

Chapter 4 Measures against Organized Crime

Section 1 Measures against Boryokudan

1 Situation of Boryokudan

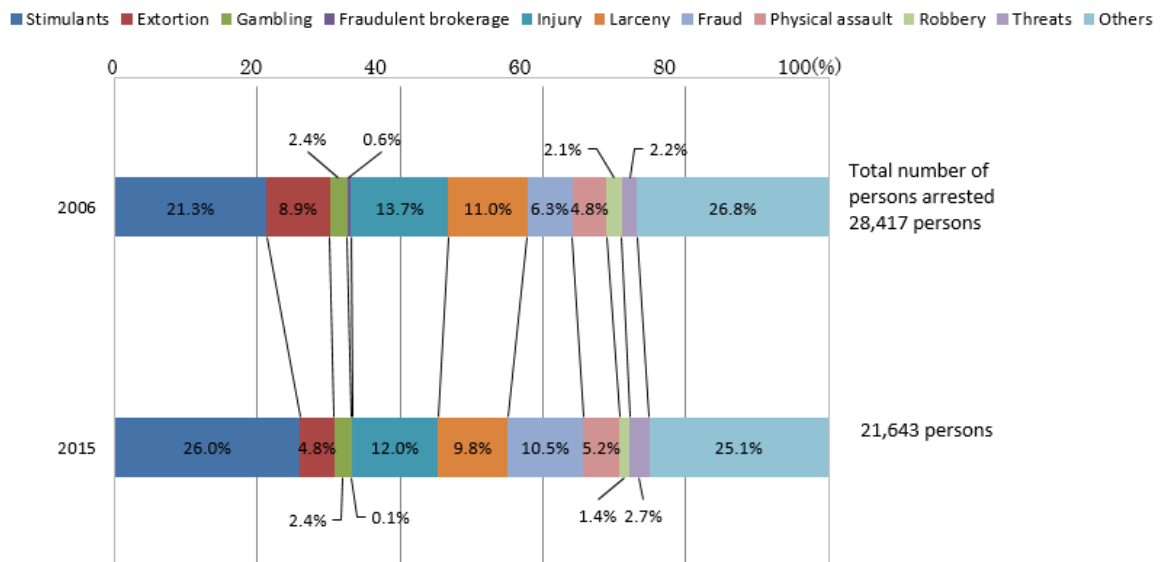
The total number of full and associate members of Boryokudan has declined since 2005. In addition, more than 70% of that number belong to one of the major Boryokudan groups; however, the split of the Rokudaime Yamaguchi-gumi, which once accounted for slightly less than 50% of the total Boryokudan members, brought a demographic change.

Section 2 Measures against Drugs and Firearms

1 Drugs Situation

The number of persons arrested for drug offenses in 2015 remains high at 13,524. In addition, there have been a series of smuggling cases of large amounts of methamphetamine using vessels, indicating that the drug situation remains an issue of concern.

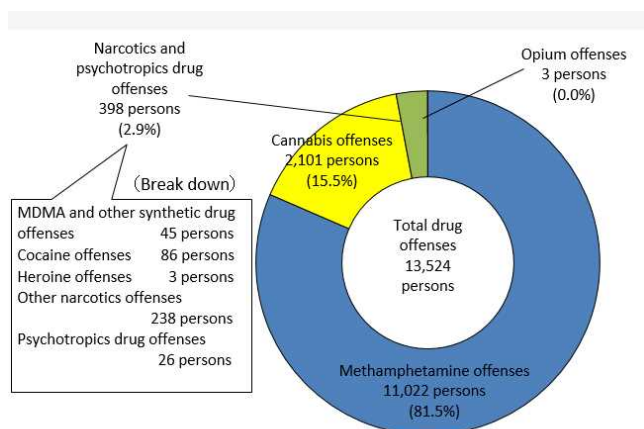
Proportion of various types of offenses in the total number of crimes committed by Boryokudan members (in 2006 and 2015)



2 Measures against Boryokudan

The arrests of Boryokudan members are on a declining trend in recent years. Of the total arrests, the percentage of arrests on violation of the Stimulant Control Act, and conventional money acquisition offenses such as extortion, gambling and bookmaking has hovered around 30%, which means that these are important sources of funds. However, the percentage of persons arrested for frauds that can be committed without the exercise of the power of Boryokudan is increasing. This reveals how Boryokudan are changing their activities of acquiring funds.

Number of persons arrested for drug offenses (2015)



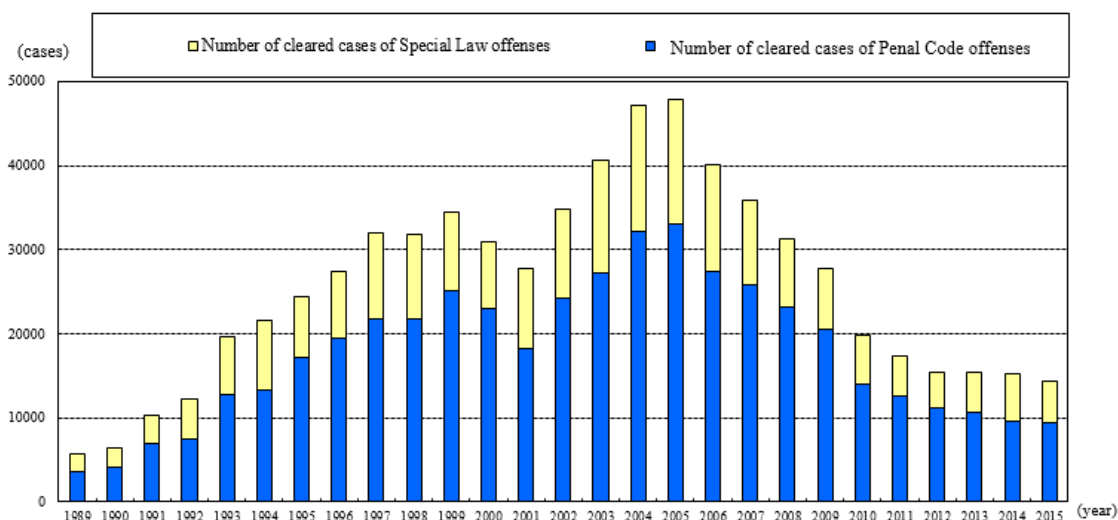
2 Firearms Situation

In 2015, there were 110 cases involving use of firearms, a decrease of 37 cases from the previous year. Although the number of casualties caused by shooting incidents has been on the decline in recent years, there is a continuous trend in which Boryokudan members, etc. are involved in a large number of these incidents. In addition, violent crimes involving use of firearms still occur both in downtown and residential areas, so continuous vigilance activities are required.

Section 3 Measures against Crimes Committed by Foreigners Visiting Japan

The number of cleared cases of crimes committed by foreigners visiting Japan was on the rise after 1989 but has decreased significantly since peaking in 2005. In 2015, the number of cleared cases was 14,267.

Changes in the number of cleared cases of crimes committed by foreigners visiting Japan (1989-2015)



Section 4 Measures against Criminal Proceeds

1 Activities Based on the Act on Prevention of Transfer of Criminal Proceeds

In order to effectively advance measures

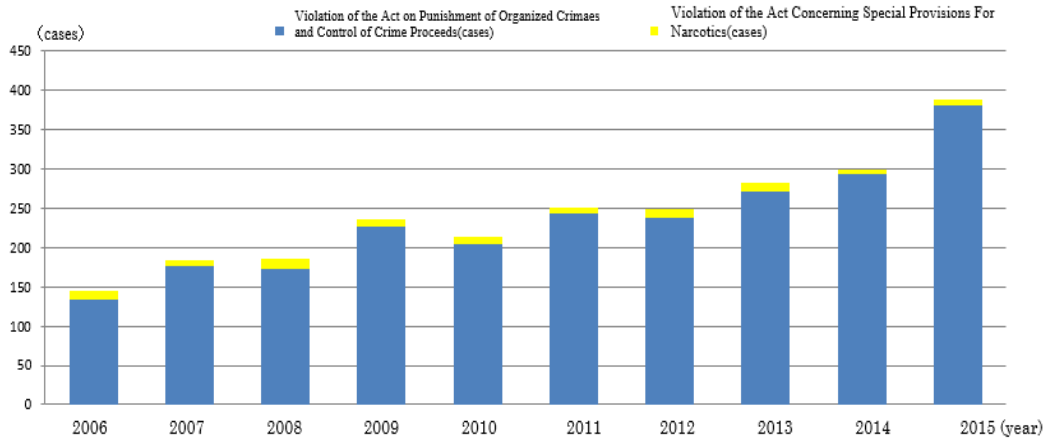
against criminal proceeds, based on the Act on Prevention of Transfer of Criminal Proceeds, it is important that the obligation to confirm the identity of the customer at the time of transaction and the obligation to give notification of suspicious transactions are appropriately fulfilled by the specific business operators. The information on suspicious transactions that business operators report to each competent authority is provided to investigation agencies and other bodies, and is utilized for investigation of money laundering offenses.

2 Situation on Cleared Money Laundering Related Cases

The number of cleared money laundering cases in 2015 was 389, an increase of 89 from the previous year. Among these, 94 cases were committed by Boryokudan members, accounting for 24.2% of the total number of

cases. This data shows that money laundering is being conducted using funds acquired through illegal acts such as fraud and loan sharks.

Changes in cleared money laundering cases (2006-2015)



| Classification | Year | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
|--|---|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Violation of the Act on Punishment of Organized Crimes and Control of Crime Proceeds(cases) | | 134(53) | 177(60) | 173(63) | 226(90) | 205(90) | 243(81) | 238(55) | 272(75) | 293(55) |
| Management control of enterprises(Article 9) | | 1(0) | 0(0) | 1(1) | 0(0) | 1(0) | 1(0) | 0(0) | 2(0) | 1(1) | 2(0) |
| Concealment of criminal proceeds(Article 10) | | 91(18) | 137(35) | 134(41) | 172(49) | 139(46) | 150(43) | 153(27) | 171(35) | 180(26) | 234(43) |
| Receipt of criminal proceeds(Article 11) | | 42(35) | 40(25) | 38(21) | 54(41) | 65(44) | 92(38) | 80(28) | 93(40) | 112(28) | 145(46) |
| Violation of the Act Concerning Special Provision for Narcotics(cases) | | 10(5) | 7(5) | 12(5) | 10(4) | 9(5) | 8(3) | 11(4) | 10(10) | 7(5) | 8(5) |
| Concealment of criminal proceeds(Article 6) | | 5(3) | 5(4) | 10(4) | 5(1) | 8(4) | 8(3) | 8(2) | 6(6) | 5(3) | 5(3) |
| Receipt of drug criminal proceeds(Article 7) | | 5(2) | 2(1) | 2(1) | 5(3) | 1(1) | 0(0) | 3(2) | 4(4) | 2(2) | 3(2) |

Note: Numbers in parentheses indicate offenses committed by Boryokudan members