

## Chapter 3: Measures against Organized Crime

### Section 1: Measures against Organized Crime Groups (Boryokudan)

#### 1 Boryokudan

In recent years, in addition to traditional funding activities, intercession in civil disputes and violence targeting government administrations, Boryokudan have crept into a variety of business activities involving the construction, finance and industrial waste disposal industries, and have also engaged in securities trading while concealing their organizations. By hiding behind this business activity and exploiting collaborators, Boryokudan are increasing their funding activities within the general public.

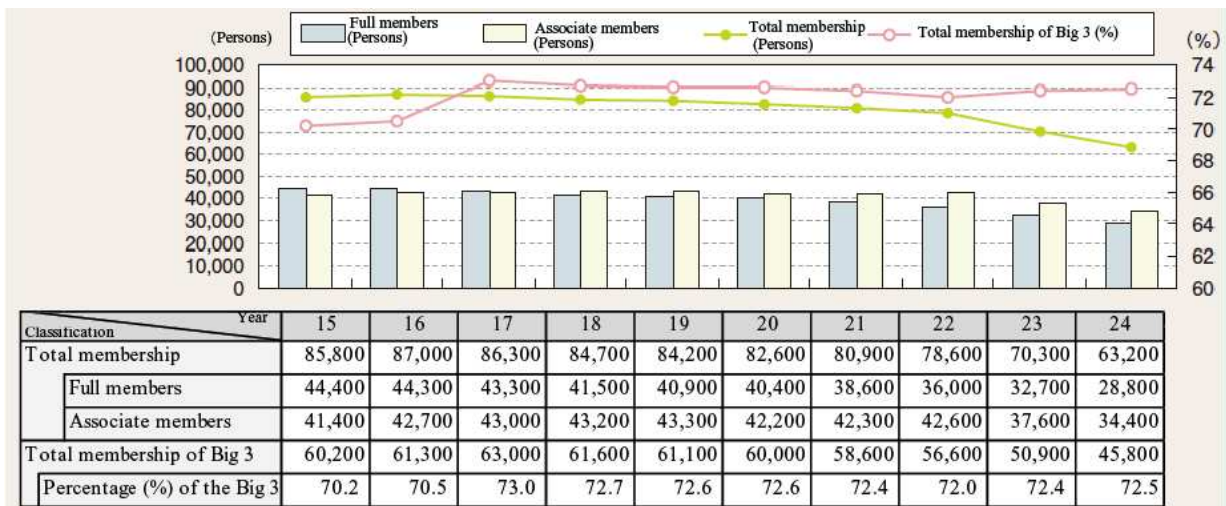
#### Measures

##### 1 Drug Situation

The number of arrests for drug offenses during 2012 was 13,466, a slight decrease from the previous year, and the number of arrests for stimulant offenses was also slightly lower. However, with the amount of seized stimulants showing an increase over the previous year, the drug situation remains severe.

In addition, recent years have seen the incidence of major traffic accidents caused by users of so called law-circumventing drugs driving while under their influence. As well as arresting users under charges such as

Trends in Boryokudan (full/associate) membership (2003 – 2012)



Note: Percentage of the Big 3 = Total membership of Yamaguchi-gumi, Sumiyoshi-kai and Inagawa-kai ÷ Total membership x 100

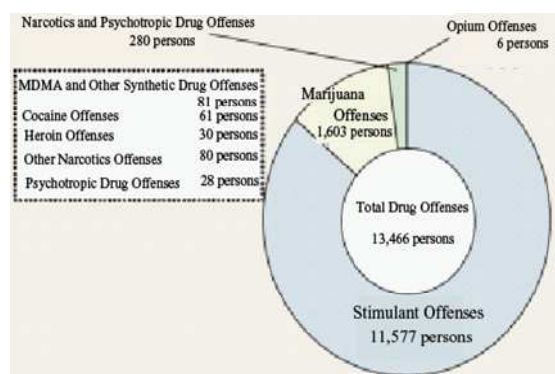
#### 2 Enforcement against Boryokudan Crime

The total number of Boryokudan members, etc. arrested during 2012 was 24,139, a decrease from the previous year. Of the total number of arrests, arrests related to violations of the Stimulants Control Act, extortion, gambling and bookmaking, etc. remained at around 30%, and these can be considered effective Boryokudan funding sources. Meanwhile, as there is an increasing trend in the percentage of arrests for fraud, which does not necessarily require the weight of Boryokudan, there are indications that the status of Boryokudan funding activities is changing.

“Dangerous Driving causing Death or Injury”, police are striving to take other measures such as issuing guidance and warnings to the retailers of so called law-circumventing drugs and arresting malicious retailers under violations of the “Pharmaceutical Affairs Act”.

### Section 2: Anti-Drug and Anti-Firearm

Number of Arrests for Drug

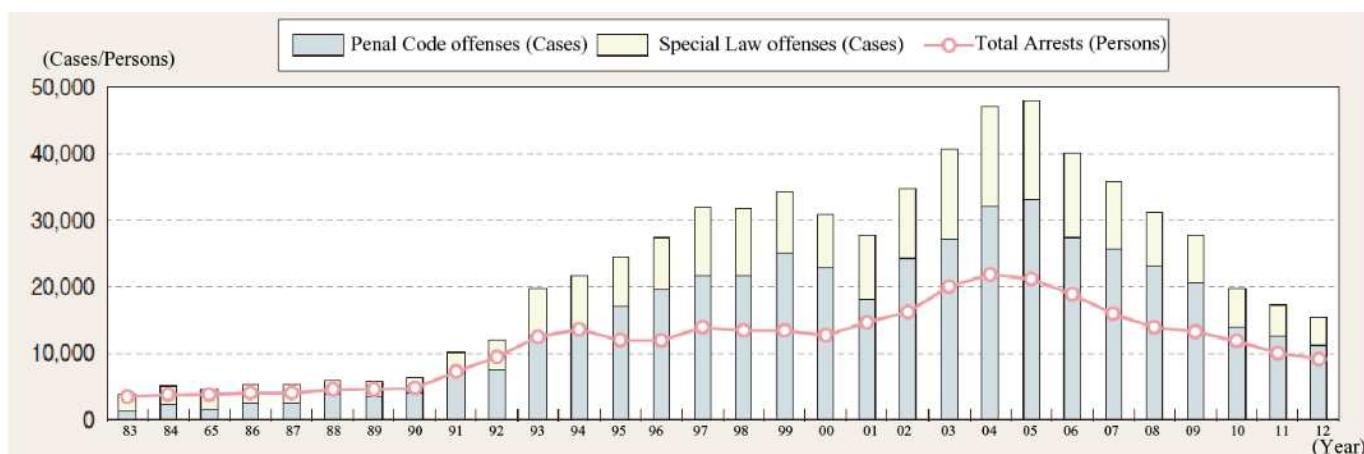


## 2 Firearms Situation

Regarding the firearms situation during 2012, there was a succession of incidents involving the discharge of firearms by Boryokudan members, etc. targeting members of the general public and private businesses. There were also 153 incidents involving firearms use. Police are promoting firearms measures, undertaking enforcement with an emphasis on seizing the arsenals of organized crime groups and exposing smuggling and trafficking cases, etc.

## Section 3: Measures against Crimes by Visiting Foreigners

The total number of cleared cases of crime committed by visiting foreigners during 2012 was 15,368, and the number of arrests was 9,149. Both figures show a decrease from the previous year.



Trends in Cleared Cases of Crime by Visiting Foreigners (1983-2012)

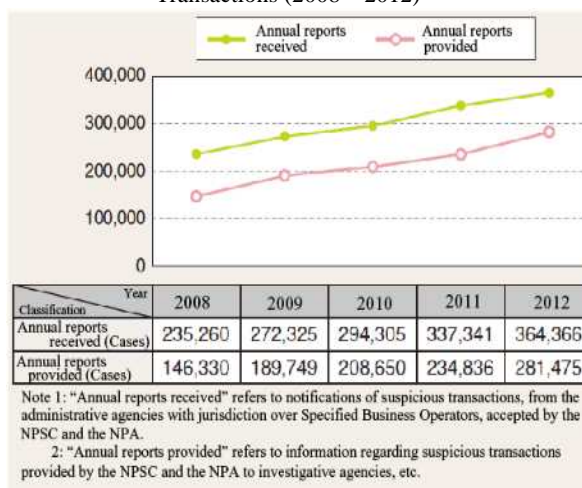
## Section 4: Measures against Criminal Proceeds

In order to weaken criminal organizations such as Boryokudan and force them to be annihilated, it is important to prevent the transfer of criminal proceeds and to ensure that these groups are stripped of their criminal proceeds.

Police are pressing ahead with measures against criminal proceeds through the receipt

and provision of suspicious transaction reports in accordance with the “Act on Prevention of Transfer of Criminal Proceeds”, and arrests in relation to money laundering offenses as stipulated in the “Act on Punishment of Organized Crimes and Control of Crime Proceeds, etc.”. In April 2013, the amended “Act on Prevention of Transfer of Criminal Proceeds”, which includes details concerning added items for verification at the time of transaction and call transfer service providers to Specified Business Operators, was fully enforced.

Trends in Notification of Suspicious Transactions (2008 – 2012)



Trends in Cleared Money Laundering Cases (2008 – 2012)

Classification	Year	2008	2009	2010	2011	2012
Organized Crime Punishment Act (Cases)		173(63)	226(90)	205(90)	243(81)	238(55)
	Management control of corporations, etc. (Article 9)	1(1)	0	1(0)	1(0)	0(0)
	Concealment of criminal proceeds (Article 10)	134(41)	172(49)	139(46)	150(43)	158(27)
	Receipt of criminal proceeds (Article 11)	38(21)	54(41)	65(44)	92(38)	80(28)
Act on Special Provisions for Narcotics (Cases)		12(5)	10(4)	9(5)	8(3)	11(4)
	Concealment of drug crime proceeds (Article 6)	10(4)	5(1)	8(4)	8(3)	8(2)
	Receipt of drug crime proceeds (Article 7)	2(1)	5(3)	1(1)	0(0)	3(2)

Note: Numbers in parenthesis indicate offenses by Boryokudan members, etc.