

(Translations are not official, but for reference purposes only.)

Financial Instruments and Exchange Act (Act No. 25 of 1948) related to Regulation on Credit Rating Agencies
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Article 2 (Definitions)

(1) – (33) (omitted)

(34) The term "Credit Ratings" as used in this Act means a grade which indicates, by using symbols or figures (including those specified by Cabinet Office Ordinance as being similar thereto), the results of an assessment of the credit status of Financial Instruments or juridical persons (including those specified by Cabinet Office Ordinance as being similar thereto) (such assessment shall hereinafter be referred to as a "Creditworthiness" in this paragraph) (such grade shall exclude that specified by Cabinet Office Ordinance as a grade determined mainly by factors other than Creditworthiness).

(35) The term "Credit Rating Business" as used in this Act means conducting in the course of trade such acts as determining Credit Ratings and either providing them to someone or making them available to the public (excluding those acts specified by Cabinet Office Ordinance as being unlikely to result in insufficient protection of investors in light of the scope of the other party to the act and any other manner in which the acts are conducted).

(36) The term "Credit Rating Agency" as used in this Act means a person registered with the Prime Minister under Article 66-27 of the Act.

(37) – (39) (omitted)

Article 38 (Prohibited Acts)

A Financial Instruments Business Operator, etc. or Officers or employees thereof shall not conduct any of the following acts; provided, however, that in the case of the acts listed in items (iv) to (vi) inclusive, those specified by Cabinet Office Ordinance as acts that are not likely to result in insufficient protection of investors, harm the fairness of transactions or cause a loss of confidence in Financial Instruments Business shall be excluded:

(i) - (ii) (omitted)

(iii) an act of soliciting a Contract for a Financial Instruments Transaction by referring to a credit rating (excluding those Credit Ratings specified by Cabinet Office Ordinance as being unlikely to result in insufficient protection of investors) determined by a person engaged in the credit rating business without registration, while not informing said customers of the matters specified by Cabinet Office Ordinance including the fact that the rating is determined by said person who has determined the Credit Rating and has not obtained the registration under Article 66-27 and the matters specified by Cabinet Office Ordinance including the significance of said registration and any other matters, thereby soliciting him/her to conclude a Contract for Financial Instruments Transaction

(iv) – (vii) (omitted)

Chapter III-III Credit Rating Agency (Article 66-27 – Article 66-49)

Section 1 General Provisions

Article 66-27 (Registration)

A juridical person (including an organization without judicial personality for which a representative person or administrator has been designated; hereinafter the same shall apply in this Chapter, except in paragraph (1), item (ii) of the following Article and Article 66-47) engaged in Credit Rating Business may obtain the registration from the Prime Minister.

Article 66-28 (Application for Registration)

- (1) A person who intends to obtain the registration set forth in the preceding Article shall submit a written application for registration containing the following matters to the Prime Minister. In this case, a foreign juridical person shall designate a representative person in Japan (limited to an individual who takes charge of business operations at all business offices or offices that said foreign juridical person establishes in Japan so as to engage in Credit Rating Business) or a person specified by Cabinet Office Ordinance as being equivalent thereto and submit said written application for registration:
 - (i) trade name or name;
 - (ii) name(s) of the Officer(s) (including the representative person or administrator of an organization without judicial personality for which a representative person or administrator has been designated; hereinafter the same shall apply in this Chapter);
 - (iii) name and location of the business office or office for Credit Rating Business (the head office, principal business office or office or any other business office or office in Japan, for a foreign juridical person);
 - (iv) the type of the person's other business(es), if any; and
 - (v) other matters specified by Cabinet Office Ordinance.
- (2) The following documents shall be attached to the written application for registration set forth in the preceding paragraph:
 - (i) a document to pledge that the person does not fall under Article 66-30, paragraph (1), item (ii) or (iii);
 - (ii) a document that contains the matters specified by Cabinet Office Ordinance as the contents and methods of Credit Rating Business;
 - (iii) articles of incorporation and certificate of registered matters of the company (including documents equivalent thereto); and
 - (iv) other documents specified by Cabinet Office Ordinance.
- (3) In the case referred to in item (iii) of the preceding paragraph, when the articles of incorporation are prepared in the form of an Electromagnetic Record, such Electromagnetic Record (limited to that specified by Cabinet Office Ordinance) may be attached in lieu of documents.

Article 66-29 (Registration in a Registry)

- (1) When an application for registration set forth in Article 66-27 has been filed, the Prime Minister shall register the following matters in a registry of Credit Rating Agencies, except when he/she refuses the registration under the provisions of the following Article:
 - (i) the matters listed in the items of paragraph (1) of the preceding Article; and
 - (ii) the date of registration and registration number.
- (2) The Prime Minister shall make the registry of Credit Rating Agencies available for public inspection.

Article 66-30 (Refusal of Registration)

- (1) The Prime Minister shall refuse registration when an applicant falls under any of the following items, or when a written application for registration or documents or Electromagnetic Records to be attached thereto contain fake statements or records, or lack statements or records about important matters:
 - (i) a person other than a juridical person;
 - (ii) a juridical person who falls under Article 29-4, paragraph (1), sub-item (a) or (b);
 - (iii) a juridical person who has a person falling under any of sub-items (a) to (g) inclusive of Article 29-4, paragraph (2), item (ii) among its Officers;
 - (iv) a juridical person whose other business is found to be against the public interest; or
 - (v) a juridical person who is found not to have established a system necessary for the fair and appropriate performance of the Credit Rating Business.
- (2) The Prime Minister shall, in addition to what is provided for in the preceding paragraph, refuse the registration when the applicant for registration has no business office or office in Japan in cases where the applicant for registration is a foreign juridical person; however, this shall not apply in cases specified by Cabinet Office Ordinance as such where the relevant applicant for registration is deemed to be subject to appropriate supervision of an administrative agency in foreign jurisdiction which supervises the person who conducts business deemed to correspond to Credit Rating Business, or any other organization equivalent to such agency, or in cases where the refusal of registration under the main clause of this paragraph shall preclude sincere implementation of treaties or any other international agreement.

Article 66-31 (Notification of Change)

- (1) When there are any changes in the matters listed in the items of Article 66-28, paragraph (1), a Credit Rating Agency shall notify the Prime Minister to that effect within two weeks from the day of change.
- (2) When the Prime Minister accepts a notification under the preceding paragraph, he/she shall register the notified matters in a registry of Credit Rating Agencies.
- (3) When there are any changes in the matters stated in the documents listed in Article 66-28, paragraph (2), item (ii), a Credit Rating Agency shall notify the Prime Minister to that effect without delay, pursuant to the provisions of Cabinet Office Ordinance.

Section 2 Business

Article 66-32 (Duty of Good Faith)

A Credit Rating Agency as well as Officers and employees thereof shall execute their business in good faith and fairly from an independent standpoint.

Article 66-33 (Establishment of Operational Control Systems)

- (1) A Credit Rating Agency shall establish operational control systems for the fair and appropriate performance of its Credit Rating Business, pursuant to the provisions of Cabinet Office Ordinance in order to conduct its Credit Rating Business with fairness and adequacy.
- (2) The operational control systems referred to in the preceding paragraph shall include measures to maintain the quality of the business such as assigning persons with expert knowledge and skills, measures to prevent the undermining of the investors' interests for the purposes of pursuing its own interest or the interest of a Rating Stakeholders (meaning person specified by Cabinet Office Ordinance as those who have interest with regard to the matters subject to the Credit Ratings; the same shall apply in Article 66-35) and any other measures for ensuring fairness in the business operation.

Article 66-34 (Prohibition of Name Lending)

A Credit Rating Agency shall not have another person engage in Credit Rating Business under the name of said Credit Rating Agency.

Article 66-35 (Prohibited Acts)

A Credit Rating Agency or the Officers or employees thereof shall not conduct any of the following acts with regard to their Credit Rating Business:

- (i) in cases where the Credit Rating Agency or the Officers or employees thereof have a close relationship specified by Cabinet Office Ordinance with a Rating Stakeholder, an act of providing to someone or making available to the public, Credit Ratings on matters specified by Cabinet Office Ordinance as those in which the said rating stakeholders has interests;
- (ii) in cases where the Credit Rating Agency or the Officers or employees thereof have given advice to a rating stakeholder on matters specified by Cabinet Office Ordinance as those that may have material influence on the Credit Rating related to the said Rating Stakeholder (excluding cases where the Credit Rating Agency or the Officers or employees thereof have provided the details of the Rating Policy, etc. as defined in paragraph (1) of the following Article in response to the request from the said rating stakeholder or other cases specified by Cabinet Office Ordinance as being less likely to result in insufficient protection of investors in light of the manner of advice), an act of providing to someone or making available to the public the said Credit Ratings; and
- (iii) in addition to what is listed in the preceding two items, acts specified by Cabinet Office Ordinance as those resulting in insufficient protection of investors or causing a loss of confidence in Credit Rating Business.

Article 66-36 (Rating Policy, etc.)

- (1) A Credit Rating Agency shall, pursuant to the provisions of Cabinet Office Ordinance, establish the policies and methods for determining and also either providing to someone or making available to the public the Credit Ratings (such policies shall collectively referred to as the "Rating Policy, etc." in the following paragraph) and publish the said Rating Policy, etc. The same shall apply when the Credit Rating Agency has changed the Rating Policy, etc.
- (2) A Credit Rating Agency shall conduct its Credit Rating Business in accordance with its Rating Policy, etc.

Section 3 Accounting**Article 66-37 (Books and Documents Related to Business)**

A Credit Rating Agency shall, pursuant to the provisions of Cabinet Office Ordinance, prepare and preserve the books and documents related to its Credit Rating Business.

Article 66-38 (Submission of Business Reports)

A Credit Rating Agency shall, pursuant to the provisions of Cabinet Office Ordinance, prepare a business report for each business year, and submit it to the Prime Minister within the period specified by Cabinet Order after the end of each business year.

Article 66-39 (Public Inspection of Explanatory Documents)

A Credit Rating Agency shall, for each business year, prepare explanatory documents containing the matters specified by Cabinet Office Ordinance as the matters concerning status of business, and keep the said explanatory documents at all of its business offices or offices and make them available for public inspection, as well as publicizing them via the Internet or by any other method pursuant to the provisions of Cabinet Office Ordinance, for one year from the day on which the period specified by Cabinet Order has elapsed after the end of each business year.

Section 4 Supervision**Article 66-40 (Notification, etc. of Discontinuance of Business, etc.)**

- (1) When a Credit Rating Agency has come to fall under any of the following items, the person specified in the respective items shall notify the Prime Minister to that effect within 30 days from such day:
 - (i) when the Credit Rating Agency has abolished its Credit Rating Business (including cases when said Credit Rating Agency has had all of its business (limited to those related to Credit Rating Business; hereinafter the same shall apply in this Article) succeeded to as a result of company split or has transferred all of its business): the juridical person who has abolished or transferred its Credit Rating Business or has had its Credit Rating

Business succeeded to;

- (ii) when the juridical person who is a Credit Rating Agency has been extinguished as a result of merger: the person who was an Officer representing such juridical person;
 - (iii) when the juridical person who is a Credit Rating Agency has dissolved as a result of decision of commencement of bankruptcy proceedings: the bankruptcy trustee thereof; and
 - (iv) when the juridical person who is a Credit Rating Agency has dissolved on grounds other than a merger or decision of commencement of bankruptcy proceedings.
- (2) When a Credit Rating Agency has come to fall under any of the items of the preceding paragraph, the registration under Article 66-27 of said Credit Rating Agency shall lose its effect.
- (3) When a Credit Rating Agency intends to apply for the deletion of registration under Article 66-27, to abolish its Credit Rating Business, to implement a merger (limited to a merger in which said Credit Rating Agency is extinguished as a result of merger), to dissolve on grounds other than a merger or a decision of commencement of bankruptcy proceedings, to have all of its business succeeded to as a result of company split or transfer all of its business, it shall, by 30 days prior to that day, give public notice to that effect, pursuant to the provisions of Cabinet Office Ordinance.
- (4) When a Credit Rating Agency has given the public notice under the preceding paragraph, it shall immediately notify the Prime Minister to that effect.
- (5) The provisions of Article 940, paragraph (1) (limited to the part pertaining to item (i)) and paragraph (3) of that Article of the Companies Act shall apply mutatis mutandis to the case where a Credit Rating Agency (limited to a company) gives the public notice set forth in paragraph (3) by means of Electronic Public Notice. In this case, any necessary technical replacement of terms shall be specified by Cabinet Order.
- (6) The provisions of Article 940, paragraph (1) (limited to the part pertaining to item (i)) and paragraph (3) of that Article, Article 941, Article 946, Article 947, Article 951, paragraph (2), Article 953, and Article 955 of the Companies Act shall apply mutatis mutandis to the case where a Credit Rating Agency (limited to a foreign company) gives the public notice set forth in paragraph (3) by means of Electronic Public Notice. In this case, any necessary technical replacement of terms shall be specified by Cabinet Order.

Article 66-41 (Order to Improve Business Operation)

When the Prime Minister finds it necessary and appropriate for the public interest or protection of investors, with regard to the status of Credit Rating Agency's business operations, he/she may order said Credit Rating Agency to change its business methods or take other necessary measures for improving the status of business operations, within the limit necessary.

Article 66-42 (Disposition Rendered for the Purpose of Supervision)

- (1) In cases where a Credit Rating Agency falls under any of the following items, the Prime Minister may rescind its registration under Article 66-27, or order suspension of all or

part of its business by specifying a period not exceeding six months:

- (i) when the Credit Rating Agency has come to fall under any of the items (excluding item (iii)) of Article 66-30, paragraph (1);
 - (ii) when the Credit Rating Agency has come to fall under the grounds upon which the registration shall be refused under Article 66-30, paragraph (2),
 - (iii) when the Credit Rating Agency has obtained the registration under Article 66-27 by wrongful means;
 - (iv) when the Credit Rating Agency has violated laws and regulations or dispositions given by a government agency based on laws and regulations with regard to its Credit Rating Business;
 - (v) when there are facts that undermine the investors' interest with regard to the operations of Credit Rating Business; or
 - (vi) when a wrongful act or extremely unjust act has been conducted with regard to Credit Rating Business, and when the circumstances are especially serious.
- (2) A Prime Minister may, when an Officer(s) (limited to the Officer stationed at the business office or office in Japan or to the representative person in Japan, for a foreign juridical person; hereinafter the same shall apply in this paragraph) of a Credit Rating Agency has come to fall under any of sub-items (a) to (g) inclusive of Article 29-4, paragraph (1), item (ii), is found to have already fallen under any of sub-items (a) to (g) inclusive of that item at the time of the registration under Article 66-27, or has come to fall under any of the items (iv) to (vi) inclusive of the preceding paragraph, order said Credit Rating Agency to dismiss such Officer(s).
- (3) When the locations of business offices or offices of a Credit Rating Agency are not ascertained or the whereabouts of an Officer representing the Credit Rating Agency is not ascertained, the Prime Minister shall give a public notice to that effect pursuant to the provisions of Cabinet Office Ordinance, and may rescind registration of said Credit Rating Agency if no request has been submitted by said Credit Rating Agency even after 30 days since the day of the public notice.
- (4) The provisions of Chapter III of the Administrative Procedure Act shall not apply to the disposition under the preceding paragraph.

Article 66-43 (Public Notice of Supervisory Disposition)

When the Prime Minister has rescinded the registration under Article 66-27 pursuant to the provisions of paragraph (1) or (3) of the preceding Article or has ordered the suspension of all or part of the business pursuant to paragraph (1) of the preceding Article, he/she shall give public notice to that effect, pursuant to the provisions of Cabinet Office Ordinance.

Article 66-44 (Deletion of Registration)

When an application for deletion of registration under Article 66-27 has been filed by a Credit Rating Agency, the registration under Article 66-27 has lost its effect under the provisions of Article 66-40, paragraph (2), or the Prime Minister has rescinded registration under Article 66-27 under the provisions of Article 66-42, paragraph (1) or (3), the Prime

Minister shall delete said registration.

Article 66-45 (Order for the Production of Reports and Inspection)

- (1) When the Prime Minister finds it necessary and appropriate for the public interest or protection of investors, he/she may order a Credit Rating Agency, a person who conducts transactions with the Credit Rating Agency, a person who has received entrustment of business from the Credit Rating Agency, or the Associated Juridical Person of the Credit Rating Agency (such Associated Juridical Person means the Subsidiary Juridical Person of the Credit Rating Agency, a juridical person who has the Credit Rating Agency as its Subsidiary Juridical Person or a Subsidiary Juridical Person of the juridical person who has the Credit Rating Agency as its Subsidiary Juridical Person (excluding the Credit Rating Agency) who is a juridical person that conduct acts of determining Credit Ratings, or providing them to someone or making them available to the public in the course of trade; hereinafter the same shall apply in this paragraph) to submit reports or materials that will be helpful for understanding the business of the Credit Rating Agency, or have the officials inspect the status of the business, documents, or other articles of the Credit Rating Agency, the person who received entrustment of business from the Credit Rating Agency, or the Associated Juridical Person of the Credit Rating Agency (with regard to the person who has received entrustment of business from the Credit Rating Agency or the Associated Juridical Person of the Credit Rating Agency, the inspection shall be limited to what is necessary to understand the business of the Credit Rating Agency).
- (2) The term "Subsidiary Juridical Person" as used in the preceding paragraph means another juridical person, the majority of whose Voting Rights Held by All the Shareholders, etc. are held by a juridical person. In this case, the other juridical person, the majority of whose Voting Rights Held by All the Shareholders, etc. are held by the juridical person and one or more of its Subsidiary Juridical Persons or by one or more of the Subsidiary Juridical Person of the juridical person, shall be deemed as a Subsidiary Juridical Person of said juridical person.

Article 66-46 (Acting Representative Person)

- (1) When there is any vacancy in the office of the Credit Rating Agency (limited to a foreign juridical person; hereinafter the same shall apply in this Article), if the Prime Minister finds it necessary, he/she may appoint a person who shall temporarily perform the duty of the representative person in Japan (referred to as the "Acting Representative Person" in the following paragraph). In this case, the Credit Rating Agency shall conduct the registration for such appointment at the location of the principal business office or office in Japan.
- (2) When the Prime Minister has appointed an Acting Representative Person under the provisions of the preceding paragraph, he/she may order the Credit Rating Agency to pay a reasonable amount of remuneration to the Acting Representative Person.

Article 66-47 (Technical Replacement of Terms, etc. for Application of Provisions of

This Act to a Foreign Juridical Person, etc.)

In cases where a Credit Rating Agency is a foreign juridical person or an organization without judicial personality for which a representative person or administrator has been designated, the technical replacement of terms for the application of the provision of this Act and other necessary matters concerning the application of the provision of this Act to said foreign juridical person or organization without judicial personality for which a representative person or administrator has been designated shall be specified by Cabinet Order.

Article 66-48 (Application Mutatis Mutandis)

The provisions of Article 57, paragraphs (1) and (3) shall apply mutatis mutandis to the registration under Article 66-27, and the provisions of Article 57, paragraphs (2) and (3) and Article 65-6 shall apply mutatis mutandis to a Credit Rating Agency. In this case, any necessary technical replacement of terms shall be specified by Cabinet Order.

Article 66-49 (Delegation to Cabinet Office Ordinance)

The procedures and any other matters necessary for implementation of the provisions of Article 66-27 to the preceding Article inclusive shall be specified by Cabinet Office Ordinance.

Article 194-7 (Delegation of Authority to Commissioner of Financial Services Agency)

- (1) The Prime Minister shall delegate to the Commissioner of the Financial Services Agency the authority vested under this Act (except those specified by Cabinet Order).
- (2) The Commissioner of the Financial Services Agency shall delegate to the Securities and Exchange Surveillance Commission (hereinafter referred to as the "Commission" in this and the following Articles) the authority listed in the following, within the scope of authority delegated under the provisions of the preceding paragraph; provided, however, that the foregoing sentence shall not preclude the Commissioner of the Financial Services Agency from exercising his/her authorities to issue an order of submission of reports or materials:
 - (i) – (iii) (omitted)
 - (iii)-2 authority vested under the provisions of Article 66-45, paragraph (1) (limited to authority related to the provisions specified by Cabinet Order as that for securing fairness in the acts prescribed in Article 2, paragraph (35));
 - (iv) – (ix) (omitted)
- (3) The Commissioner of the Financial Services Agency may, pursuant to the provisions of Cabinet Order, delegate to the Commission the authority vested under Article 26 (including the cases where it is applied mutatis mutandis pursuant to Article 27), Article 27-22, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)) and Article 27-22, paragraph (2), Article 27-30, Article 27-35, Article 56-2, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 65-3, paragraph (3)), Article 56-2, paragraph (2) to

paragraph (4) inclusive, Article 60-11 (including the cases where it is applied mutatis mutandis pursuant to Article 60-12, paragraph (3), Article 63, paragraphs (7) and (8), Article 66-22, Article 66-45, paragraph (1), Article 75, Article 79-4, Article 79-77, Article 103-4, Article 106-6, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of that Article), Article 106-16, Article 106-20, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of that Article), Article 106-27 (including the cases where it is applied mutatis mutandis pursuant to Article 109), Article 151 (including the cases where it is applied mutatis mutandis pursuant to Article 153-4), Article 155-9, Article 156-15, Article 156-34, Article 156-58 and Article 193-2, paragraph (6), within the scope of authority delegated under the provisions of paragraph (1) (excluding the authorities delegated to the Commission under the provisions of the preceding paragraph).

(4) – (8) (omitted)

Article 198

A person who falls under any of the following items shall be punished by imprisonment with work for not more than three years or by a fine of not more than three million yen, or both:

(i) (omitted)

(ii) a person who has obtained registration under Article 29, Article 66 or Article 66-27, registration of change under Article 31, paragraph (4), or permission under Article 59, paragraph (1) or Article 60, paragraph (1) by wrongful means;

(iii) a person who has, in violation of Article 36-3, Article 66-9 or Article 66-34, made other persons conduct Financial Instruments Business, Registered Financial Institution Business, Financial Instruments Intermediary Service or Credit Rating Business;

(iii)-2 – (viii) (omitted)

Article 198-5

In the case of act of violation set forth in any of the following items, a representative person, agent, employee or other worker of a Financial Instruments Business Operator, etc., Authorized Transaction-at-Exchange Operator, Financial Instruments Intermediary Service Provider, Credit Rating Agency, Authorized Financial Instruments Firms Association or Recognized Financial Instruments Firms Association prescribed in Article 78, paragraph (2), Financial Instruments Exchange, Self-Regulation Organization prescribed in Article 85, paragraph (1), Financial Instruments Exchange Holding Company, Foreign Financial Instruments Exchange, Financial Instruments Clearing Organization, or Securities Finance Company, or a Financial Instruments Business Operator or Financial Instruments Intermediary Service Provider that has committed such act shall be punished by imprisonment with work for not more than two years or by a fine of not more than three million yen, or both:

(i) (omitted)

(ii) act of violating the disposition of the suspension of business under Article 52,

paragraph (1), Article 53, paragraph (2), Article 60-8, paragraph (1), Article 66-20, paragraph (1) or Article 66-42, paragraph (1) (excluding the disposition of the suspension of business pertaining to authorization under Article 30, paragraph (1));
(iii)-(iv) (omitted)

Article 198-6

Any person who falls under any of the following items shall be punished by imprisonment with work for not more than one year or by a fine of not more than three million yen, or both:

- (i) a person who has entered a fake statement or record into written applications or documents to be attached thereto or Electromagnetic Records under Article 29-2, paragraphs (1) to (3) inclusive, Article 33-3, Article 59-2, paragraph (1) or (3), Article 60-2, paragraph (1) or (3), Article 66-2, Article 66-28, Article 67-3, Article 81, Article 102-15, Article 106-11, Article 155-2, Article 156-3, Article 156-24, paragraphs (2) to (4) inclusive or Article 156-40 and submitted them;
- (ii) (omitted)
- (iii) a person who has failed to prepare or preserve documents under Article 46-2 (including the cases where it is applied mutatis mutandis pursuant to Article 60-6), Article 47, Article 48, Article 66-16, Article 66-37, or Article 188, or prepared false documents;
- (iv) a person who has failed to submit reports, documents or written documents under Article 46-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 60-6), Article 47-2, Article 48-2, paragraph (1), Article 49-3, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 60-6), Article 66-17, paragraph (1), Article 66-38, Article 155-5, Article 156-35 or Article 156-57, paragraph (1) or submitted reports, documents or written documents containing fake statements;
- (v) – (vi) (omitted)
- (vi)-2 a person who has failed to make explanatory documents under Article 66-39 available for public inspection or who has provided explanatory documents containing fake statements for public inspection or who has failed to make the publication under that Article or who has made a false publication;
- (vii) (omitted)
- (viii) a person who has failed to make a notification under Article 50-2, paragraph (1) or (7), Article 60-7 or Article 66-40, paragraph (1) or (4), or made a false notification;
- (ix) a person who has failed to make a public notice under Article 50-2, paragraph (6) or Article 66-40, paragraph (3), or made a false public notice;
- (x) a person who has failed to make a report or submit materials under Article 56-2, Article 60-11, Article 63, paragraph (7), Article 66-22, Article 66-45, paragraph (1), Article 103-4, Article 106-6, paragraph (1), Article 106-16, or Article 106-20, paragraph (1) or made a false report or submitted false materials;
- (xi) a person who has refused, hindered, or avoided inspections under Article 56-2, Article 60-11, Article 63, paragraph (8), Article 66-22, Article 66-45, paragraph (1), Article 75,

Article 79-4, Article 103-4, Article 106-6, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of that Article), Article 106-16, Article 106-20, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of that Article), Article 106-27 (including the cases where it is applied mutatis mutandis pursuant to Article 109), Article 151 (including the cases where it is applied mutatis mutandis pursuant to Article 153-4), Article 155-9, Article 156-15, Article 156-34, Article 185-5 or Article 187(iv);

(xii) – (xviii) (omitted)

Article 205-2-3

A person who falls under any of the following items shall be punished by a fine of not more than 300 thousand yen:

(i) a person who has failed to make a notification under Article 31, paragraph (1) or (3), Article 32-3 (including the cases where it is applied mutatis mutandis pursuant to Article 32-4), Article 33-6, paragraph (1) or (3), Article 35, paragraph (3) or (6), Article 50, paragraph (1), Article 60-5, Article 63, paragraph (3), Article 63-2, paragraph (2), Article 63-2, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 63-3, paragraph (2)) or Article 63-2, paragraph (4), Article 64-4 (including the cases where it is applied mutatis mutandis pursuant to Article 66-25), Article 66-5, paragraph (1) or (3), Article 66-19, paragraph (1), Article 66-31, paragraph (1) or (3), Article 79-27, paragraph (4), Article 106-3, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 106-10, paragraph (4) and Article 106-17, paragraph (4)), Article 156-55, paragraph (1), Article 156-56, or Article 156-60, paragraph (2) or given a false notification;

(ii) – (v) (omitted)

(vi) a person who has, in violation of Article 955, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 50-2, paragraph (10) and Article 66-40, paragraph (6), failed to enter or record matters specified by an Ordinance of the Ministry of Justice with regard to electronic public notice investigations under that paragraph in Investigation Record Book, etc. (meaning Investigation Record Book, etc. prescribed in Article 955, paragraph (1) of the Companies Act; hereinafter the same shall apply in this item), or entered or recorded a fake statement, or who has, in violation of that paragraph, failed to preserve Investigation Record Book, etc.;

(vii) – (xiv) (omitted)

Article 207

(1) Where the representative person of a juridical person (including organizations without judicial personality for which a representative person or administrator has been designated; hereinafter the same shall apply in this paragraph and the following paragraph) or an agent, employee, or other worker of a juridical person or individual has, with regard to the business or property of the juridical person or individual, violated any of the provisions set forth in the following items, not only shall the offender be punished

but also said juridical person shall be punished by the fine prescribed in the respective items and said individual shall be punished by the fine prescribed in the provisions referred to in the respective items:

- (i) – (iii) (omitted)
- (iv) Article 198-6 (excluding items (viii), (ix), (xii), (xiii), and (xv)) or Article 199: a fine of not more than 200 million yen;
- (v) (omitted)
- (vi) Article 198 (excluding items (v) and (viii)), Article 198-6, item (viii), (ix), (xii), (xiii) or (xv), Article 200, item (xvii), (xviii)-2, or (xix), Article 201 (excluding items (i), (ii), (iv), (vi), (ix) to (xi) inclusive), Articles 205 to 205-2 inclusive, Article 205-2-3 (excluding items (xiii) and (xiv)), or the preceding Article (excluding item (v)): the fine prescribed in the respective Articles.
- (2) – (3) (omitted)

Article 207-4

A person who falls under any of the following items shall be punished by a non-penal fine of not more than one million yen:

- (i) a person who has, in violation of Article 941 of the Companies Act as applied mutatis mutandis pursuant to Article 50-2, paragraph (10) and Article 66-40, paragraph (6), failed to request investigation under Article 941 of the Companies Act;
- (ii) a person who has, in violation of Article 946, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 50-2, paragraph (10) and Article 66-40, paragraph (6), failed to make a report or has made a false report;
- (iii) a person who has refused requests set forth in the items of Article 951, paragraph (2) or Article 955, paragraph (2) of the Companies Act which are applied mutatis mutandis pursuant to Article 50-2, paragraph (10) and Article 66-40, paragraph (6), without justifiable grounds; or
- (iv) (omitted)

Article 208

An Issuer of Securities, a representative person or Officer of a Financial Instruments Business Operator or Financial Instruments Intermediary Service Provider, a Financial Instruments Business Operator or Financial Instruments Intermediary Service Provider, a Financial Instruments Business Operator which is a foreign juridical person, a person who has received permission under Article 59 or representative person of an Authorized Transaction-at-Exchange Operator in Japan, an Officer of a Credit Rating Agency (including the representative person or administrator of an organization without judicial personality for which a representative person or administrator has been designated), a representative person in Japan of a Credit Rating Agency which is a foreign juridical person (including an organization without judicial personality for which a representative person or administrator has been designated), an Officer (including a provisional board member) or person who used to be a representative person of an Authorized Financial Instruments Firms

Association or Recognized Financial Instruments Firms Association prescribed in Article 78, paragraph (2), an Officer (including a provisional board member and provisional auditor) or liquidator of an Investor Protection Fund, an Officer (including a provisional board member and provisional executive officer), person who used to be a representative person, or liquidator of a Financial Instruments Exchange or Self-Regulation Organization prescribed in Article 85, paragraph (1), a representative person or person who used to be a representative person of a Foreign Financial Instruments Exchange in Japan, a representative person or Officer of a Financial Instruments Clearing Organization, a representative person or Officer of a Securities Finance Company or an Officer of a Designated Dispute Resolution Organization defined in Article 156-38, paragraph (1) (including the representative person or administrator of an organization without judicial personality for which a representative person or administrator has been designated) shall be punished by a non-penal fine of not more than 300 thousand yen in the following cases:

(i) – (vii) (omitted)

(viii) when having violated orders under Article 51, Article 51-2, Article 53, paragraph (1), Article 60-8, paragraph (1), Article 66-20, paragraph (1), Article 66-41, Article 79-37, paragraph (5), Article 79-75, Article 156-16 or Article 156-33, paragraph (1) (in the case of orders under Article 60-8, paragraph (1) or Article 66-20, paragraph (1), excluding disposition of the suspension of business);

(ix) – (xxvii) (omitted)

Article 209

Any person who falls under any of the following items shall be punished by a non-penal fine of not more than 100 thousand yen:

(i) – (vi)-2 (omitted)

(vii) a person who has violated orders under Article 60-4, paragraph (2), Article 65, paragraph (2) or Article 66-46, paragraph (2);

(viii) – (xiii) (omitted)