

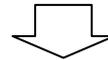
## Administrative Measures for Smooth Implementation of the Internal Control Report System

For smooth introduction of the Internal Control Report System from April 2008, the Financial Services Agency (FSA) aims to implement the system in an efficient and effective manner, while ensuring its aim to maintain fair disclosure.

### ○ Accurate understanding of the preparation situation

#### ■ Inquiries about the preparation situation

→ The FSA will initiate inquiries to companies and auditors so as to understand the uncertainties and issues in preparing for the implementation.



### ○ Further clarification to the details of standards

#### ■ Publication of additional FAQs

→ Based on the results of inquiries, the FSA will publish further “FAQs on the Internal Control Report System.”

#### ■ The establishment of consultation and inquiry desk

→ The FSA, together with Nippon Keidanren (Japan Business Federation) and the Japanese Institute of Certified Public Accountants will jointly establish a consultation and inquiry desk to cope with consultations and inquiries from companies and auditors.

#### ■ Subsequent review of the system following its initial implementation

→ The FSA will review the system on a timely basis, after the initial implementation. Based on the results, the FSA will consider the need for revision and further clarification of the standards for management assessments and auditing as well as practice standards as necessary (The Plan for Strengthening the Competitiveness of Japan’s Financial and Capital Markets).

### ○ Instruction-focused approach

→ For smooth implementation of the system, the FSA will take its administrative approaches focusing on instruction, to prevent excessively conservative attitudes toward introduction of the internal control report system.