

[This is a translation and is for reference purposes only.]*

February 17, 1998

Revision: July 1, 2000

September 27, 2000

On-site Examinations Agreement

The Bank of Japan ("BOJ" hereinafter) and _____ ("Financial Institution" hereinafter) agree to the following terms and conditions regarding on-site examinations prescribed in Article 44 of the Bank of Japan Act (Act No. 89 of June 18, 1997; "Act" hereinafter).

Article 1: (On-site Examinations Agreement)

The BOJ and the Financial Institution agree that on-site examinations of the Financial Institution shall be conducted by the BOJ in accordance with the following terms and conditions.

Article 2: (Scope of On-site Examinations, etc.)

The scope of on-site examinations conducted by the BOJ and recommendations to be presented by the BOJ to the Financial Institution based upon the results thereof shall not exceed the level of necessity for the BOJ to appropriately conduct and prepare to conduct the business of the BOJ prescribed in Article 37 through Article 39 of the Act.

Article 3: (Offer for On-site Examinations, etc.)

- 1 In the event that it deems it necessary to conduct on-site examinations of the Financial Institution, the BOJ shall first present the objectives, scope and dates of the on-site examinations to the Financial Institution, and ask for its consent thereto.
- 2 The offer pursuant to the preceding Paragraph shall be made within a reasonable period of time prior to the on-site examinations and, except in unavoidable circumstances, shall be made in writing at least one month prior to the commencement of the on-site examinations.

* The original language of the "On-site Examinations Agreement" is Japanese. Only the Japanese language version will be signed by the BOJ and the other party, which shall have legal effect if so executed. This translation is prepared for reference purposes only, and therefore has no legal effect. All interpretation of law in connection with the "On-site Examinations Agreement" shall be made solely based upon the Japanese language version duly signed by the parties. The BOJ will not be responsible for the accuracy or the completeness of the translation. Also, the latest amendments to the Agreement are not necessarily reflected in a timely manner.

The original text in the Japanese language is available at the website of the Bank of Japan (http://www.boj.or.jp/finsys/exam_monit/touyo02.htm/).

Article 4: (Consent to On-site Examinations, etc.)

- 1 Upon receipt of the offer from the BOJ to conduct the on-site examinations pursuant to the preceding Article, the Financial Institution shall respond to the BOJ as to its consent or refusal in a timely manner.
- 2 In its response pursuant to the preceding Paragraph, the Financial Institution may refuse the offer for legitimate reasons. In such circumstances, it shall state reasons in its response.
- 3 In lieu of the response of consent or refusal pursuant to Paragraph 1, the Financial Institution may request changes to the dates or scope of the on-site examinations presented pursuant to the preceding Article for legitimate reasons. In such circumstances, the Financial Institution shall state reasons in its request, and the BOJ will consult with the Financial Institution regarding the said request.
- 4 In the event that an agreement cannot be reached in consultation pursuant to the preceding Paragraph, the Financial Institution shall be deemed to have refused the offer from the BOJ for the on-site examinations pursuant to the preceding Article.
- 5 The response pursuant to Paragraph 1 and request pursuant to Paragraph 3 shall be made in writing except in unavoidable circumstances.

Article 5: (Changes to Dates of On-site Examinations, etc. after Consent)

The BOJ and the Financial Institution shall consult with one another in the event that any changes to the dates or scope of the on-site examinations that had been agreed to by the parties are necessary for legitimate reasons.

Article 6: (Notification of Names of Examiners, etc.)

- 1 The BOJ shall notify the Financial Institution of the names and job titles of examiners within a reasonable period of time prior to the on-site examinations.
- 2 In the event of changes to the examiners notified pursuant to the preceding Paragraph, the BOJ shall notify the Financial Institution of the names and job titles of the said examiners in a timely manner.

Article 7: (Identification Cards)

Employees of the BOJ conducting the on-site examinations shall carry with them identification cards issued by the BOJ, and present them when requested to any persons concerned.

Article 8: (Provision of Information during On-site Examinations)

- 1 In the course of the on-site examinations the BOJ may request the Financial Institution to explain its business operations and financial condition in order to achieve the objectives of the on-site examinations.
- 2 In the course of the on-site examinations the BOJ may request the Financial Institution to present its ledgers and other items in order to achieve the objectives of the on-site examinations.

Article 9: (Provision of Information at Other Times)

- 1 For the period from the consent of the Financial Institution to the on-site examinations until the commencement thereof, and from the completion of the on-site examinations until the communication of the results thereof from the BOJ to the Financial Institution, the BOJ may request that the Financial Institution furnish reports or documents regarding its business operations and financial condition within the scope necessary to ascertain such matters through the on-site examinations.
- 2 For the period outside of the on-site examinations other than that prescribed in the preceding Paragraph, the BOJ may request that the Financial Institution furnish reports or documents regarding its business operations and financial condition within the scope necessary to ascertain such matters through the on-site examinations.
- 3 The BOJ shall, except in unavoidable circumstances, request reports or documents from the Financial Institution pursuant to the preceding Paragraph providing a reasonable period of time for response and specifying in writing the content of information to be furnished, method of response, etc.

Article 10: (Refusal to Provide Information for Legitimate Reasons)

The Financial Institution may refuse the provision of information pursuant to Article 8 or Article 9 for legitimate reasons. In such circumstances, the Financial Institution shall consult with the BOJ in the event that the BOJ requests consultation with the Financial Institution regarding other applicable methods, etc. in lieu of the said provision of information.

Article 11: (Witnessing)

Officers and/or employees of the Financial Institution shall be present to witness the investigation by the BOJ of ledgers and other items of the Financial Institution. However, this shall not apply to circumstances where the presence of officers and/or employees of the Financial Institution are deemed unnecessary as mutually agreeable to the BOJ and the Financial Institution.

Article 12: (Confidentiality)

- 1 Officers and employees of the BOJ shall not divulge or fraudulently use confidential information learned in the course of the on-site examinations, except when submitting the documents describing the results of the on-site examinations and other related materials thereof to the Commissioner of the Financial Services Agency or having officials of the Financial Services Agency inspect them pursuant to Article 44, Paragraph 3 of the Act, and for other legitimate reasons.
- 2 Officers and employees of the Financial Institution shall not divulge or fraudulently use the results of the on-site examinations and other information learned in the course thereof, except in the circumstances set forth in relevant laws and ordinances, and in other cases where the BOJ specifically recognizes that there are legitimate reasons.
- 3 Paragraph 1 shall apply mutatis mutandis to confidential information learned by the BOJ for the period outside of the on-site examinations pursuant to Article 9.

Article 13: (Public Announcement, etc.)

- 1 In the event that any of the following applies to the Financial Institution, the BOJ may publicly announce the facts thereof:
 - (1) Failure to comply with the on-site examinations consented to in accordance with this Agreement;
 - (2) Contravention of Article 4, Paragraph 1;
 - (3) Failure to state reasons pursuant to Article 4, Paragraph 2 or failure to provide legitimate reasons for refusal pursuant to Article 4, Paragraph 2;
 - (4) Lack of legitimate reasons on the part of the Financial Institution in the event that the consultation pursuant to Article 4, Paragraph 3, Article 5 or Article 10 failed to reach an agreement;
 - (5) Failure to provide information pursuant to Article 8 or Article 9 without legitimate reasons;
 - (6) Provision of false information with regard to the provision of information pursuant to Article 8 or Article 9; however, this shall not apply in the cases where false information is provided unintentionally or without gross negligence;
or
 - (7) Contravention of Article 11.
- 2 In the event of making a public announcement pursuant to the preceding Paragraph, the BOJ shall furnish the Financial Institution with prior notice specifying the reasons thereof, and provide an opportunity and a reasonable period of time for the Financial Institution to state its opinion.
- 3 The preceding two Paragraphs shall not prevent the BOJ from exercising its termination right with respect to any of the transactions with the Financial Institution pursuant to the terms in any of the "Current-account Agreement" or other contractual provisions.

Article 14: (Consideration for Administrative Burdens)

- 1 The BOJ shall pay due consideration so that the volume or content of documents it requests during the on-site examinations, numbers of its employees conducting the on-site examinations and other procedural aspects of the on-site examinations do not impose excessive administrative burdens on the Financial Institution in light of the objectives of the on-site examinations.
- 2 In the event that the BOJ requests the Financial Institution to furnish reports or documents pursuant to Article 9, the BOJ shall pay due consideration so that the volume or content of reports or documents and other procedural aspects of the request do not impose excessive administrative burdens on the Financial Institution in light of the objectives.

Article 15: (Consultation)

Any matters regarding the on-site examinations not stipulated in this Agreement shall be resolved as mutually agreeable in good-faith consultation between the BOJ and the Financial Institution.

Article 16: (Jurisdiction)

Any disputes or lawsuits with regard to or in connection with this Agreement shall be subject to the exclusive jurisdiction of the Tokyo District Court.

Article 17: (Modification of This Agreement)

In the event that either the BOJ or the Financial Institution deems it necessary to modify this Agreement and requests consultation, the other party shall consult in good-faith.

IN WITNESS WHEREOF, the BOJ and the Financial Institution have made, signed and sealed two copies of this Agreement, each retaining one copy in its possession.

Date: _____

For the BOJ:

For the Financial Institution: