

Performance Evaluation Report for FY2019

Task	Main business performance								
<b>1. Improvement and Enhancement of Preparedness to Respond to Every Situation related to the Protection of Depositors, Failure Resolution, etc.</b>									
(i) Maintenance and strengthening of the DICJ's response capability related to failure resolution, and strengthening of the response capability related to orderly resolution	<ul style="list-style-type: none"> <li>○ Strove to maintain and strengthen the response capability related to the failure resolution scheme and financial administrator operations as follows:                             <ul style="list-style-type: none"> <li>• Strove to improve practices for resuming operations of failed financial institutions and to enhance financial administrator operations through such necessary improvements of preparedness as reviewing the administrative workflow concerning the guidance to branch offices of failed financial institutions and the treatment of less-common deposit products</li> <li>• Continuously exchanged opinions with practitioners, etc. and review and various challenges in order to improve the preparedness related to the operation of the deposit insurance system in light of the "Activities to Improve Preparedness Related to the Operation of the Deposit Insurance System", published in June 2017</li> <li>• Following the training plan (covering the two years from FY2018 to FY2019) for administrative work related to payment of deposits, etc. based on scenarios assumed under various bankruptcy proceedings, conducted training related to estimated proceeds payments, settlement payments and dividend payments under bankruptcy proceedings in FY2019</li> </ul> </li> <li>○ Regarding measures for orderly resolution of assets and liabilities of a financial institution, etc., conducted a necessary study on practical affairs while cooperating with relevant authorities, etc. and also exchanged opinions with foreign authorities through participation in international conferences, etc. related to failure resolution</li> </ul>								
(ii) Quality improvement of financial administrator operations	<ul style="list-style-type: none"> <li>○ In order to improve the quality of the financial administrator operations and routinely develop the capability to appropriately respond to emergencies, strove to further deepen cooperative relationships with relevant authorities and financial industry-related organizations, and to enhance practical training and seminars, etc. as follows:                             <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: center;">May, September 2019</td> <td>• Implemented a training for new DICJ employees to obtain basic knowledge concerning the failure resolution of financial institutions</td> </tr> <tr> <td style="text-align: center;">October 2019</td> <td>• Implemented a seminar on assigned duties for emergency support personnel to be dispatched by financial industry-related organizations</td> </tr> <tr> <td style="text-align: center;">Almost every month since September 2019</td> <td>• Implemented separate training programs depending on experience and proficiency to those who will be assigned to guide branch offices of failed financial institutions on their operations • Implemented themed seminars on preassigned emergency duties for DICJ employees assigned to other duties in normal times</td> </tr> <tr> <td style="text-align: center;">Almost every month since November 2019</td> <td>• Implemented training with role-playing focusing on initial response related to failure resolution</td> </tr> </tbody> </table> </li> </ul>	May, September 2019	• Implemented a training for new DICJ employees to obtain basic knowledge concerning the failure resolution of financial institutions	October 2019	• Implemented a seminar on assigned duties for emergency support personnel to be dispatched by financial industry-related organizations	Almost every month since September 2019	• Implemented separate training programs depending on experience and proficiency to those who will be assigned to guide branch offices of failed financial institutions on their operations • Implemented themed seminars on preassigned emergency duties for DICJ employees assigned to other duties in normal times	Almost every month since November 2019	• Implemented training with role-playing focusing on initial response related to failure resolution
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(iii) Realization of stable operation and system improvement of the failure resolution operation system	<ul style="list-style-type: none"> <li>○ Maintained stable operation of the failure resolution operation system (a system used for name-based aggregation of depositors, financial administrator operations, etc. at the time of a financial institution failure)</li> <li>○ Improved the system in order to facilitate the smooth implementation of the failure resolution operation</li> </ul>								

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>○ Maintained and strengthened the response capability related to the failure resolution scheme and financial administrator operations by revising practices in consideration of the study on various issues related to the failure resolution of financial institutions                             <ul style="list-style-type: none"> <li>• Made steady progress in improving preparedness for secure and quick failure resolution through the review and study of various issues related to the operation of the deposit insurance system</li> <li>• Appropriately conducted training for administrative work related to payment based on a training plan</li> </ul> </li> <li>○ Conducted a necessary study on practical affairs related to orderly resolution while cooperating with relevant authorities, etc.</li> </ul>	<ul style="list-style-type: none"> <li>○ Concerning the failure resolution scheme and the financial administrator operations, identify and study the various issues related to the operation of the deposit insurance system to adapt to the diversification and sophistication of financial products, financial activities, and the operations of financial institutions, etc. with the objective of the protection of depositors. Maintain and strengthen its capability to respond to the failure resolution of financial institutions through such measures as continuously improving the operation of the deposit insurance system</li> <li>○ Strengthen response capability in cooperation with relevant authorities, etc.</li> </ul>	Resolution and Financial Revitalization Department: Resolution and Receivership Division  Deposit Insurance Department: Planning Division  Special Investigation Department: Investigation and Recovery Division  Research Department: Planning and Research Division Specific Operation Division Special Recovery and Resolution Division
<ul style="list-style-type: none"> <li>○ Improved the quality of financial administrator operations by further enhancing and strengthening practical training and seminars in a hands-on form</li> </ul>	<ul style="list-style-type: none"> <li>○ In order to improve the quality of the financial administrator operations and routinely develop the capability to appropriately respond to emergencies, further deepen cooperative relationships with relevant authorities and financial industry-related organizations, and enhance practical training and seminars, etc.</li> </ul>	Resolution and Financial Revitalization Department: Resolution and Receivership Division
<ul style="list-style-type: none"> <li>○ Maintained stable operation of the system and improved the system according to plan</li> </ul>	<ul style="list-style-type: none"> <li>○ Continue to realize stable operation of the failure resolution operation system and improve the system from the perspective in terms of securely and quickly implementing failure resolution</li> </ul>	Planning and Coordination Department: System Planning Division System Division I  Resolution and Financial Revitalization Department: Resolution and Receivership Division  Deposit Insurance Department: Planning Division Advisory Service Division

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Task	Main business performance																						
<b>2. Follow-up on and Encouragement for the Development of Financial Institutions' Preparedness in Normal Times to Respond to Emergencies</b>																							
<p>Follow-up and encouragement for financial institutions to develop preparedness in normal times</p>	<p>○ In order to implement failure resolution in a secure and smooth manner, conducted a follow-up review of response through the following measures with regard to measures required in normal times, after grasping the improvement status of name-based aggregation databases of depositors, systems, procedures and manuals, etc. by financial institutions</p> <p>(On-site inspection, follow-up interview for improvement, etc.)</p> <ul style="list-style-type: none"> <li>Conducted on-site inspection with emphasis on matters which may have a greater impact on failure resolution with respect to the status of improvement of systems related to measures which financial institutions are obligated to implement in order to smoothly reimburse deposits in the event of insurable contingencies</li> </ul> <p>Conducted appropriate follow-up activity after the on-site inspection, such as having DICJ employees responsible for examination attend follow-up interviews for improvement conducted by supervisory authorities, including the Financial Services Agency, with inspected financial institutions, and having them check the status of improvement concerning matters pointed out in the inspection and provide necessary advice</p> <p>In selecting entities for inspection gave precedence to those which had not been inspected since the enforcement of the amended Deposit Insurance Act (May 2012) in order to improve the effectiveness and efficiency of on-site inspections, continued to conduct on-site inspections, with a reduced number of days spent on inspection, and implemented off-site verification of insurance premium payment in addition to fully taking into consideration the matters confirmed through the implementation of various measures, including "follow-up interview for improvement", "database verification", and "training and advice, etc."</p> <p>*Number of entities subjected to off-site verification: FY2019: eleven entities (number on the basis of the date of the document submission request)</p> <p>(Database verification)</p> <ul style="list-style-type: none"> <li>With regard to database verification, in addition to conducting verification intended to promote the improvement of the name-based aggregation databases of depositors as before, implemented the verification of the status of the system for detailed statement files on deposits and withdrawals, which was newly required under the amended Deposit Insurance Act put into force in May 2012</li> </ul> <p>(Training and advice, etc.)</p> <ul style="list-style-type: none"> <li>With regard to training and advice, etc., developed the e-learning system (since April 2018) as a tool for financial institutions to conduct practical training in implementing procedures for failure resolution and operating DICJ terminals</li> </ul> <p>In addition, handled inquiries, etc. regarding system related insurable contingencies from financial institutions and encouraged the failure resolution preparedness of financial institutions</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>FY2017 (Conducted number)</th> <th>FY2018 (Conducted number)</th> <th>FY2019 (Conducted number)</th> </tr> </thead> <tbody> <tr> <td>On-site inspection <small>(Note 1)</small></td> <td>27 institutions</td> <td>41 institutions</td> <td>32 institutions</td> </tr> <tr> <td>Follow-up interview for improvement <small>(Note 2)</small></td> <td>21 institutions</td> <td>11 institutions</td> <td>11 institutions</td> </tr> <tr> <td>Database verification</td> <td>44 institutions</td> <td>59 institutions</td> <td>62 institutions</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>FY2018 (institutions)</th> <th>FY2019 (institutions)</th> </tr> </thead> <tbody> <tr> <td>E-learning system Number of institutions involved (cumulative total)</td> <td>102 institutions</td> <td>130 institutions</td> </tr> </tbody> </table> <p>Notes: 1. The number of entities on the basis of the starting date of on-site inspection. 2. The number of entities with which a follow-up interview for improvement was conducted with the attendance of the DICJ.</p>		FY2017 (Conducted number)	FY2018 (Conducted number)	FY2019 (Conducted number)	On-site inspection <small>(Note 1)</small>	27 institutions	41 institutions	32 institutions	Follow-up interview for improvement <small>(Note 2)</small>	21 institutions	11 institutions	11 institutions	Database verification	44 institutions	59 institutions	62 institutions		FY2018 (institutions)	FY2019 (institutions)	E-learning system Number of institutions involved (cumulative total)	102 institutions	130 institutions
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Evaluation	Future policy	Responsible unit
<p>○ Through various measures, encouraged financial institutions to take appropriate actions regarding measures necessary in normal times and conducted a follow-up review of the actions taken by financial institutions</p> <p>○ Strove to increase the effectiveness and efficiency of the inspection, for example by deciding the institution to be inspected and the scope of examination, etc. in a prioritized manner</p>	<p>○ In order to implement failure resolution in a secure and smooth manner, continue to appropriately encourage financial institutions to strive to strengthen preparedness for failure resolution which they have carried out</p> <p>Continue to strive to increase the effectiveness and efficiency of the inspection, for example by deciding the institution to be inspected and the scope of examination, etc. in a prioritized manner</p> <p>○ With regard to database verification, continue to conduct verification intended to promote the improvement of the name-based aggregation databases of depositors</p> <p>With regard to the verification of the improvement of the system for detailed statement files on deposits and withdrawals, further improve the efficiency of the verification while taking into consideration the characteristics, etc. of financial institutions' accounting systems</p> <p>Regarding training, advice, etc., conduct a follow-up review, mainly with respect to financial institutions for which the results of verification were unfavorable and which made specific requests</p> <p>Strengthen reaching out to financial institutions to promote the e-learning system as a tool for practical training in the failure resolution operation</p>	<p>Inspection Department: Inspection Planning Division Evaluation Division</p> <p>Deposit Insurance Department: Advisory Service Division</p> <p>Research Department: Research and Analysis Division</p>

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Task	Main business performance
<b>3. Appropriate Management, Collection and Disposal of Assets Acquired from Failed Financial Institutions and Pursuit of Liability, etc.</b>	
<p>(i) Provision of guidance and advice to the RCC to ensure appropriate management and collection of claims acquired from failed financial institutions</p> <p>Appropriate management and disposal of shares, etc. acquired from failed financial institutions</p>	<p>[Management and collection of claims by the RCC]</p> <ul style="list-style-type: none"> <li>○ The DICJ provided the RCC with guidance and advice in a timely and appropriate manner so that the RCC would appropriately manage and collect claims in accordance with the nature of the claims and the actual situation of debtors, among other factors, with the objective of the protection of customers with respect to claims acquired by the RCC from failed and sound financial institutions</li> </ul> <p>As a result, the RCC strove to collect claims appropriately, accurately understanding the actual situation of debtors, etc.</p> <p>The amounts collected this fiscal year were as follows:</p> <ul style="list-style-type: none"> <li>• Collected a total of ¥23.1 billion in claims purchased from failed financial institutions and Article 53 (Financial Revitalization Act) claims purchased from sound financial institutions (including ¥22.3 billion in claims purchased from failed financial institutions (of which ¥0.2 billion are in claims purchased from banks under special public management) and ¥0.7 billion in claims purchased from sound financial institutions) in FY2019, bringing the cumulative total of claims collected by the end of FY2019 to ¥10,143.8 billion (103.8 % of the transfer value (book value))</li> <li>• Profits of ¥12.3 billion from the collection (profit arising from the asset collection minus the losses arising from the collection and collection cost) were paid to the DICJ (paid in June 2020)</li> </ul> <p>[Management and collection of claims subject to the warranty for latent defect provision]</p> <ul style="list-style-type: none"> <li>○ With regard to the claims the DICJ took over from the former Long-Term Credit Bank of Japan, Limited and the former Nippon Credit Bank, Ltd. based on the warranty for latent defect provision prescribed in the stock purchase agreements, in FY2019, collections (entrusted to the RCC) amounted to ¥3.5 billion (with the cumulative total of claims collected standing at ¥688 billion)</li> </ul> <p>[Management and disposal of shares purchased from banks under special public management]</p> <ul style="list-style-type: none"> <li>○ While suspending the sale of listed shares in the market from October 15, 2008, in principle, in line with the government's policy, disposed of shares worth ¥0.4 billion in application for takeover bids as off-market transactions</li> </ul> <p>Regarding unlisted shares, implemented disposal of shares worth ¥10.6 billion through such measures as sales to issuing companies and third parties designated by them, as well as disposals conducting sales toward investors in view of the price competitiveness</p> <p>[Appropriate management and disposal of shares and other capital-raising instruments for which the DICJ subscribed under the Early Strengthening Act, etc.]</p> <ul style="list-style-type: none"> <li>○ Implemented the following operations regarding preferred shares and other capital-raising instruments for which the DICJ subscribed in order to implement capital injection</li> </ul> <p>&lt;&lt;Number of institutions which have been receiving capital injection: One institution (Shinsei Bank, Limited)&gt;&gt;</p> <p>(Management operation)</p> <ul style="list-style-type: none"> <li>• Exercised the voting rights and asked questions at regular general meetings of shareholders</li> <li>• Conducted periodic hearings about financial results, dividend policy, accumulation of surpluses and future repayment plans</li> <li>• Received dividends (¥470 million)</li> </ul> <p>(Disposal operation)</p> <ul style="list-style-type: none"> <li>• As there was no application related to the disposal of preferred shares and other capital-raising instruments from financial institutions, there was no disposal in FY 2019. The cumulative total of preferred shares and other capital-raising instruments disposed of by the end of March 2020 was ¥12,130.9 billion and the amount outstanding as of the end of March 2020 was ¥250 billion</li> </ul>

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>○ Contributed to the appropriate execution of management and collection operation by the RCC by providing guidance and advice to it</li> <li>○ Steadily implemented the management and collection of claims subject to the warranty for latent defect provision</li> <li>○ Regarding unlisted shares, strove to steadily dispose of shares, such as continuance of disposals first conducted in FY2017</li> <li>○ Properly grasped the financial results and plans for future repayment of financial institutions, which received capital injection through periodic hearings and other means, in addition to striving to appropriately exercise the voting and other rights at general meetings of shareholders and other meetings</li> </ul>	<ul style="list-style-type: none"> <li>○ Provide guidance and advice to the RCC so that it would proceed with appropriate and efficient management and collection while striving to enhance the protection of customers and comply with laws and regulations, etc.</li> <li>○ Steadily implement the management and collection of claims subject to the warranty for latent defect provision</li> <li>○ Regarding the management and disposal of shares purchased from banks under special public management, continue to take appropriate actions to minimize the burden on the people and the impact on the market</li> <li>○ Implement appropriate management, including appropriately exercising voting and other rights at general meetings of shareholders and identifying the status of management of financial institutions which received capital injection through periodic hearings, etc.</li> <li>○ As for disposal operation, make smooth disposal in line with the Immediate Guideline for the Disposal of Preferred Shares and other Capital-Raising Instruments Acquired through Capital Injection (hereinafter referred to as "the Immediate Guideline")</li> </ul>	<p>Planning and Coordination Department: Subsidiary Administration Division</p> <p>Resolution and Financial Revitalization Department: Planning and Coordination Division Capital Operation and Management Division</p> <p>Deposit Insurance Department: Financial Assistance Division</p> <p>Special Investigation Department: Investigation and Planning Division</p> <p>Osaka Operation Department: Administration Policy, Planning, and Coordination Division Financial Assistance Division</p>

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Task	Main business performance		
<b>4. Enhancement of Collaboration with Foreign Deposit Insurance Organizations, etc., and Survey and Research Activities</b>			
(i) Improvement of international recognition, and promotion of collaboration and cooperation with foreign deposit insurance organizations Enhancement of mutual cooperation with foreign deposit insurance organizations, and technical assistance to other countries	<p>○ Proactively took part in the activities, etc. of the International Association of Deposit Insurers (IADI), and grasped international trends concerning deposit insurance system to use them as a reference in enhancing and strengthening Japan's deposit insurance system DICJ Governor Mikuniya has served as the IADI's president since October 2017 In addition to representing the IADI externally, he conducted activities to further promote international cooperation in the field of deposit insurance by concurrently serving as the Chair of the Executive Council, which is in effect the IADI's decision-making body, and attending various conferences held in various regions for deposit insurance organizations The DICJ continued to strenuously conduct activities as one of the main members of the Asia-Pacific Regional Committee (APRC) under the IADI and promoted collaboration and cooperation among deposit insurance organizations</p> <table border="1"> <tr> <td>Participation in the International Association of Deposit Insurers (IADI)</td> <td>           Posts of DICJ representatives at the IADI            President of the IADI, Chair of the Executive Council, member of the Core Principles and Research Council Committee, member of the Asia-Pacific Regional Committee (APRC), Chair of the Working Group on New Funding Options             Sent DICJ staff to the IADI Secretariat in Basel, Switzerland            Participated in the following IADI-related meetings, etc.            • Annual General Meeting, etc. (Istanbul, Turkey in October 2019)            • Executive Council Meetings, etc. (Basel (Switzerland) in May, Basel (Switzerland) in September and Istanbul (Turkey) in October 2019, and Basel (Switzerland) in February 2020)            • APRC CEO Dialogue (Taipei, Chinese Taipei in April 2019)            • Financial Stability Institute (FSI) &amp; IADI Joint Conference (Basel, Switzerland in April 2019)            • Working Group on New Funding Options Extraordinary Meeting (Milan, Italy in July 2019)            • APRC General Meeting, etc. (St. Petersburg, Russia in June 2019)            • APRC Seminar (Study Visit) (Seoul, South Korea in September 2019)         </td> </tr> </table>	Participation in the International Association of Deposit Insurers (IADI)	Posts of DICJ representatives at the IADI President of the IADI, Chair of the Executive Council, member of the Core Principles and Research Council Committee, member of the Asia-Pacific Regional Committee (APRC), Chair of the Working Group on New Funding Options  Sent DICJ staff to the IADI Secretariat in Basel, Switzerland Participated in the following IADI-related meetings, etc. • Annual General Meeting, etc. (Istanbul, Turkey in October 2019) • Executive Council Meetings, etc. (Basel (Switzerland) in May, Basel (Switzerland) in September and Istanbul (Turkey) in October 2019, and Basel (Switzerland) in February 2020) • APRC CEO Dialogue (Taipei, Chinese Taipei in April 2019) • Financial Stability Institute (FSI) & IADI Joint Conference (Basel, Switzerland in April 2019) • Working Group on New Funding Options Extraordinary Meeting (Milan, Italy in July 2019) • APRC General Meeting, etc. (St. Petersburg, Russia in June 2019) • APRC Seminar (Study Visit) (Seoul, South Korea in September 2019)
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	<p>○ Had the DICJ Governor hold meetings with the leaders and other officials of foreign deposit insurance organizations through every possible opportunity in order to strengthen cooperative relationships In addition, by signing memoranda on cooperation with those organizations, confirmed that there would be efforts toward mutual cooperation with them</p> <table border="1"> <tr> <td>Memoranda signed with</td> <td> <ul style="list-style-type: none"> <li>• Korea Deposit Insurance Corporation (renewed)</li> <li>• Savings Deposit Insurance Fund of Turkey</li> </ul> </td> </tr> </table>	Memoranda signed with	<ul style="list-style-type: none"> <li>• Korea Deposit Insurance Corporation (renewed)</li> <li>• Savings Deposit Insurance Fund of Turkey</li> </ul>
	Memoranda signed with	<ul style="list-style-type: none"> <li>• Korea Deposit Insurance Corporation (renewed)</li> <li>• Savings Deposit Insurance Fund of Turkey</li> </ul>	
	<p>○ In cooperation with relevant organizations in Japan, devoted efforts to technical cooperation (sending staff members (as lecturers) and acceptance of visitors, etc.) with regions, particularly Asia</p> <table border="1"> <tr> <td>Technical cooperation</td> <td> <ul style="list-style-type: none"> <li>• Accepted Mansfield (researcher) (US Federal Acquisition Service personnel); concerned an overview of the DICJ's operations, etc. (April 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Central Bank of Sri Lanka (September 2019)</li> <li>• Explained experience with the deposit insurance system, etc. during a visit by staff members of the Chinese Academy of Social Sciences (October 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Financial Supervisory Commission (Chinese Taipei) (December 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from Deposit Insurance of Vietnam (December 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Deposit Insurance Corporation of Mongolia (January 2020)</li> <li>• DICJ staff members participated as instructors in training conducted by JICA for staff members from foreign financial regulatory and supervisory organizations (February 2020)</li> </ul> </td> </tr> </table>	Technical cooperation	<ul style="list-style-type: none"> <li>• Accepted Mansfield (researcher) (US Federal Acquisition Service personnel); concerned an overview of the DICJ's operations, etc. (April 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Central Bank of Sri Lanka (September 2019)</li> <li>• Explained experience with the deposit insurance system, etc. during a visit by staff members of the Chinese Academy of Social Sciences (October 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Financial Supervisory Commission (Chinese Taipei) (December 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from Deposit Insurance of Vietnam (December 2019)</li> <li>• Explained an outline of the DICJ's operations during a visit by staff members from the Deposit Insurance Corporation of Mongolia (January 2020)</li> <li>• DICJ staff members participated as instructors in training conducted by JICA for staff members from foreign financial regulatory and supervisory organizations (February 2020)</li> </ul>
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Evaluation	Future policy	Responsible unit
<p>○ Strove to grasp international trends concerning deposit insurance systems through the IADI's activities and utilized the results as a reference for the DICJ's operations Also, strove to increase the recognition of Japan's deposit insurance system by actively participating in activities hosted by the IADI In addition, contributed to further promotion of international cooperation in the field of deposit insurance as the chair organization of the IADI Also, regarding activities at the APRC, made considerable contributions to collaboration and cooperation among deposit insurance organizations in the region</p> <p>○ Strengthened cooperative relationships with foreign deposit insurance organizations by holding meetings and signing memoranda</p> <p>○ Achieved certain results in strengthening the capabilities of foreign deposit insurance organizations, particularly those in Asia, through technical cooperation, and such contributions are highly regarded by foreign organizations In addition, obtained up-to-date information by having DICJ staff members participate in seminars and other events held by international organizations and foreign deposit insurance organizations and strove to use and share the information</p>	<p>○ As the chair organization of the IADI, step up the DICJ's activities in order to further enhance international collaboration and cooperation through further contribution to the IADI's activities in the future and the proactive dissemination of Japan's experiences, among other measures In addition, deepen mutual understanding with deposit insurance organizations in the Asia-Pacific region and promote intra-regional collaboration and cooperation</p> <p>○ Continue efforts to further strengthen collaboration with foreign deposit insurance organizations, etc. through active use of meetings and signing memoranda, among other activities</p> <p>○ Further increase technical cooperation, thereby establishing a framework of collaboration in Asia, etc. Make active use of seminars and other events held by international organizations and foreign deposit insurance organizations and reflect up-to-date information obtained thereby in the DICJ's activities</p>	<p>International Department Research Department: Planning and Research Division</p>

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Task	Main business performance																																																		
(ii) Research and studies concerning matters related to the operations of the DICJ, and provision of results to relevant organizations, etc. in various sectors	<ul style="list-style-type: none"> <li>Conducted research on developments related to deposit insurance systems, resolution regimes and crisis management framework in the U.S. and Europe and the status of international discussions on technological innovation in the financial sector</li> <li>(Reference) Published articles titled "U.S. FDIC: Overview of Deposit Insurance Fund" and "Number of Failures of U.S. Financial Institutions" on the DICJ website (Available only in Japanese)</li> </ul>																																																		
<b>5. Operations Related to Capital Participation</b>																																																			
Appropriate execution of capital participation under the Financial Functions Strengthening Act, and appropriate management and disposals of shares and other capital-raising instruments for which the DICJ subscribed based on the Act	<ul style="list-style-type: none"> <li>In FY2019, capital participation of ¥9.2 billion in one institution in accordance with the Financial Functions Strengthening Act                             <table border="1"> <thead> <tr> <th colspan="2">Cooperative structured central financial institutions (Art. 34-4 of the Financial Functions Strengthening Act)</th> </tr> </thead> <tbody> <tr> <td>FY2017</td> <td>The Shinkumi Federation Bank (December 2017, ¥10.0 billion, preferred investments)</td> </tr> <tr> <td>FY2018</td> <td>—</td> </tr> <tr> <td>FY2019</td> <td>The Shinkumi Federation Bank (March 2020, ¥9.2 billion, preferred investments)</td> </tr> </tbody> </table>                             Note: Subscription of shares and other capital-raising instruments in accordance with the Financial Functions Strengthening Act is entrusted to the RCC under a contract.                         </li> <li>Made the following amount of capital participation, etc. under the Financial Functions Strengthening Act: (Units: cases, ¥100 million, rounded off)                             <table border="1"> <thead> <tr> <th rowspan="2">Applicable Act</th> <th colspan="2">Amount of capital participation</th> <th colspan="2">Current balance</th> </tr> <tr> <th>Number of financial institutions</th> <th></th> <th>Number of financial institutions</th> <th></th> </tr> </thead> <tbody> <tr> <td>Financial Functions Strengthening Act</td> <td>30</td> <td>6,840</td> <td>27</td> <td>4,835</td> </tr> <tr> <td>For earthquake-affected special financial institutions</td> <td>12</td> <td>2,165</td> <td>11</td> <td>1,965</td> </tr> </tbody> </table>                             Note: The amount of capital participation is the cumulative amount as of the end of March 2020 and the current balance is the balance as of the end of March 2020.                         </li> <li>Implemented the following operations regarding the preferred shares and other capital-raising instruments for which the DICJ subscribed in order to implement capital participation &lt;&lt;Number of entities which have been receiving capital participation: 27&gt;&gt; (Management operation)                             <ul style="list-style-type: none"> <li>Exercised the rights (exercised voting rights and asked questions) at general meetings of holders of class shares and preferred investment securities investors</li> <li>Attended the follow-up hearings conducted by supervisory authorities in order to identify the status of management and other matters</li> <li>Exchanged opinions about the management status of earthquake-affected special financial institutions which received capital participation and other matters with the financial institutions and cooperative structured central financial institutions at the time of hearings about financial results</li> <li>Conducted periodic hearings about financial results, dividend policy, accumulation of surpluses and future repayment plans</li> <li>Received dividends (¥2,481 million)</li> </ul>                             (Disposal operation)                             <ul style="list-style-type: none"> <li>In FY2019, no disposal was implemented as there was no offer related to the disposal of preferred shares and other capital-raising instruments from financial institutions</li> </ul>                             [Disposal amount (on a book value basis)] (Unit: ¥ billion, rounded off)                             <table border="1"> <thead> <tr> <th rowspan="2">FY</th> <th colspan="3">Disposal amount (book value)</th> </tr> <tr> <th>Preferred shares, etc.</th> <th>Subordinated bonds, etc.</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY2017</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>FY2018</td> <td>20.0</td> <td>—</td> <td>20.0</td> </tr> <tr> <td>FY2019</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>Cumulative total<sup>(Note)</sup> (FY2004-2019)</td> <td>180.5</td> <td>26.0</td> <td>206.5</td> </tr> </tbody> </table>                             Note: The cumulative total includes the disposal amount (book value) of capital participation (subordinated bonds, etc.) based on the Organizational Restructuring Act (the full amount of capital participation, which is ¥6 billion).                         </li> </ul>	Cooperative structured central financial institutions (Art. 34-4 of the Financial Functions Strengthening Act)		FY2017	The Shinkumi Federation Bank (December 2017, ¥10.0 billion, preferred investments)	FY2018	—	FY2019	The Shinkumi Federation Bank (March 2020, ¥9.2 billion, preferred investments)	Applicable Act	Amount of capital participation		Current balance		Number of financial institutions		Number of financial institutions		Financial Functions Strengthening Act	30	6,840	27	4,835	For earthquake-affected special financial institutions	12	2,165	11	1,965	FY	Disposal amount (book value)			Preferred shares, etc.	Subordinated bonds, etc.	Total	FY2017	—	—	—	FY2018	20.0	—	20.0	FY2019	—	—	—	Cumulative total <sup>(Note)</sup> (FY2004-2019)	180.5	26.0	206.5
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Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>Appropriately conducted international research</li> </ul>	<ul style="list-style-type: none"> <li>Continue research and study activities while taking account of developments at home and abroad</li> </ul>	International Department  Research Department: Research and Analysis Division
<ul style="list-style-type: none"> <li>Implemented capital participation steadily in one cooperative structured central financial institution The capital participation was decided in accordance with the Financial Functions Strengthening Act</li> <li>Grasped the financial results and plans for future repayment of financial institutions, which received capital participation through periodic hearings and other means, in addition to exercising the voting and other rights at general meetings of shareholders and other meetings Also strove to grasp the actual status of earthquake-affected special financial institutions which received capital participation in an in-depth manner through exchanges of opinions about their business status and other matters with them and cooperative structured central financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>Regarding capital participation under the Financial Functions Strengthening Act (the deadline for application: March 31, 2022), continue to strive to take appropriate action in close cooperation with relevant authorities</li> <li>Implement appropriate management, including appropriately exercising voting and other rights at general meetings of shareholders and other meetings and identifying the business status of financial institutions which received capital participation through periodic hearings, etc.</li> <li>As for disposal operation, strive to make smooth disposal in line with "the Immediate Guideline"</li> </ul>	Resolution and Financial Revitalization Department: Capital Operation and Management Division

Task	Main business performance																							
<b>6. Operations Related to Support for Financial Operations</b>																								
(i) Steady implementation of purchase, etc. of specified difficult recovery claims	[Steady implementation of purchase of specified difficult recovery claims] ○ In FY2019, decisions on purchase were made in a total of nine cases, from the eighteenth purchase to the twentieth purchase  [Records of decisions on purchase of specified difficult recovery claims] <table border="1"> <thead> <tr> <th>Fiscal year of decision</th> <th>Decisions on purchases</th> <th>Number of claims</th> <th>Total amount of claims</th> <th>Total value</th> </tr> </thead> <tbody> <tr> <td>FY2017</td> <td>Twelfth, thirteenth and fourteenth (Decided in June, November 2017, and March 2018)</td> <td>55</td> <td>¥1,088,644 thousand</td> <td>¥372,635 thousand</td> </tr> <tr> <td>FY2018</td> <td>Fifteenth, sixteenth and seventeenth (Decided in June, November 2018, and March 2019)</td> <td>17</td> <td>¥144,289 thousand</td> <td>¥13,343 thousand</td> </tr> <tr> <td>FY2019</td> <td>Eighteenth, nineteenth and twentieth (Decided in June, December 2019, and March 2020)</td> <td>9</td> <td>¥77,035 thousand</td> <td>¥14,639 thousand</td> </tr> </tbody> </table>	Fiscal year of decision	Decisions on purchases	Number of claims	Total amount of claims	Total value	FY2017	Twelfth, thirteenth and fourteenth (Decided in June, November 2017, and March 2018)	55	¥1,088,644 thousand	¥372,635 thousand	FY2018	Fifteenth, sixteenth and seventeenth (Decided in June, November 2018, and March 2019)	17	¥144,289 thousand	¥13,343 thousand	FY2019	Eighteenth, nineteenth and twentieth (Decided in June, December 2019, and March 2020)	9	¥77,035 thousand	¥14,639 thousand			
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	○ At the time of the decision on the purchase for each time, the Committee for Screening Purchase of Specified Difficult Recovery Claims (a third-party committee including lawyers, real estate appraisers and other experts) deliberated on the appropriateness of purchasing the claims concerned as specified difficult recovery claims and on the purchase prices at meetings, and the Policy Board made its decision on the purchases in light of the Committee's opinions  [Efforts to raise awareness about the program] ○ Held seminars concerning the program for purchase of specified difficult recovery claims at offices of bank-police liaison councils throughout Japan (on 56 occasions) to explain the outline and the operational status of the purchase program in order to raise awareness of the program among financial institutions, etc. In addition, responded to 45 questions and requests for consultation from 28 financial institutions, etc. <table border="1"> <thead> <tr> <th rowspan="2">FY</th> <th rowspan="2">The number of occasions explained about the program at bank-police liaison councils</th> <th colspan="3">Number of inquiries and requests for consultation from financial institutions, etc.</th> </tr> <tr> <th>Inquiries concerning the program</th> <th>Inquiries concerning specific cases</th> <th>Total (number of financial institutions, etc.)</th> </tr> </thead> <tbody> <tr> <td>FY2017</td> <td>42</td> <td>22</td> <td>49</td> <td>71 (33)</td> </tr> <tr> <td>FY2018</td> <td>68</td> <td>63</td> <td>64</td> <td>127 (86)</td> </tr> <tr> <td>FY2019</td> <td>56</td> <td>11</td> <td>34</td> <td>45 (28)</td> </tr> </tbody> </table>	FY	The number of occasions explained about the program at bank-police liaison councils	Number of inquiries and requests for consultation from financial institutions, etc.			Inquiries concerning the program	Inquiries concerning specific cases	Total (number of financial institutions, etc.)	FY2017	42	22	49	71 (33)	FY2018	68	63	64	127 (86)	FY2019	56	11	34	45 (28)
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FY2019	56	11	34	45 (28)																				
(ii) Appropriate management of the operation to provide information on antisocial forces	○ Regarding the system for providing information on antisocial forces (hereinafter referred to as the "antisocial force information inquiry system"), under which information is provided in response to inquiries from financial institutions, strove to ensure smooth operation by cooperating with the DICJ's system division and business operators involved in the operation and maintenance of the system  ○ Strove to ensure appropriate implementation of inquiries from financial institutions based on the terms of usage, etc. by carefully responding to questions, etc. from financial institutions using this system  ○ Steadily conducted on-site checks with financial institutions using the system concerning the implementation of inquiries																							

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>○ Steadily implemented purchases of specified difficult recovery claims based on the decisions made on the nine cases in FY2019. When purchasing specified difficult recovery claims, followed the appropriate procedures, such as listening to the opinion of the Committee for Screening Purchase of Specified Difficult Recovery Claims</li> <li>○ Strove to ensure that the purchase program takes root by implementing awareness-raising activities and encouraged financial institutions to actively use the program</li> </ul>	<ul style="list-style-type: none"> <li>○ Steadily conduct operations in cooperation with financial institutions and other relevant parties</li> <li>○ When purchasing specified difficult recovery claims, proceed with the appropriate purchase procedures, such as taking into consideration the opinions of the Committee for Screening Purchase of Specified Difficult Recovery Claims</li> <li>○ Improve the operation of the program to purchase specified difficult recovery claims in collaboration with relevant authorities including the FSA, and industry groups, and promote more active use of the program by financial institutions</li> </ul>	Financial Operations Assistance Department: Operations Planning Division
<ul style="list-style-type: none"> <li>○ Smoothly operated the antisocial force information inquiry system in collaboration with relevant parties</li> <li>○ Strove to ensure implementation of inquiries according to the terms of usage, etc. by financial institutions using the system and steadily conducting on-site checks</li> </ul>	<ul style="list-style-type: none"> <li>○ Regarding the antisocial force information inquiry system, continue to promote collaboration among relevant parties and strive to ensure smooth operation</li> <li>○ Steadily conduct on-site checks in order to make sure of implementation of inquiries by financial institutions using the system according to the terms of usage, etc.</li> </ul>	Financial Operations Assistance Department: Financial Information Management Division  Planning and Coordination Department: System Division II





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Task	Main business performance										
<b>7. Development and Improvement of Various Systems and Enhancement of Information Security Measures</b>											
(i) Enhancement of IT governance, and development and improvement of various systems	<ul style="list-style-type: none"> <li>○ Formulated a three-year plan for system development in FY2020-2022 in accordance with the Procedure for Planning of System Development Measures, which prescribes the procedure for the formulation of system development plans, and improved the DICJ's management procedure related to the development and operation of information systems</li> <li>○ Developed and improved various systems as follows in accordance with the three-year plan for system development</li> </ul> <p>[Status of development and improvement of major systems]</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">System name</th> <th>Status of development and improvement</th> </tr> </thead> <tbody> <tr> <td>Failure resolution operation system</td> <td>Maintaining stable operation and implementing system improvement work according to the plan Start developing the next-generation system</td> </tr> <tr> <td>Antisocial force information inquiry system</td> <td>Maintaining stable operation and implementing system improvement work according to the plan Initiating research for developing the next-generation system</td> </tr> <tr> <td>Dormant deposits management system</td> <td>Began full-scale operation according to the plan in September 2019, and now continuing initial transfer of money for transfer from dormant deposits, etc. from financial institutions Maintaining stable operation and implementing system improvement work according to the plan</td> </tr> <tr> <td>LAN/WAN (common system)</td> <td>Maintaining stable operation and implementing system renewal work according to the plan</td> </tr> </tbody> </table>	System name	Status of development and improvement	Failure resolution operation system	Maintaining stable operation and implementing system improvement work according to the plan Start developing the next-generation system	Antisocial force information inquiry system	Maintaining stable operation and implementing system improvement work according to the plan Initiating research for developing the next-generation system	Dormant deposits management system	Began full-scale operation according to the plan in September 2019, and now continuing initial transfer of money for transfer from dormant deposits, etc. from financial institutions Maintaining stable operation and implementing system improvement work according to the plan	LAN/WAN (common system)	Maintaining stable operation and implementing system renewal work according to the plan
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LAN/WAN (common system)	Maintaining stable operation and implementing system renewal work according to the plan										
(ii) Improving the level of information security	<ul style="list-style-type: none"> <li>○ In order to improve the level of information security at the DICJ, implemented the following measures:               <ul style="list-style-type: none"> <li>• Revised DICJ Information Security Policy and Procedures to confirm with "Common Standard on Information Security Measures of Government Entities (FY2018 )" finalized by the government's Cybersecurity Strategic Headquarters</li> <li>• Established the DICJ CSIRT for responding to information security incidents In addition, entrusted an external information security firm to conduct an assessment on the effectiveness of DICJ Incident Response Procedures and the effectiveness of a technological countermeasures and operations framework of LAN/WAN (common system) for incident response</li> <li>• Updated an inventory of information and information systems and conducted security risk assessment based on the inventory Also created Response Plan to respond to the risk for improvement</li> <li>• Entrusted an external information security firm to conduct audits of the status of implementation of information security measures concerning individual divisions and departments and information systems, and conducted a vulnerability diagnosis of information systems connected to the Internet</li> <li>• Held e-learning-workshops concerning information security and provided training to strengthen response capability for targeted email attacks in order to increase awareness of information security among executives and employees</li> </ul> </li> <li>○ Regarding highly confidential important information, stored under a safer environment (separated LAN/WAN environment) with a higher level of security, thereby ensuring the security of the information In addition, regarding the procedures for handling important information in the separated LAN/WAN that had been formulated by divisions and departments using the separated LAN/WAN, conducted appropriate operation based on the said procedures, thus making necessary revisions to reflect the revisions in the information security policy</li> </ul>										

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>○ Enhanced IT governance</li> <li>○ Strove to develop and improve various systems owned by the DICJ</li> </ul>	<ul style="list-style-type: none"> <li>○ Continue to enhance IT governance</li> <li>○ Strive to develop and improve various systems owned by the DICJ</li> </ul>	Planning and Coordination Department: System Planning Division
<ul style="list-style-type: none"> <li>○ Comprehensively grasped and evaluated risks related to information security at the DICJ by conducting risk assessment and auditing information security, and also improved the level of information security by effectively implementing necessary measures In addition, through implementation of various training programs, exercises and other activities, strove to increase awareness of information security among executives and employees</li> <li>○ Strove to ensure appropriate management of highly confidential important information by using separated LAN/WAN</li> </ul>	<ul style="list-style-type: none"> <li>○ Improve the level of information security in response to the threat of cyberattacks, which have become more sophisticated and complex in recent years, by comprehensively grasping and evaluating risks related to information security at the DICJ and by aptly and effectively implementing necessary measures In addition, increase awareness of information security among executives and employees by implementing various training programs, exercises and other activities</li> <li>○ Strive to appropriately manage highly confidential important information through the use of separated LAN/WAN</li> </ul>	Planning and Coordination Department: Administration Division Office for Information Security System Planning Division

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Task	Main business performance																																																		
<b>8. Strengthening of Finances, Efficient Organizational Management and Enhancement of the Preparedness to Secure Compliance</b>																																																			
(i) Formulation and execution management of budgets that can be appropriately adapted to resolution of financial institution failures, etc.	<ul style="list-style-type: none"> <li>When compiling the FY2020 budget, conducted a thorough review and revision, including close examination taking account of the results of past budget executions Non-personnel expenses increased compared with the previous fiscal year due to such factors as the start of full-fledged development of a next-generation failure resolution operation system, but personnel expenses decreased due to the reduction of the authorized number of staff members, among other measures. In addition, continued to secure expenses necessary for failure resolution of financial institutions, etc.</li> <li>Strove to execute the budget efficiently by closely examining whether funds are really necessary for achieving the business purposes</li> <li>Strove to ensure the transparency and competitiveness of the contract method by reviewing discretionary contracts and shifting to competitive contracts except when discretionary contracts are really inevitable</li> <li>In FY2019, paid ¥800 billion of retained earnings belonging to the Account for Early Strengthening Account to the national treasury in accordance with the Article 15-2 of the Act on Emergency Measures for Early Strengthening of Financial Functions In addition, for the financial results in FY2019, liability reserves (reserves set aside as a fund source for insurance payout from the General Account and financial assistance at the time of a financial institution failure) increased in the General Account because there was no failure of a financial institution</li> </ul> <p>[Increase/decrease in retained earnings (liability reserves for the General Account)/deficits in respective accounts] (Unit: ¥ billion; ( ) denotes deficit)</p> <table border="1"> <thead> <tr> <th></th> <th>General</th> <th>Crisis Management</th> <th>Financial Revitalization</th> <th>Early Strengthening</th> <th>Financial Functions Strengthening</th> <th>Damage Recovery Distribution</th> <th>Regional Economy Vitalization Corporation</th> <th>Corporation for Revitalizing Earthquake-Affected Business</th> <th>Dormant Deposits, etc. Management</th> </tr> </thead> <tbody> <tr> <td>End of FY2017</td> <td>3,614.5</td> <td>369.0</td> <td>(57.5)</td> <td>1,592.5</td> <td>46.9</td> <td>(107.1) (¥million)</td> <td>(39.6) (¥million)</td> <td>(3.0) (¥million)</td> <td>(0.5)</td> </tr> <tr> <td>End of FY2018</td> <td>3,987.6</td> <td>368.5</td> <td>(20.8)</td> <td>1,592.6</td> <td>50.2</td> <td>(60.9) (¥million)</td> <td>(12.9) (¥million)</td> <td>(3.5) (¥million)</td> <td>(1.3)</td> </tr> <tr> <td>End of FY2019</td> <td>4,357.2</td> <td>368.1</td> <td>12.4</td> <td>792.8</td> <td>56.0</td> <td>(64.5) (¥million)</td> <td>(18.3) (¥million)</td> <td>(4.1) (¥million)</td> <td>(1.3)</td> </tr> <tr> <td>Increase/Decrease (19-18)</td> <td>369.6</td> <td>(0.4)</td> <td>33.2</td> <td>(799.8)</td> <td>5.8</td> <td>(3.6) (¥million)</td> <td>(5.4) (¥million)</td> <td>(0.5) (¥million)</td> <td>—</td> </tr> </tbody> </table>		General	Crisis Management	Financial Revitalization	Early Strengthening	Financial Functions Strengthening	Damage Recovery Distribution	Regional Economy Vitalization Corporation	Corporation for Revitalizing Earthquake-Affected Business	Dormant Deposits, etc. Management	End of FY2017	3,614.5	369.0	(57.5)	1,592.5	46.9	(107.1) (¥million)	(39.6) (¥million)	(3.0) (¥million)	(0.5)	End of FY2018	3,987.6	368.5	(20.8)	1,592.6	50.2	(60.9) (¥million)	(12.9) (¥million)	(3.5) (¥million)	(1.3)	End of FY2019	4,357.2	368.1	12.4	792.8	56.0	(64.5) (¥million)	(18.3) (¥million)	(4.1) (¥million)	(1.3)	Increase/Decrease (19-18)	369.6	(0.4)	33.2	(799.8)	5.8	(3.6) (¥million)	(5.4) (¥million)	(0.5) (¥million)	—
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(ii) Appropriate determination of deposit insurance premium rates	<ul style="list-style-type: none"> <li>Regarding the deposit insurance premium rate for FY2020, maintained the current effective rate of 0.033% as a result of deliberations based on a common understanding on the future of the liability reserves and deposit insurance premium rates from the medium-to long-term perspective, which was obtained when determining the deposit insurance premium rate for FY2015 The deposit insurance premium rates for deposits for payment and settlement purposes and for general deposits, etc. were set assuming the current effective rates</li> </ul> <p>The effective rate 0.033% (unchanged from the current rate) The deposits for payment and settlement purposes 0.045% (unchanged from the current rate) The general deposits, etc. 0.031% (-0.001% from the current rate) <sup>(Note 1)</sup></p> <p><b>Common understanding on the future of the liability reserves and deposit insurance premium rates from medium-to long-term perspective</b></p> <p>(1) Basic approach</p> <ul style="list-style-type: none"> <li>For the time being, we will aim to set aside the liability reserves so as to raise the level of the liability reserves to approximately ¥5 trillion by the end of FY2021.</li> <li>From the perspective of maintaining the strong deposit insurance system as the core framework for financial system stability, we will certainly achieve this goal.</li> <li>Regarding the applicable deposit insurance premium rates, we will determine them at the levels which will certainly enable the goal to be achieved.</li> </ul> <p>(2) Framework to review</p> <ul style="list-style-type: none"> <li>Regarding the status of the liability reserves level compared with the goal described in (1) above, the Policy Board will monitor it when the Policy Board deliberates the deposit insurance premium rates of the following fiscal year.</li> <li>During the reserve period (the timeframe to achieve the target level of the liability reserves), we will conduct a review which will take account of changes in the environment surrounding the deposit insurance system. Specifically, we will conduct a review as necessary with regard to the applicable rate, the target level of the liability reserves and the method of setting the target level, and the timing of the target achievement, in light of such factors as actual growth in eligible deposits, international trends related to deposit insurance systems, the status of failure occurrence and the financial and economic situations, etc.</li> </ul>																																																		

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>Under the FY2020 budget, reviewed non-personnel and personnel expenses and allocated expenses to prepare for failure resolution of financial institutions, etc.</li> <li>Through expense reduction efforts and review of discretionary contracts, etc. appropriately managed the budget execution</li> <li>Liability reserves, which are set aside for insurance payout, etc., steadily increased</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the financial management, streamline operations related to its finances and ensure budget preparation and execution management that can be appropriately adapted to failure resolution of financial institutions, etc.</li> </ul>	Treasury Department: Budget and Accounting Division I Budget and Accounting Division II Budget and Accounting Division III
<ul style="list-style-type: none"> <li>Appropriately determined the deposit insurance premium rates based on the common understanding described on the left</li> </ul>	<ul style="list-style-type: none"> <li>Appropriately determine the deposit insurance premium rates based on the common understanding described on the left</li> </ul>	Deposit Insurance Department: Planning Division

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Task	Main business performance																
	<p>[Trends in deposit insurance premium rates]</p> <table border="1"> <thead> <tr> <th></th> <th>Effective rate</th> <th>Deposits for payment and settlement purposes <sup>(Note 2)</sup></th> <th>General deposits, etc. <sup>(Note 2)</sup></th> </tr> </thead> <tbody> <tr> <td>FY2018</td> <td>0.034%</td> <td>0.046%</td> <td>0.033%</td> </tr> <tr> <td>FY2019</td> <td>0.033%</td> <td>0.045%</td> <td>0.032%</td> </tr> <tr> <td>FY2020</td> <td>0.033%</td> <td>0.045%</td> <td>0.031%</td> </tr> </tbody> </table> <p>Notes: 1. With respect to general deposits, etc., the growth of the protected portion (up to ¥10 million of general deposits, etc.) has been smaller than the overall growth. As a result of the calculation, the rate for general deposits, etc. has been decreased            2. "Deposits for payment and settlement purposes" comprise deposits meeting three requirements bearing no interest, payable on demand, and capable of providing payment and settlement services and specified settlement obligations. "General deposits, etc." comprise deposits, etc. other than deposits for payment and settlement purposes, such as time deposits</p>		Effective rate	Deposits for payment and settlement purposes <sup>(Note 2)</sup>	General deposits, etc. <sup>(Note 2)</sup>	FY2018	0.034%	0.046%	0.033%	FY2019	0.033%	0.045%	0.032%	FY2020	0.033%	0.045%	0.031%
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(iii) Fund management with focus on stability and liquidity, and efficient fundraising taking account of the funding requirements	<p>○ Strove to conduct fund management with a focus on safety and liquidity while appropriately grasping the market trends amid the ongoing implementation of the Bank of Japan's monetary easing policy. As a result, did not conduct new fund management operations, such as bond purchase</p> <p>○ In fund-raising activities, issued DICJ bonds totaling ¥390 billion in the Financial Revitalization Account and ¥180 billion in the Financial Functions Strengthening Account in consideration of fund demand and the market environment, among other factors. Moreover, borrowed funds from financial institutions in the Financial Revitalization Account, the Financial Functions Strengthening Account, the Damage Recovery Distribution Account, and the Dormant Deposits, etc. Management Account. In addition, strove to enhance dialogue through such measures as holding explanatory meetings for bidders of borrowings and making visits to bidders of both borrowings and DICJ bonds with the aim of further facilitating fund-raising</p> <p>[Trends in the outstanding balance of funds raised] <span style="float: right;">(Unit: ¥billion)</span></p> <table border="1"> <thead> <tr> <th></th> <th>FY2017</th> <th>FY2018</th> <th>FY2019</th> </tr> </thead> <tbody> <tr> <td>Balance of funding</td> <td>2,061.7</td> <td>1,994.4</td> <td>1,963.4</td> </tr> <tr> <td>Balance of bonds (annual issuance)</td> <td>1,780.0 (500.0)</td> <td>1,700.0 (600.0)</td> <td>1,870.0 (570.0)</td> </tr> </tbody> </table>		FY2017	FY2018	FY2019	Balance of funding	2,061.7	1,994.4	1,963.4	Balance of bonds (annual issuance)	1,780.0 (500.0)	1,700.0 (600.0)	1,870.0 (570.0)				
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(iv) Appropriate and efficient management of organization and personnel corresponding to the operational policy and changes in the surrounding environment	<p>[Organization and personnel]</p> <p>○ Based on a rationalization plan in accordance with the government's rationalization policy on authorized strength of personnel, reduced the authorized number of personnel by nine</p> <p>○ In addition, secured the necessary authorized number of personnel and took measures such as flexible staff allocation in order to maintain and strengthen capabilities related to the DICJ's operations, including failure resolution of financial institutions</p>																
(v) Enhancement of awareness of compliance among executives and employees	<p>○ Implemented the following measures in order to better ensure that executives and employees understand compliance and take appropriate actions:</p> <ul style="list-style-type: none"> <li>• Executives issued messages related to compliance toward all executives and employees</li> <li>• Compliance training (training provided by the Legal Affairs Department to respective divisions and departments, and lecture provided by external instructor (lawyer))</li> <li>• Training in other legal fields (lecture provided by external instructor (lawyer))</li> <li>• Distribution of email newsletters concerning compliance</li> <li>• Holding of liaison meetings to inform and confirm the job duties of persons responsible for compliance at respective divisions and departments</li> <li>• Holding of Compliance Committee meetings</li> </ul>																

Evaluation	Future policy	Responsible unit
<p>○ Appropriately conducted fund management with a focus on safety and liquidity</p> <p>○ In fund-raising activities, raised funds in an appropriate and efficient manner by taking into account the funding requirements</p>	<p>○ Considering the severe fund management environment, appropriately manage funds while continuing to focus on safety and liquidity</p> <p>○ Raise funds in an efficient manner in light of the funding requirements</p>	Treasury Department: Finance Division I
<p>○ Arranged the appropriate organization within the authorized strength in order to manage various operations based on the operational policy</p>	<p>○ Strive to conduct accurate and efficient management of the organization and personnel in accordance with the operational policy and in response to changes in the surrounding environment</p>	Planning and Coordination Department: Personnel Division Administration Division
<p>○ Strove to enhance awareness of compliance among executives and employees</p>	<p>○ In order to raise awareness about compliance among executives and employees and ensure more appropriate actions, will strive to implement training and other activities</p>	Legal Affairs Department

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Task	Main business performance
<b>9. Collaboration with Affiliated Companies</b>	
(i) Guidance and advice to the RCC, and collaboration with the RCC concerning operations of collecting claims against antisocial forces	<ul style="list-style-type: none"> <li>○ Held hearings on the status of customer protection, compliance with laws and regulations, etc., and provided guidance and advice on business operation improvement at liaison council meetings concerning business operation improvement, etc. In addition, collaborated with the RCC by having the DICJ's officials attend the Compliance Committee of the RCC and express opinions as committee members</li> <li>○ Regarding the use of the RCC's servicer function, collaborated with the RCC in order to ensure appropriate management of the program, for example by attending meetings of the Accreditation Advisory Committee, which was established at the RCC in order to secure the appropriateness of judgment concerning equivalence to claims against antisocial forces, and by expressing opinions as a committee member, in order to implement measures to promote initiatives to sever relationships with antisocial forces</li> <li>○ Provided advice, etc. concerning measures to secure staff, the method of procuring computer systems, cash management, etc. through close exchanges of information with the RCC</li> </ul>
(ii) Cooperation with the Regional Economy Vitalization Corporation of Japan and the Corporation for Revitalizing Earthquake-Affected Business	<ul style="list-style-type: none"> <li>○ Explanations of operations were received from both corporations and their contents were confirmed</li> </ul>
(iii) Appropriate exercise of voting rights as a shareholder	<ul style="list-style-type: none"> <li>○ Regarding the exercise of voting rights at ordinary general shareholders' meetings of affiliated companies, exercised voting rights as a shareholder based on explanations received from each of the companies concerning their budgets, settlement of accounts, etc.</li> </ul>

Evaluation	Future policy	Responsible unit
<ul style="list-style-type: none"> <li>○ Promoted collaboration with the RCC in addition to providing necessary guidance and advice so as to ensure appropriate management of operations by the RCC</li> </ul>	<ul style="list-style-type: none"> <li>○ Follow up on the status of customer protection and compliance with laws and regulations by the RCC and provide necessary guidance and advice so as to ensure appropriate management of operations</li> <li>○ Regarding the use of the RCC's servicer function, strive to collaborate so as to ensure appropriate management of operations</li> </ul>	Planning and Coordination Department: Subsidiary Administration Division  Treasury Department: Finance Division I  Resolution and Financial Revitalization Department: Planning and Coordination Division  Special Investigation Department: Investigation and Planning Division  Financial Operations Assistance Department: Operations Planning Division  Osaka Operation Department: Administration, Policy Planning and Coordination Division
<ul style="list-style-type: none"> <li>○ Cooperated on the appropriate and efficient management of operations of both the corporations</li> </ul>	<ul style="list-style-type: none"> <li>○ Cooperated on the appropriate and efficient implementation of the operations of both the corporations</li> </ul>	Planning and Coordination Department: Subsidiary Administration Division
<ul style="list-style-type: none"> <li>○ Appropriately exercised voting rights as a shareholder</li> </ul>	<ul style="list-style-type: none"> <li>○ Appropriately exercise voting rights as a shareholder while paying attention to such points as whether affiliated companies are conducting operations in line with the purposes of laws and regulations</li> </ul>	Planning and Coordination Department: Subsidiary Administration Division

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<b>10. Establishment of a Framework for Business Continuity during Disasters</b>																	
(i) Establishment of a framework for business continuity intended to smoothly implement failure resolution operations	<ul style="list-style-type: none"> <li>○ Strove to maintain the back-up preparedness of facilities so that failure resolution can be smoothly implemented during disasters and to establish the framework for business continuity in order to smoothly implement failure resolution operations by conducting disaster-time system switching training, etc.</li> </ul>																
(ii) Development of a robust framework for business continuity through business continuity training related to the settlement of funds and other measures	<ul style="list-style-type: none"> <li>○ In order to enable smooth transfer of the settlement of funds and other operations, which shall be continued as priority operations during disasters from The Treasury Department to the Osaka Operation Department, they consulted with each other and checked the framework</li> <li>○ Conducted training to check the operation of the Bank of Japan Financial Network System (BOJ-NET) in preparation for a large-scale disaster, and BCP training related to such operations as settlement of funds for borrowing from and redemption to financial institutions</li> </ul>																
<b>11. Enhancement of Provision of Information to Depositors and Relevant Parties in and outside Japan</b>																	
(i) Implementation of easy-to-understand PR activities and development of an environment that facilitates two-way exchanges of information with financial institutions, etc.	<p>[Implementation of easy-to-understand PR activities for depositors, etc.]</p> <ul style="list-style-type: none"> <li>○ Made efforts to actively provide information, including posting of new information in a timely manner while preparing the DICJ website for better web accessibility</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>FY2017</th> <th>FY2018</th> <th>FY2019</th> </tr> </thead> <tbody> <tr> <td>The number of visitors to the DICJ website</td> <td>387,159 persons</td> <td>440,633 persons</td> <td>577,202 persons</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>○ Distributed a brochure called "Understanding the Deposit Insurance System with Cartoons", etc. for depositors and distributed it to financial institutions and consumer centers nationwide in order to raise public awareness about the deposit insurance system</li> <li>○ Strove to disclose information through such measures as compiling and publishing an administrative cost statement, including consolidated financial statements that cover subsidiaries in addition to financial statements and other documents prescribed by the Deposit Insurance Act and other laws and regulations</li> </ul> <p>[Development of an environment that enables bilateral exchanges of information with financial institutions, etc.]</p> <ul style="list-style-type: none"> <li>○ In order to identify any problems in the implementation of on-site inspections, implemented, as necessary, inspection monitoring, in which the executive in charge of the Inspection Department visited financial institutions At that time, a wide range of opinions, including requests to the DICJ, were exchanged</li> <li>○ Used a cloud service to provide financial institutions with information related to training, inspection, database verification, failure resolution, insurance premiums, purchases of specified difficult recovery claims and management operations of dormant deposits, etc.</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>FY2017</th> <th>FY2018</th> <th>FY2019</th> </tr> </thead> <tbody> <tr> <td>Number of new information items provided through the cloud service</td> <td>18</td> <td>12</td> <td>24</td> </tr> </tbody> </table>		FY2017	FY2018	FY2019	The number of visitors to the DICJ website	387,159 persons	440,633 persons	577,202 persons		FY2017	FY2018	FY2019	Number of new information items provided through the cloud service	18	12	24
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(ii) Dissemination of information to relevant parties overseas with respect to Japan's deposit insurance system and the DICJ's activities	<ul style="list-style-type: none"> <li>○ Prepared and distributed to relevant organizations in and outside Japan "ANNUAL REPORT 2018/2019", the English version of the FY2018 annual report of the DICJ, in order to disseminate information concerning Japan's deposit insurance system and the DICJ's activities internationally and also used it to explain the DICJ's activities at seminars and other events held for foreign deposit insurance organizations</li> <li>○ Published articles in English on the DICJ website, thereby continuing efforts to enhance the dissemination of information in English</li> </ul>																

Evaluation	Future policy	Responsible unit
○ Strove to establish the framework for business continuity during disasters	○ Continue to strive to establish the framework for business continuity during disasters	Planning and Coordination Department: Planning and Coordination Division System Planning Division  Resolution and Financial Revitalization Department: Resolution and Receivership Division  Deposit Insurance Department: Planning Division
○ Conducted training to check the framework enabling smooth transfer of the settlement of funds and other operations from the Treasury Department to the Osaka Operation Department during disasters and strove to strengthen disaster time response capabilities	○ Continue to strive to develop a robust framework for business continuity in cooperation with relevant organizations so that operations related to the settlement of funds, etc. can be appropriately implemented during disasters	Planning and Coordination Department: Planning and Coordination Division  Treasury Department: Financial Planning and Coordination Division Finance Division I Finance Division II  Osaka Operation Department: Administration, Policy Planning and Coordination Division
○ Contributed to deepening depositors' and others' understanding of the deposit insurance system and the DICJ's roles and operations through the dissemination of information via the DICJ website and distribution of brochures Regarding the website, developed contents for better web accessibility	○ Implement PR activities that are easy to understand for depositors, etc., promote the development of an environment that facilitates interactive exchanges of information with financial institutions, etc. and enhance and improve the DICJ's efforts while listening to the opinions of relevant parties at every available opportunity Regarding the website, strive to further improve web accessibility	Planning and Coordination Department: Public Relations and Information Management Office  Treasury Department: Budget and Accounting Division I  Inspection Department: Inspection Planning Division  Research Department: Research and Analysis Division
○ Disclosed information in an easy-to-understand manner with respect to the financial conditions of the entire DICJ, including subsidiaries		
○ Engaged in bilateral exchanges of information with financial institutions through inspection monitoring		
○ Strove to provide information to financial institutions through a cloud service		
○ Provided necessary information to relevant parties in and outside Japan	○ Continue efforts to provide information in a timely manner by using the English version of the annual report at international conferences, technical cooperation seminars and other events and by conducting public relations activities using the English version of the website	International Department

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