

The Action Plan for the New Growth Strategy (Outline)

Roles of Financial Sector

- **Back up and Support the Real Economy and Enterprises**
 - Provide suitable investment opportunities and diverse fundraising methods
- **Lead the Economy as a Growing Industry itself**
 - Utilize opportunities for growth combining fundamental strengths with the nation's individual financial assets (¥1400 trillion), and positioning other parts of Asia and regions inside Japan as growth frontiers.

3 Pillars of the Action Plan

- I . Supply of Funds to Companies Commensurate with Borrowers' Size and Stage of Development**
- II . Financial Sector Serving as a Bridge between Asian and Japanese Economies**
 - Establishing Japan's Status as a Main Financial Market in Asia
 - Support to Expansion of Japanese Financial Institutions' Activities in Asia
- III . Provision of Asset Management Capabilities to Utilize Japanese National Assets Safely and Effectively**

⇒ Line up Measures by FY2013 (as early as possible)

Main Policies of the Action Plan

I . Supply of Funds to Companies Commensurate with Borrowers' Size and Stage of Development

(1) Facilitated Supply of Funds for Small-and Medium-sized Enterprises (SMEs), etc.

- » Promotion of Region-based Relationship Banking
- » Review of Guidelines of Accounting Standards for SMEs and Internal Controls Reporting System, including Those for SMEs
- » Expansion of the Scope of the Act on Specified Commitment Line Contract
- » Lifting the Ban on Finance Leases and Related Transactions by Banks, Insurance Companies, etc.
- » Review of Habitual Practice of Third Party Joint and Several Guarantee (Except Managers')

(2) Appropriate Supply of Risk Money for Emerging Companies, etc.

- » Restoring Confidence in and Activating Markets for Emerging Companies
- » Lifting the Ban on Subordinated Loans, etc. by Subsidiaries of Banks and Insurance Companies which Mainly Invest in Venture Companies, etc.
- » Promotion of Financial Institutions' Efforts such as Loans in Consideration of Growth Potential of Companies
- » Encouragement of Proactive Utilization of the "Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth (BOJ's Scheme)"
- » Clarification of Application of the Financial Instruments and Exchange Act to Partnerships Based on the Civil Code

(3) Flexible Supply of Funds, etc.

- » Development of Debt Capital Markets for Professional Investors
- » Review of Disclosure Rules and Operations
- » Promotion of Addressing and Consideration about the Disclosure of Earnings Forecast by Stock Exchanges and Participants
- » Relaxing Quarterly Securities Report Requirements
- » Development of the Disclosure Rules for Smooth Implementation of "Rights Offering"
- » Vitalization of the Corporate Bond Market
- » Transition to the Notification System Concerning Representative and Alternate Services in the Insurance Group

II . Financial Sector Serving as a Bridge between Asian and Japanese Economies

(1) Establishing Japan's Status as a Main Financial Market in Asia

- » Development of Systems and Measures to Promote the Establishment of an Integrated Exchange Handling Securities and Other Financial Instruments as well as Commodities
- » Development of a System to Expand the Scope of English Language Disclosure by Foreign Companies, etc.
- » Promotion of Utilization of Accountants in Businesses
- » Facilitation of Block Trading
- » Response to Possible Unfair Trade Related to Public Offering
- » Change of Tax System on Cross-Border Transactions
- » Support for the Activities towards the International Convergence of Accounting Standards
- » Active Engagement in International Financial Regulatory Reforms
- » Enhancement of Surveillance on Cross-Border Trading

(2) Expansion of Japanese Financial Institutions' Activities in Asia

- » Promoting Policy Coordination regarding Financial and Capital Markets in Asia
- » Development and Strengthening of Support System by Financial Institutions for Small and Medium-sized Enterprises' Entry into the Asian Area etc.
- » Review of Regulatory Barriers to Overseas Real Estate Investment and Acquisition of Foreign Insurance Companies by Japanese Insurance Companies

III . Provision of Asset Management Capabilities to Utilize Japanese National Assets Safely and Effectively

Development of an Environment for Higher Quality, Reliable Asset Management

- » More Flexible Rules for Asset Securitization Schemes
- » Clarification of Tasks and Consideration of Review of Investment Trust and Investment Corporation System
- » Relaxing the Regulation of Investment Management Businesses with Limited Types of Clients such as Professional Investors
- » Abolishment of the Regulation of the Asset Management Ratio of Insurance Companies
- » Extension of Reduced Tax Rate on Securities
- » Steady Implementation of the Financial Services ADR (Alternative Dispute Resolution)