to Audit Certification Accepted by the Director-General of a Local Finance Bureau)

Article 5-2 What is specified by Cabinet Office Order as specified in Article 39, paragraph (2), item (i) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of September 30, 1965) is the written outline as specified in paragraph (1) of the preceding Article.

(Preparation and Keeping of the Audit Documents)

Article 6 (1) A certified public accountant or an audit corporation must organize their records and materials concerning the audit, etc. as audit documents after the audit, etc. is completed without delay and must keep them at the office of the certified public accountant or the audit corporation.

(2) The audit documents specified in the preceding paragraph may be prepared in the form of electronic or magnetic records.

(Notice of Violation of Laws and Regulations)

Article 7 A certified public accountant or an audit corporation that has found the fact constituting a violation of laws and regulations (meaning a violation of laws and regulations as specified in Article 193-3, paragraph (1) of the Act) committed by a specified issuer (meaning a specified issuer as specified in Article 193-2, paragraph (1) of the Act; the same applies in Article 9, paragraph (1), item (ii)) in performing an audit certification must give notice to the company auditor, the inspector, or a person equivalent thereto of the specified issuer (if there is any other appropriate person for taking the appropriate measures as specified in Article 193-3, paragraph (1) of the Act, that person) by means of a document including the description of the fact and the violation of laws and regulations pertaining to the fact that should be corrected and any other appropriate measures that should be taken, or by the means specified in the following Article.

(Means Utilizing Information Communication Technology)

Article 8 The means specified by Cabinet Office Order as specified in the items of Article 193-3 of the Act is the means of transmitting information via a telecommunications line that connects a computer used by the sender and a computer used by the recipient, and recording the information in a file stored in the computer used by the recipient.

(Procedure for Offering an Opinion)

Article 9 (1) A certified public accountant or an audit corporation who intends to make the proposal referred to in Article 193-3, paragraph (2) of the Act must submit a document containing the following particulars to the Commissioner of the Financial Services Agency:

(i) the name and address or the location of the principal office of the certified public accountant or the audit corporation;

(ii) the trade name or the name of the specified issuer;

(iii) the date on which the notice under Article 193-3, paragraph (1) of the Act was given;

(iv) the outline of the opinion; and

(v) the statement of the opinion (which must be provided separately for the particular set forth in Article 193-3, paragraph (2), item (i) of the Act and for the particular set forth in item (ii) of that paragraph).

(2) Regarding the name specified in item (i) of the preceding paragraph, one's former surname (meaning a former surname prescribed in Article 30-13 of the Order for Enforcement of the Residential Basic Book Act (Cabinet Order No. 292 of 1967) and name may be additionally entered in the parentheses.