

**FSA Inspections after Implementation of the  
Financial Inspection Rating System (FIRST)**

**SAMPLE ONLY**

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The International Bankers Association has prepared this translation with the intention of having the content, as much as possible, accurately represent the Japanese original. However, differences in layout and pagination from the Japanese original will exist.

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Inspection Rating System (FIRST)**

1. In order to implement highly efficient and effective financial inspections, the Financial Services Agency (FSA) selects financial institutions for inspection based on considerations such as financial institution size and business circumstances, time passed since the previous inspection, the previous inspection results, the economic environment since the previous inspection and various other information. In addition to these items, following implementation of the Financial Inspection Rating System (FIRST), the FSA will also consider the FIRST results as another parameter for future inspections. As outlined below, these results, based on the number of assessed items and their precise nature, will be reflected in the composition of subsequent inspections. This approach will enable the FSA to implement highly efficient and effective inspections by organically combining inspection frequency, inspection scope and inspection depth.