



Current Situation of Consumer Bankruptcy in Japan

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Abstract

In Japan, starting with the bursting of the bubble economy in the early 1990s, and followed by a series of crises, such as the global financial crisis caused by the Lehman Brothers Shock of 2008, and the Great East Japan Earthquake of 11 March 2011, the economic life of consumers has been heavily affected by a serious, long term economic depression. For instance, consumer insolvencies sharply increased due to multiple debts. As a consequence, expressions such as ‘debt adjustment’, ‘individual rehabilitation’, ‘credit card bankruptcy’ and ‘credit loan bankruptcy’ have been routinely used when dealing with this topic.

In this article, I would like to analyze the following three points that illustrate the current situation of consumer bankruptcy based on the latest data.

1. Numbers of petitions for bankruptcy accepted by district courts;
2. Characteristics of bankrupts in consumer bankruptcy;
3. Numbers and rate of orders granted discharge by the district courts.

I. Purpose of This Article

The purpose of this article is to illustrate the current situation of consumer bankruptcy (消費者破産) in Japan, which is central to consumer insolvency (消費者倒産), based on (1) the numbers of petitions for bankruptcy accepted by the district courts, (2) the classification of types of consumer bankrupts, and (3) the numbers and rate of orders granted discharge by the district courts.

II. Introduction

In Japan, the prolonged and worsening economic slump caused by the so-called burst of the bubble economy from the early 1990s, the so-called Lehman crash in 2008, and the Great East Japan Earthquake of 11 March 2011 is still having a major impact on the economic life of consumers. For instance, when taking a look at individual bankruptcy cases, consumer insolvency expressed using terms such as debt adjustment (債務整理), individual rehabilitation (個人

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再生), credit card bankruptcies (カード破産) and credit bankruptcies (クレジット破産) particularly caused by multiple debts (多重債務) has increased dramatically. As a result, consumer insolvency became an issue in the field of insolvency laws, and, in particular, consumer bankruptcy, which accounts for most of such consumer insolvency, came under close scrutiny as an urgent issue.

Nevertheless, the term ‘consumer bankruptcy (消費者破産)’ is not used in the Japanese Bankruptcy Act 2 June 2004 no 75. In addition, terms such as ‘credit card bankruptcies’ and ‘credit bankruptcies’ – which are used as terms that are synonymous with consumer bankruptcy – are also missing in the Japanese Bankruptcy Act.

The Japanese Bankruptcy Act is not principled on the bankruptcy of traders like the Italian and French Bankruptcy Act. It is based on the fundamental bankruptcy principle which doesn’t distinguish between trader and non-traders as in England and Germany. The Japanese Bankruptcy Act prescribes both the bankruptcy of artificial persons and that of natural persons, and it could be said that the framework of bankruptcy procedures is basically the same for both artificial persons and natural persons.

With respect to this point, unlike Japan, the bankruptcy of companies and entrepreneurs (juridical person) and the bankruptcy of consumers (natural (civil) person) are prescribed in separate laws in Italy. In other words, the bankruptcy of entrepreneurs is prescribed under the law referred to as the Bankruptcy Act, and the bankruptcy of consumers is prescribed under the law referred to as the ‘Provisions regarding usury and extortion, as well as composition of over-indebtedness crises’. The latter is hereinafter referred to as the ‘Italian Consumer Bankruptcy Act’ 27 January 2012 no 3 for the sake of convenience.

In this article, I would like to define the term ‘consumer bankruptcy’ as one distinctive and most-often encountered type of bankruptcy in which most bankruptcies are by consumers, and are filed for the purpose of obtaining a discharge.

Common characteristics found in many consumer bankruptcy cases include the following; specifically, a) the petitioner is a consumer as a civil debtor who is natural person, b) the petitioner has fallen into a state of multiple debts, c) in many cases, the petition for bankruptcy is filed not by the creditor, but by the debtor himself/herself, d) in many cases, the court issues an order of discontinuance of bankruptcy proceedings upon issuing an order of commencement of bankruptcy proceedings, and e) most importantly, the petition for bankruptcy is filed for the purpose of obtaining a discharge.

The discharge clause was not previously prescribed under Italian laws, but a discharge was foremost acknowledged for entrepreneurs pursuant to the revision of the Italian Bankruptcy Act in 2006, and then was additionally acknowledged for civil debtors and consumers under the Italian Consumer Bankruptcy Act of 2012. Since this ‘discharge’ will most likely play a major role in the consumer

bankruptcy cases in Italy in the future.

III. Current Situation of Consumer Bankruptcy

According to the Statistics by the National Police Agency, the total number of suicide victims in 2017 was twenty-one thousand three hundred twenty-one people, and three thousand four hundred sixty-four people among these victims committed suicide because of economic or personal problems.¹ Looking at the 2017 average of victims who committed suicide because of economic or personal problems, reveals approximately ten people committed suicide per day or one suicide approximately every two point five hours. While the number of victims who committed suicide because of economic or personal problems is decreasing as a whole, the number is more than two times that of the ten thousand three hundred nineteen persons in 1989 when the so-called bubble economy reached its peak. Of course, not all of the victims who committed suicide because of economic or personal problems matters were a result of consumer bankruptcy due to their inability to pay multiple debts, but it appears that many of these suicide victims corresponded to consumer bankruptcy when giving consideration to today's economic circumstances.

1. Number of Bankruptcy Cases Filed

Graph 1 shows the transition of bankruptcy cases that were newly filed from 1989 to 2016 in Japan.

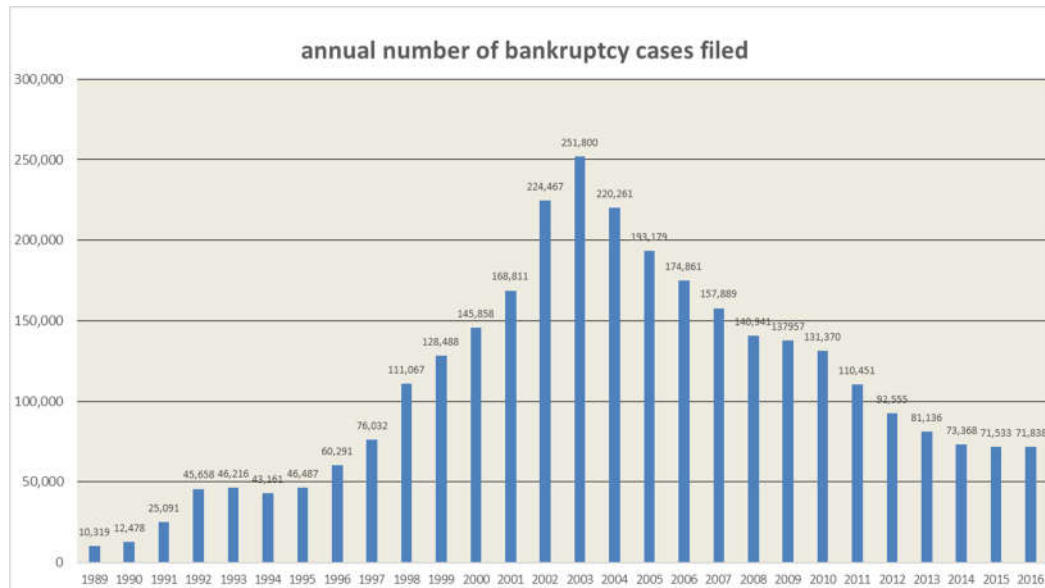
'Cases that were newly filed', it refers to cases that were newly accepted by district courts. While there may be cases where certain cases are counted redundantly as a result of being transferred from a different court, these figures can be considered as the general number of bankruptcy cases that were filed with the courts. As explained in detail below, in Japan, unlike in Italy, a commencement order is issued by the court for basically all bankruptcy cases that are filed, and procedures are thereby commenced.

There were ten thousand three hundred nineteen cases in 1989 when the bubble economy started to collapse. In 2003, so-called '*Yami-Kinyu* (loan sharks based on the *yakuza* (*Japanese organized crime syndicates*))' became a big social problem in Japan, so the number of bankruptcy cases filed had peaked in this year at two hundred fifty one thousand eight hundred cases. But the number of cases has gradually decreased year-by-year to seventy-one thousand eight hundred

¹ Available at <https://tinyurl.com/y9blmnpk>, 2, 6, 25 (last visited 15 November 2018). By way of reference, the death rate of suicide victims was twenty point seven per one hundred thousand persons according to Japanese statistics of 2013, and six point four persons according to Italian statistics of 2012, which means that the death rate caused by suicide in Japan is more than triple in comparison to that of Italy, available at <https://tinyurl.com/ybzl722u>, 35 (last visited 15 November 2018).

thirty-eight² in 2016.

Graph 1



One reason for this is because, in 2003, the so-called ‘*Yami-Kinyu Countermeasures Act*’ (formally known as the Act for Partial Revision of Moneylending Control Act and Investment Act) was revised, and penalties were strengthened against unregistered moneylenders and high-interest loans, as well as against illegal collection of loans (for instance, collecting debts by repeatedly calling the debtor’s workplace or calling the debtor’s home at night, going over to the debtor’s home and yelling out loud, or in a manner that verges on extortion).

Subsequently, the Moneylending Control Act was partially revised in 2006, and (1) excessive loaning was inhibited, the total amount that may be loaned was restricted to be up to one third of the borrower’s income, and the borrower’s income must be accurately calculated by causing the borrower to submit a withholding certificate to maintain effectiveness, (2) gray zone interest rates were abolished and the interest rate that was valid as so-called constructive repayment up to twenty-nine point two per cent was lowered to fifteen/twenty per cent according to the amount of the Interest Rate Restriction Act, constructive payment was abolished, and penalties were strengthened against the violation of these revisions in order to place strict restrictions on lenders, and (3) call centers such as the Japan Legal Support Center and consumer hotlines were established with the government and local public agencies playing a central part

² General Secretariat of the Supreme Court, *Annual Report of Judicial Statistics for 2016* (Tokyo: Lawyers Association, 2017), 72. Other case counts are also based on the annual report of judicial statistics of each year.

in the creation process of these call centers, and safety-net loans for individuals such as the system of loaning for social welfare were enhanced so as to protect the borrowers. Thus, the public and private sectors have joined hands and taken measures for eradicating the problem of multiple debts.

By way of reference, the number of cases in which bankruptcy procedures of companies were taken in Italy was fourteen thousand four hundred seventy-five³ in 2015 based on the latest materials. Nevertheless, the number of consumer bankruptcy cases (bankrupt persons) in Italy is unclear, and it would be impossible to compare the number of bankruptcy cases in Japan and Italy unless the number of consumer bankruptcy cases in Italy is added to the foregoing number of corporate bankruptcy cases. However, when using the number of cases in which bankruptcy procedures were commenced in Italy as a reference and applying it to the population of Japan, the result shows twenty-eight thousand nine hundred fifty cases, and the number of bankruptcy seventy-one thousand five hundred thirty-three cases in Japan in 2015 is approximately two point five times that of Italy even after performing the calculation upon applying the figures to the population of Japan. The characteristics of the number of bankruptcy cases in Japan and Italy are that, while the number of bankruptcy cases filed and the number of cases in which bankruptcy procedures were commenced in Japan are basically the same, there is a considerable difference in the numerical values of the two in Italy. For instance, when taking 2015 as an example, the number of fourteen thousand four hundred seventy-five cases in which bankruptcy procedures were commenced has decreased to one third of the number of bankruptcy forty-one thousand thirty-six cases that were filed.

2. Characteristics of Bankrupts in Consumer Bankruptcy

As characteristics of bankrupts in consumer bankruptcy I will mention gender, ratio by age, income, amount of debt, occupation, and cause of bankruptcy.

This information is based on the record surveys issued by the Japan Federation of Bar Associations.⁴ This survey has been conducted nine times so

³ Available at <https://tinyurl.com/y8n933jq>, 196 (last visited 15 November 2018).

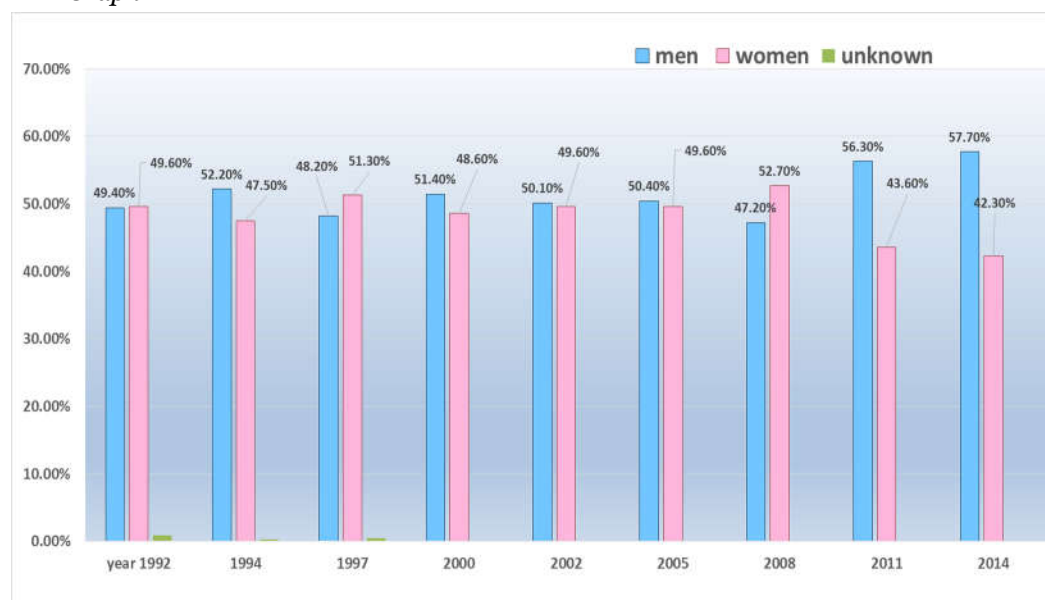
⁴ The Japan Federation of Bar Associations the Consumer Affairs Committee has issued the following nine Record Surveys, available at <https://tinyurl.com/y82e6g67> (last visited 15 November 2018). *Record Survey of Bankruptcy Cases and Individual Rehabilitation Cases in 2014* (2014); *Record Survey of Bankruptcy Cases and Individual Rehabilitation Cases in 2011* (2011); *Record Survey of Bankruptcy Cases and Individual Rehabilitation Cases in 2008* (2008); *Record Survey of Bankruptcy Cases and Individual Rehabilitation Cases in 2005* (2007); *Record Survey of Bankruptcy Cases and Individual Rehabilitation Cases in 2002* (2003); *National Survey of Bankruptcy Records in 2000* (2000); *National Survey of Bankruptcy Records in 1997* (1999); the survey of 1994 is based on *the Collection of Documents Concerning Revision of Bankruptcy Act in Relation to Consumer Bankruptcy*, 215, (1997), and the survey of 1992 is based on *the Results of Questionnaire Concerning Consumer Bankruptcy Survey and Debt Adjustment of Multiple Debts and Questionnaire of Bar Association Concerning Consultation on Multiple Debts* (1992).

far in the years of 1992, 1994, 1997, 2000, 2002, 2005, 2008, 2011, and 2014.

Please note that these surveys include bankrupt persons among sole proprietors as a result of randomly extracting bankrupt persons who are natural persons, which is why the amount of debt is considerably high. Thus, it should be kept in mind that these surveys may not necessarily be an accurate reflection of the figures of consumer bankruptcy of income and amount of debt.

a) Concerning the gender of bankrupt persons (*graph 2*), all surveys basically show the same rate, and there was no bias based on gender. However, in 2011 and 2014, bankruptcies by men surpassed those by women by roughly ten per cent. Nevertheless, since the ratio of suicide victims of men and women in Japan is three to one, as explained above, the bias is minimal in comparison to this ratio.

Graph 2



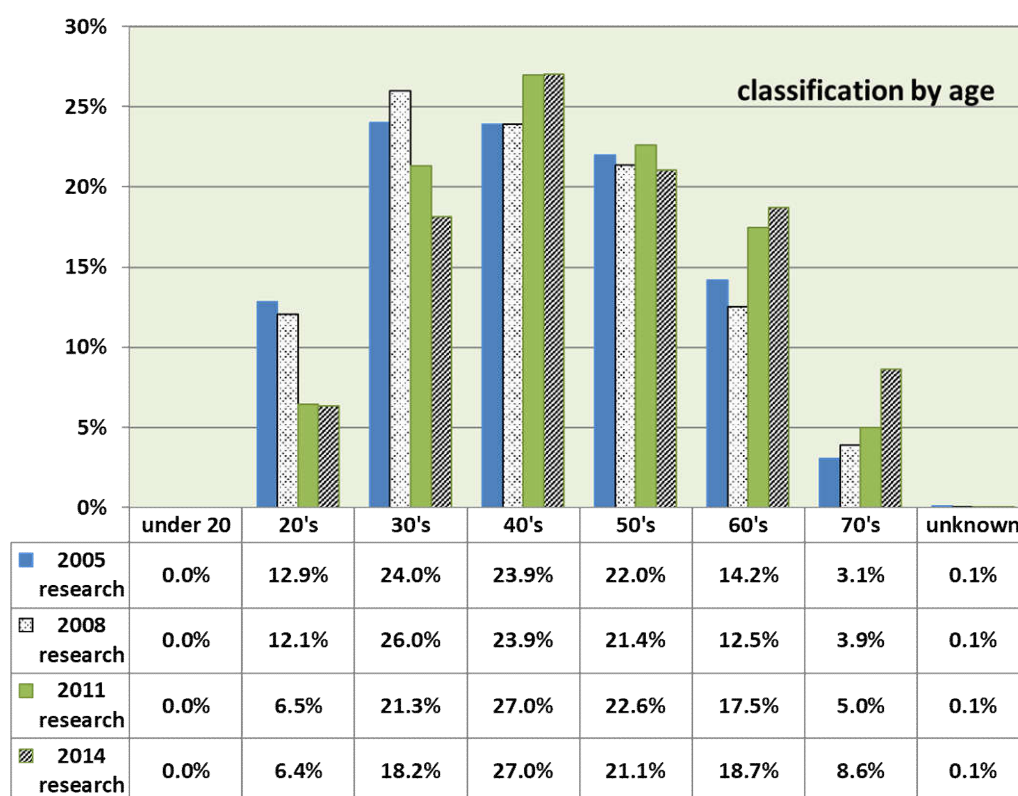
b) Concerning bankrupt persons by age (*graph 3*), data only from 2005 is included for the sake of simplification. In comparison to the year 2005, which is before the Lehman crash, a sweeping generalization would be that, on the one hand, bankruptcies by people in their forties, sixties and seventies are of an increasing trend on the one hand, but, on the other, bankruptcies by people in

In these nine record surveys, the number of cases and items to be surveyed are not necessarily unified, but the survey items have been unified from the record survey of 1997 onward. Nevertheless, from the survey of 2014, the contents have been slightly modified such as the option of 'purchase by credit card' being added to the cause of debt of bankruptcy and individual rehabilitation.

The respective figures used in this chapter are based on the record survey of the corresponding year.

their twenties and thirties are of a decreasing trend on the other, and the aging of consumer bankrupt persons is notable. When calculating the average age based on the 2014 Survey (calculating the intermediate value of men and women by age (for instance, calculating people in their twenties as being twenty-five years of age, and calculating people in their seventies or older as being seventy-five years of age)), in 2005 the average age of men is forty-five point four years and the average age of women in 2005 is forty-five point nine years, and the average age of both men and women in 2005 is approximately forty-six years. But in 2014 the average age of men is fifty point two years and the average age of women is fifty point four years, and the average age of both men and women in 2014 is fifty-two point four years, and the aging of consumer bankrupt persons is notable.

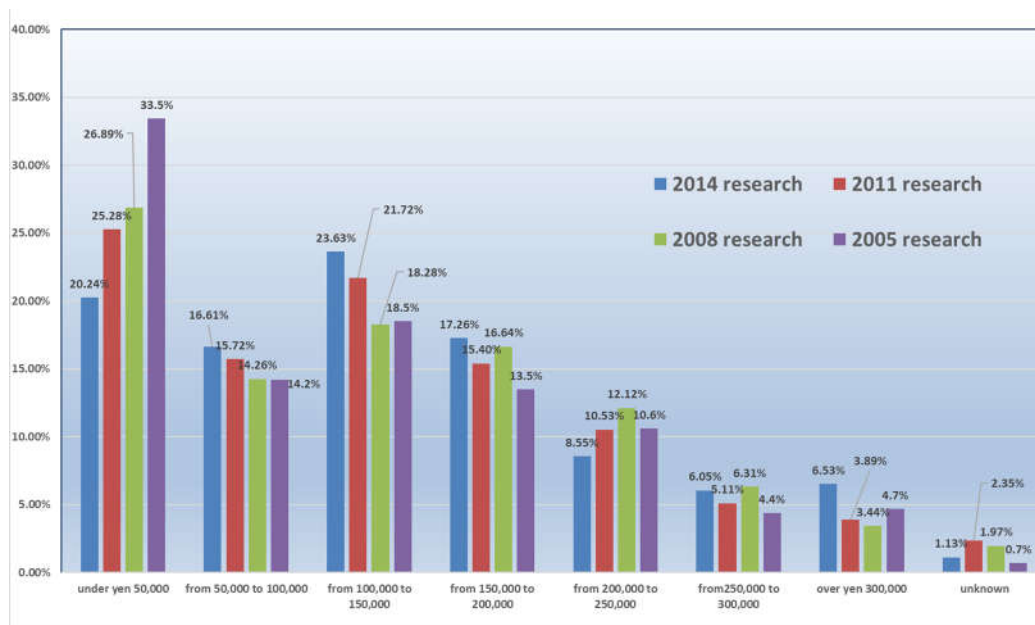
Graph 3



c) Concerning the income of bankrupt persons (*graph 4*), irrespective of the year, the most common monthly income was less than fifty thousand yen, but in 2014 the most common monthly income was 'one hundred thousand yen or more and less than one hundred fifty thousand yen' (approximately twenty-four per cent of reported cases), and the next common monthly income was the zone

'less than fifty thousand yen' (approximately twenty per cent). Nevertheless, unlike before, there is no drastic difference between the respective income ranges, and it could be said that people are filing for bankruptcy irrespective of the income range.

Graph 4

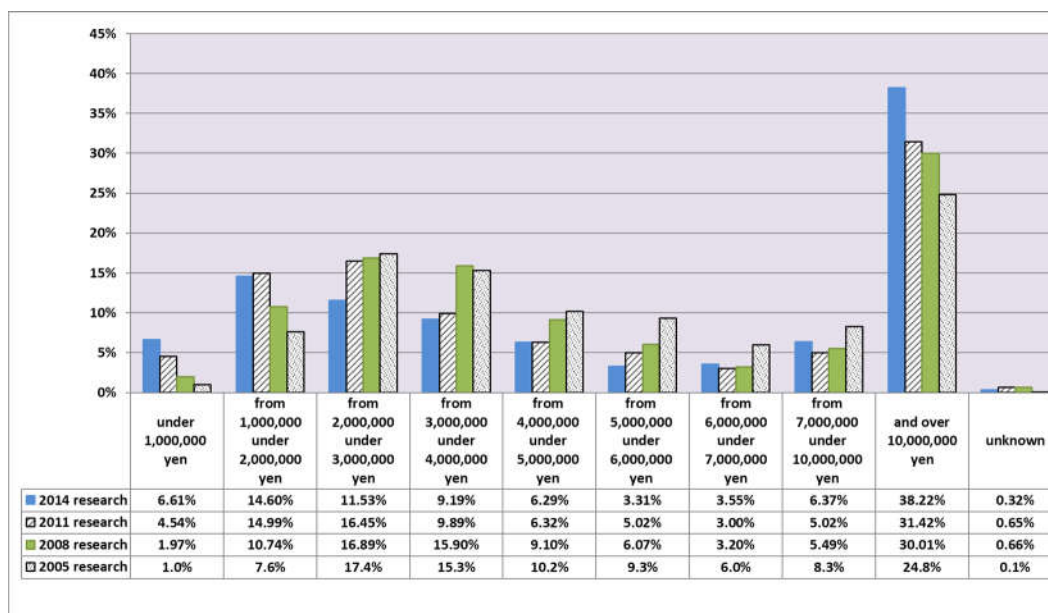


Moreover, while this is not indicated in the table and graph, in the 2014 Survey, while men with a monthly income of less than fifty thousand yen (including no income) accounted for approximately sixteen per cent of bankruptcies, the ratio of women was ten per cent greater, accounting for approximately twenty-seven per cent. Contrarily the ratio of men having a monthly income of two hundred thousand yen or more was approximately thirty per cent, and the ratio of women was approximately ten per cent. The fluctuation of monthly income based on gender is notable, and we can see that women who declare bankruptcy have a lower income. Furthermore, while the average monthly income was one hundred ten thousand sixty one yen in the 2005 Survey before the Lehman crash, the average monthly income increased by roughly twenty thousand yen in 2014 to one hundred thirty-one thousand six hundred twelve yen. Still, the fact remains that the people who file for bankruptcy have a low income.

d) Concerning the amount of debt of the bankrupt persons (*graph 5*), since cases where the total amount of debt is greater than one hundred million yen account for four point thirty-five per cent among all cases, as explained above, it appears that the bankruptcy of entrepreneurs as natural persons is included in addition to those of consumers. In the annual survey from 2005 onward, the

amount of debt of ten million yen or more is the most common and accounts for approximately thirty per cent of declared bankruptcies, but in the 2014 Survey, this amount of debt increased considerably to approximately forty per cent of cases. Contrarily, while the amount of debt of under seven million yen represented approximately sixty-seven per cent of bankruptcies in 2005, the percentage of this amount of debt decreased to fifty-five per cent in the 2014 Survey. However, the amount of debt of under one million yen equalled approximately nine per cent of cases in 2005, but increased to more than double to twenty-one per cent in 2014. Thus, cases of filing for bankruptcy even when the amount of debt is small are an increasing trend.

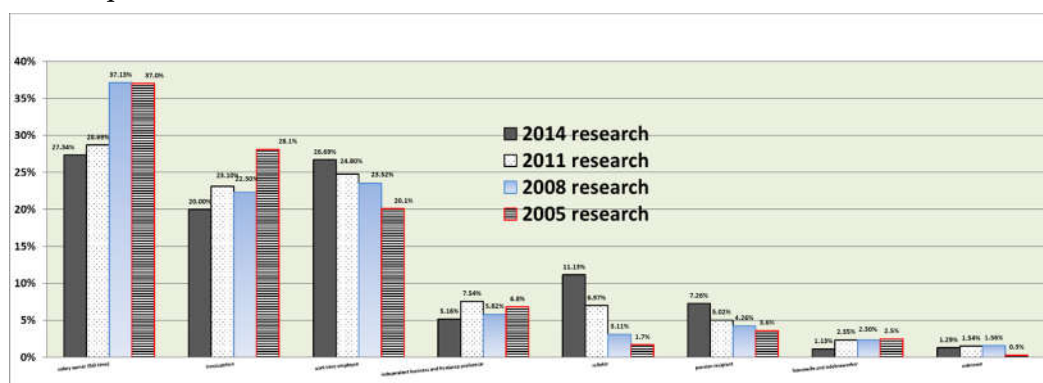
Graph 5



Moreover, while this is not indicated in the table and graph, the ratio of women with up to under three million yen of debt, forty-five point twenty-three per cent, is nearly double the ratio of men with the same burden, twenty-three point sixty-one per cent. The fluctuation of the amount of debt based on gender is notable: women file for bankruptcy at a smaller amount of debt. Furthermore, while the average amount of debt was seventeen million nine hundred thirty thousand seven hundred seventeen yen in the 2005 Survey, the average amount of debt increased approximately one point three times to twenty-four million one hundred forty-three thousand three hundred twenty-nine yen in the 2014 Survey, and the amount of debt of one hundred million yen or more also increased from three point eighty-nine per cent in 2005 to four point thirty-five per cent in 2014. The total amount of debt is heading toward both extremes.

e) Concerning the occupation of the bankrupt persons at the time that they filed for the commencement of bankruptcy procedures (*graph 6*), while the ratio of unemployed and full-time salaried workers is decreasing, the ratio of these two groups still accounts for nearly half of all cases at approximately forty-seven per cent, and remains at a high level. Moreover, the ratio of pensioners and welfare recipients has increased considerably in comparison to the 2005 Survey, and the ratio of part-time workers has also increased.

Graph 6



f) With regard to the cause that led to bankruptcy (*table 1*), the total percentage exceeds one hundred per cent since multiple answers were allowed, but the most common cause in 2014 was 'hardships of life/low income' at sixty per cent. This is basically the same as the percentage of sixty-one point nine per cent in 2005 before the Lehman crash. The causes of 'illness/medical expenses' and 'unemployment/job change' also show similar figures as those of 2005. Contrarily, the cause of 'overspending/entertainment expenses' decreased to six per cent, which is a one per cent decrease from 2005, and the cause of 'gambling' was approximately four per cent, and increased by zero point five per cent from 2005. The ratio of 'gambling' and 'overspending/entertainment expenses' did not change considerably and merely accounts for approximately ten per cent, but the most common cause of 'hardships of life/low income' accounts for approximately sixty per cent of all cases and, when combined with the cause of 'pay cut' which accounts for thirteen point five per cent, the total is seventy-three point five per cent, a large percentage of the total. Based on these facts and the previous results by age, as the primary cause of bankruptcy, it could be said that the recession-induced bankruptcy is still ongoing where persons of an age who need to support their family file for bankruptcy due to 'hardships of life/low income' or 'unemployment/job change', rather than young people filing for bankruptcy as a result of overspending or entertainment.

Table 1

causes of debt of bankruptcy (multiple answers)	2014 research	2011 research	2008 reserach	2005 research
1 hardships of life/low income	60.2%	60.3%	63.7%	61.9%
2 illness/medical expenses	20.7%	20.3%	21.0%	22.9%
3 unemployment/job change	19.8%	19.8%	14.7%	18.1%
4 pay cuts	13.5%	16.1%	11.4%	11.8%
5 business operating finance	21.4%	16.1%	18.9%	18.7%
6 payment or debt (without guarantee)	17.2%	23.7%	28.2%	32.3%
7 debt guarantee and assumption of the third-party debt	27.18%	44.00%	25.08%	25.1%
8 name lending	2.1%	3.3%	3.4%	4.1%
9 purchase of living essentials	11.2%	11.4%	8.8%	8.1%
10 education fund	7.8%	7.1%	7.1%	8.2%
11 ceremonial occasions	1.6%	2.4%	1.5%	2.4%
12 housing purchase	16.1%	0.2%	9.6%	10.8%
13 gambling	3.9%	4.9%	4.3%	3.4%
14 overspending/entertainment expenses	6.0%	9.6%	7.2%	7.1%
15 investment (stocks, membership, real estate etc.)	1.2%	1.5%	0.7%	0.8%
16 others	13.5%	14.6%	15.8%	17.3%

To briefly summarize the standard characteristics of bankrupt persons in consumer bankruptcy based on the Record Survey of 2014: the ratio of men/women is basically six to four, the average age is approximately fifty-two point four years (about fifty point two for men and fifty point four for women), the occupation is salaried workers including part-time workers, the monthly income is approximately one hundred thirty-one thousand six hundred twelve yen (approximately one hundred thirty-nine thousand four hundred forty yen for men and about one hundred thousand seven hundred forty-nine yen for women),⁵ the main cause that led to bankruptcy is 'hardships of life/low income', and the amount of debt is approximately twenty-four million one hundred forty thousand yen. Note that the average amount of debts⁶ when the amount of debt is capped at fifty million yen, as with individual rehabilitation procedures, is approximately nine million five hundred twenty thousand yen.

In comparison to the Record Survey of 2005 before the Lehman crash, the ratio of men to women increased from fifty percent to fifty percent, to sixty

⁵ The monthly income is the intermediate value of the respective monthly income ranges that were surveyed, and is the average value calculated, for instance, by deeming a monthly income of fifty thousand yen or more and less than one hundred thousand yen as being seventy-five thousand yen. However, the eight persons whose monthly income was unknown and the fifty-four persons who had a monthly income of three hundred thousand yen or more in which the intermediate value could not be set (total of sixty-two persons who account for approximately five point four per cent of all persons) have been excluded.

⁶ The debt is the intermediate value of the respective debt ranges that were surveyed, and is the average value calculated, for instance, by deeming a debt of two million yen or more and less than three million yen as being two point five million yen.

percent to forty percent (ie, a ten per cent increase of men), age increased by six years from approximately forty-six years to approximately fifty-two years, which indicates aging, and average income increased by about thirty thousand yen from approximately one hundred ten thousand yen to approximately one hundred forty thousand yen. The occupation of the bankrupt continues to be salaried workers, including part-time workers who account for half of all bankrupted people. The main cause that led to bankruptcy is 'hardships of life/low income', and there is no significant change on this variable. (The average debt when the amount is capped at fifty million yen as with individual rehabilitation procedures is approximately nine million five hundred twenty thousand yen, an increase from the amount of approximately eight million ninety thousand yen in 2005).

3. Number of Bankruptcy Discharges Granted

The term 'discharge' means,

'The bankrupt shall be discharged from his/her liabilities for bankruptcy claims, except for a liquidating distribution through bankruptcy proceedings'.⁷

In other words, this is a system where, if a discharge is granted, a person is allowed to restart one's economic life without having to bear debts, that is to say, 'make a fresh start', and this system plays an important role in today's Bankruptcy Act. The discharge system was adopted in Japan in 1952, and was introduced into the Bankruptcy Act in Italy in 2006.

In the days of Roman law, a debtor would be killed if he/she was unable to pay the debt, and the creditor would take home a part of the debtor's body in accordance with the amount of claim. Today, a bankrupt person is allowed to press the reset button and restart one's life when a discharge is granted. It could be said that the Bankruptcy Act is one of the legal systems in which the pendulum swung the greatest from one end to the other.

The requirements of a discharge are as follows; namely, (1) the person filing for bankruptcy is a natural person, (2) a petition for discharge is filed separately from a petition for bankruptcy, and (3) the person filing for bankruptcy does not correspond to grounds for non-grant of discharge. Among the above, (3) the 'grounds for non-grant of discharge (免責不許可事由)' are very important. These grounds are prescribed in Art 252, para 1, Item 1 to Item 11 of the Bankruptcy Act, and some examples include: significant reduction of property by conducting extravagant spending, gambling or any other speculative act, assumption of excessive debts, filing of a petition for grant of discharge within seven years from the day that the initial discharge has been granted, a breach of duties prescribed in the Bankruptcy Act. If I may disregard the details and offer a sweeping generalization, these three requirements are basically the same as

⁷ Art 253, para 1, of the Japanese Bankruptcy Act.

those for a discharge to be granted in Italy. The third requirement is prescribed in Art 142, para 1, Item 1 to Item 6 of the Italian Bankruptcy Act as the eligibility (*meritevolezza*) requirement under the Italian academic definition.

If I were to point out one requirement that differs between Japan and Italy in connection with granting a discharge, it would be that, while Italy has a requirement where a discharge is not granted if the ‘creditor is not repaid even in part’ under Art 142, para 2 of the Italian Bankruptcy Act, Japan has no such requirement and most consumer bankruptcy claims are granted a discharge without having to pay even one yen, that is to say even one ‘*centesimo*’, to the creditor. The reason why Japan does not adopt this requirement is, to begin with, consumer bankruptcy is a case where a person files for bankruptcy because he/she has no notable property or money, so it would be meaningless to impose a requirement to repay the creditor, even in part, in order to grant a discharge to the bankrupt person; rather, such a requirement is considered to lead to the impediment of the rehabilitation or revitalization of the bankrupt. In addition, since most of the creditors are moneylenders anyway, it could be said that they are individually responsible for the ‘miscalculation’ of loaning money to such debtors to begin with, even if they are unable to collect their claims from bankrupts, because there is no such payment requirement.

Concerning the numbers and rate of orders granted discharge by the district courts in Japan (*table 2*), in 2014 sixty-five thousand eight hundred eighteen discharges were granted, while one hundred forty-eight were not. The grant rate is ninety-nine point eight per cent and the non-grant rate is zero point two per cent, so discharges are granted at a considerably high rate. This rate has hardly changed in the last several years.

It is undeniable that the reason for this is also delicately related to moral hazard, but the reason why a discharge is given preference over moral hazard is because, if a bankrupt person is left with debt, he/she will continue to bear that debt for the remainder of his/her life, and may eventually despair and lose the will to continue living. If such becomes the case, the problem cannot be resolved in any way even if the bankruptcy system is used.

What kind of bankrupt persons are not granted a discharge? The material only describes the numbers of discharges non-granted, so I’m speculating the reasons, but it may be in cases where the bankruptcy corresponds to grounds for non-grant of discharge as a result of engaging in criminal activity such as fraudulent bankruptcy prescribed in the Bankruptcy Act. Alternatively, even if the bankruptcy does not correspond to the foregoing criminal activity, it may correspond to grounds for non-grant of discharge due to ‘malicious demeanor’ (*悪質な態様*), for example, cases where the amount of debt is extremely high due to overspending or gambling.

Table 2

year	Granted cases (percentage on the total amount of granted and not granted cases)	Not granted cases (percentage on the total amount of granted and not granted cases)
2009	122,984(99.8%)	198(0.2%)
2010	122,555(99.9%)	197(0.1%)
2011	105,169(99.8%)	174(0.2%)
2012	84,850(99.8%)	175(0.2%)
2013	73,140(99.8%)	150(0.2%)
2014	65,818(99.8%)	148(0.2%)

While it would be interesting to compare the number of discharge cases with the current status of the Italian discharge system, but the number of Italian discharge cases is still unknown to me even after conducting research for several years. I hope to find an answer someday by continuing my research.

IV. Conclusion

In summary, the number of bankruptcy cases filed in Japan peaked at two hundred fifty-one thousand eight hundred cases in 2003, and then gradually decreased year by year seventy-three thousand three hundred sixty-eight cases in 2014, approximately a quarter of the number of cases at the peak. Nevertheless, the number of bankruptcy cases filed is still seven times more compared to the time that the bubble economy collapsed, and there is no choice but to say that it is still at a high level.

As characteristics of bankrupt persons, it is not the young people who are filing for bankruptcy as a result of purchasing luxury goods or spending money on entertainment or leisure, and the number of bankrupt persons in their forties who need to support their families, but are unable to do so due to 'hardships of life/low income' including pay cuts and unemployment caused by the chronic depression, is increasing. Based on these results, it is my opinion that bankrupt persons, excluding 'malicious ones (悪質な破産)', should be granted a discharge and be given an opportunity to press the reset button for

their debts and restart their economic lives. I believe the same thinking of my opinion is reflected in the results of many discharges being granted in Japan.