

Act on Specified Commercial Transactions

(Act No. 57 of June 4, 1976)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to protect the interests of purchasers, etc. and cause the distribution of goods, etc. and provision of services to be appropriate and smooth by ensuring fairness in Specified Commercial Transactions (transactions arising from Door-to-Door Sales, Mail Order Sales, and Telemarketing Sales, Multilevel Marketing Transactions, transactions arising from the Provision of Specified Continuous Services, and Business Opportunity Sales Transactions; hereinafter the same) and preventing damages that may be caused to the purchasers, etc. , so as to contribute to the sound development of the national economy.

Chapter II Door-to-Door Sales, Mail Order Sales, and Telemarketing Sales Section 1 Definitions

(Definitions)

Article 2 (1) The term "Door-to-Door Sales" as used in this Chapter and in Article 58-4, paragraph (1) means the following:
(i) the sale of goods or Designated Rights or the provision of services for which

the seller or the party engaged in the business of providing the services (hereinafter referred to as a "Service Provider") has received an offer for a sales contract or a contract to provide services in exchange for payment (hereinafter referred to as a "Service Contract"), or for which the seller or Service Provider has concluded a sales contract or a Service Contract, at a place other than a business office, agency office, or any other place specified by ordinance of the competent ministry (hereinafter referred to as a "Business Office, etc."); and

- (ii) the sale of goods or Designated Rights or the provision of services for which the seller or Service Provider has received an offer for a sales contract or Service Contract at a Business Office, etc. from a person whom he/she stopped and caused to follow him/her or whom he/she induced away from a place that is not a Business Office, etc. by any other means specified by Cabinet Order (such person is hereinafter referred to as a "Specified Customer"), or for which the seller or Service Provider has concluded a sales contract or a Service Contract at a Business Office, etc. and with a Specified Customer.
- (2) The term "Mail Order Sales" as used in this Chapter and in Article 58-5 means the sale of goods or Designated Rights or the provision of services for which the seller or Service Provider has received an offer for a sales contract or Service Contract by postal mail or by any other means specified by ordinance of the competent ministry (hereinafter referred to as "Postal Mail, etc."), and that does not fall under the category of Telemarketing Sales.
- (3) The term "Telemarketing Sales" as used in this Chapter and in Article 58-6, paragraph (1) means the sale of goods or Designated Rights or the provision of services for which the seller or Service Provider telephoned a person or caused a person to telephone him/her by a means specified by Cabinet Order, during which telephone call the seller or Service Provider solicited the person to conclude a sales contract or a Service Contract (hereinafter referred to as the "Act of Telemarketing"), due to which said seller or Service Provider received the relevant offer of a sales contract or Service Contract from the person he/she was soliciting (hereinafter referred to as a "Telemarketing Target") by Postal Mail, etc. , or due to which the seller or Service Provider concluded such a sales contract or Service Contract with the Telemarketing Target via Postal Mail, etc.
- (4) As used in this Chapter and in Article 58-5 and Article 67, paragraph (1), the term "Designated Rights" means, among the rights to use facilities and equipment and to be provided services, those that are sold during transactions that arise in the daily lives of the people and that are specified by Cabinet Order.

Section 2 Door-to-Door Sales

(Clear Indication of Name, etc. in Door-to-Door Sales)

Article 3 When a seller or a Service Provider seeks to conduct Door-to-Door Sales, he/she shall clearly indicate to the counterparty, prior to solicitation, the name of the seller or the Service Provider, the fact that his/her purpose is to solicit the conclusion of a sales contract or a Service Contract, and the type of goods, rights, or services connected with said solicitation.

(Prohibition against Soliciting a Contract from a Person Who Has Manifested the Intention Not to Conclude One, etc.)

Article 3-2 (1) When a seller or a Service Provider seeks to conduct Door-to-Door Sales, he/she shall endeavor to confirm that the counterparty is willing to be solicited.

(2) No seller or Service Provider shall solicit the conclusion of a sales contract or a Service Contract through Door-to-Door Sales from a person who has manifested the intention not to conclude such a sales contract or Service Contract.

(Delivery of Documents in Door-to-Door Sales)

Article 4 When a seller or a Service Provider has received an offer for a sales contract for goods or Designated Rights or a Service Contract for services at a place other than a Business Office, etc. , or has received an offer for a sales contract for goods or Designated Rights or a Service Contract for services at a Business Office, etc. and from a Specified Customer, the seller or the Service Provider shall immediately deliver a document containing the details of the offer to the person who made the offer with respect to the following pieces of information pursuant to the provisions of ordinance of the competent ministry; provided, however, that this does not apply when the seller or the Service Provider has concluded the sales contract or the Service Contract upon receiving the offer:

- (i) the type of goods, rights, or services;
- (ii) the selling price of the goods or rights or the consideration for the services;
- (iii) the timing of payment and means of paying the charges for the goods or rights or the consideration for the services;
- (iv) the time at which the goods will be delivered, the time at which the rights will be transferred, or the time at which the services will be provided;
- (v) information about withdrawing the offer for the sales contract or Service Contract or about cancelling the sales contract or Service Contract under the provisions of Article 9, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of the same Article (where the provisions of Article 26, paragraph (3) or (4) apply, this includes information

under the provisions of paragraph (3) or (4) of the same Article)); and
(vi) in addition to what is set forth in the preceding items, any other
information specified by ordinance of the competent ministry.

Article 5 (1) When a seller or a Service Provider falls under any of the following items, he/she shall, except in the cases prescribed in the following paragraph, deliver to the purchaser or the service recipient a document that clarifies the details of the sales contract or the Service Contract with respect to the pieces of information referred to in the respective items of the preceding Article (limited to information about the cancellation of the sales contract or Service Contract with respect to the information referred to in item (v) of the same Article) without delay (or immediately, under the case prescribed in the proviso to the same Article), pursuant to the provisions of ordinance of the competent ministry:

(i) when the seller or the Service Provider has concluded a sales contract for goods or Designated Rights or a Service Contract for services at a place other than a Business Office, etc. (excluding where he/she received the offer at a Business Office, etc., from a customer who is not a Specified Customer, and concluded the sales contract or Service Contract at a place other than a Business Office, etc.);

(ii) when the seller or the Service Provider has received an offer for a sales contract for goods or Designated Rights or Service Contract for services at a place other than a Business Office, etc. and concluded the sales contract or Service Contract at a Business Office, etc. ; and

(iii) when the seller or the Service Provider has concluded a sales contract for goods or Designated Rights or a Service Contract for services at a Business Office, etc. and with a Specified Customer.

(2) Where a seller or a Service Provider falls under any of the items in the preceding paragraph and, upon concluding a sales contract or the Service Contract, he/she has delivered the goods, transferred the Designated Rights, or provided the services and has received the total amount of the charges for the goods or Designated Rights or the consideration for the services, he/she shall, pursuant to the provisions of ordinance of the competent ministry, immediately deliver to the purchaser or the service recipient a document containing the information referred to in items (i) and (ii) of the preceding Article, the portion of the information referred to in item (v) of the same Article that is about cancelling the sales contract or Service Contract, and any information specified by ordinance of the competent ministry.

(Prohibited Conduct)

Article 6 (1) No seller or Service Provider shall misrepresent the following

information, either in soliciting the conclusion of a sales contract or Service Contract through Door-to-Door Sales, in order to prevent the withdrawal of an offer for a sales contract or Service Contract arising from Door-to-Door Sales, or in order to prevent the cancellation of such a contract:

- (i) the type of goods and their performance or quality, the type of rights or services, the details thereof, and other similar information specified by ordinance of the competent ministry;
 - (ii) the selling price of the goods or rights, or the consideration for the services;
 - (iii) the timing of payment and means of paying the charges for the goods or rights or the consideration for the services;
 - (iv) the time at which the goods will be delivered, the time at which the rights will be transferred, or the time at which the services will be provided;
 - (v) information about withdrawing the offer for the sales contract or Service Contract or about cancelling the sales contract or Service Contract (including information under the provisions of Article 9, paragraphs (1) through (7) (where the provisions of Article 26, paragraph (3) or (4) apply, this includes information under the provisions of paragraph (3) or (4) of the same Article));
 - (vi) information about any circumstances that make it necessary for the customer to conclude the sales contract or Service Contract; and
 - (vii) in addition to what is set forth in the preceding items, any material information about the sales contract or Service Contract that would affect the decision of the customer, purchaser, or service recipient.
- (2) No seller or Service Provider shall intentionally fail to disclose facts with respect to the information listed in items (i) through (v) of the preceding paragraph in soliciting the conclusion of a sales contract or Service Contract through Door-to-Door Sales.
- (3) No seller or Service Provider shall use intimidation to overwhelm a person in order to cause him/her to conclude a sales contract or Service Contract during Door-to-Door Sales, in order to prevent him/her from withdrawing his/her offer of a sales contract or Service Contract arising from Door-to-Door Sales, or in order to prevent him/her from canceling such a contract.
- (4) No seller or Service Provider shall solicit the conclusion of a sales contract or a Service Contract through Door-to-Door Sales other than in a place into and out of which the general public comes and goes, from a person whom the seller or Service Provider has stopped and caused to follow him/her or whom he/she has by any other means specified by Cabinet Order induced away from a place that is not a Business Office, etc. , without informing the person that the purpose for doing so is to solicit such a sales contract or Service Contract.

(Submission of Materials Showing Reasonable Grounds)

Article 6-2 When the competent minister finds it necessary for determining

whether or not a seller or Service Provider has misrepresented the information prescribed in paragraph (1), item (i) of the preceding Article, he/she may require the seller or Service Provider to submit materials showing reasonable grounds to support the information he/she conveyed to the counterparty, within a specified period. With regard to the application of the provisions of the following Article or Article 8, paragraph (1) in such a case, when a seller or Service Provider has failed to submit such materials, he/she is deemed to have misrepresented the information prescribed in that item.

(Instruction)

Article 7 Where a seller or a Service Provider has violated any of the provisions of Article 3, Article 3-2, paragraph (2) or Articles 4 through 6, or has engaged in any of the following conduct, when the competent minister finds that the conduct is likely to prejudice the fairness of a transaction arising from Door-to-Door Sales or the interests of the purchaser or the service recipient, he/she may instruct the seller or the Service Provider to take any necessary measures:

- (i) refusing to perform or unjustly delaying performance of the obligations under a sales contract or Service Contract arising from Door-to-Door Sales or the obligations that occur through cancellation of a sales contract or Service Contract arising from Door-to-Door Sales in whole or in part;
- (ii) intentionally failing to disclose any material information about a sales contract or Service Contract that would affect the decision of the customer, the purchaser, or the service recipient (excluding the information listed in Article 6, paragraph (1), items (i) through (v)) in soliciting the conclusion of a sales contract or a Service Contract through Door-to-Door Sales, in order to prevent the withdrawal of an offer for a sales contract or Service Contract arising from Door-to-Door Sales, or in order to prevent the cancellation of such a contract;
- (iii) soliciting, the conclusion of a sales contract through Door-to-Door Sales for goods of a quantity that considerably exceeds what is normally required in daily life, without justifiable grounds, or any other conduct specified by ordinance of the competent ministry as conduct that is found to be inappropriate in light of the status of the customer's property; and
- (iv) in addition to what is set forth in the preceding three items, conduct connected with Door-to-Door Sales that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of a transaction arising from Door-to-Door Sales and the interests of the purchaser or the service recipient.

(Suspension of Business, etc.)

Article 8 (1) Where a seller or Service Provider has violated any of the provisions

of Article 3, Article 3-2, paragraph (2), or Articles 4 through 6 or has engaged in any of the conduct listed in the items of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction arising from Door-to-Door Sales and the interests of the purchaser or the service recipient, or if the seller or the Service Provider has failed to follow the instructions under the provisions of the same Article, the competent minister may order the seller or Service Provider to suspend those of his/her business activities that are connected with Door-to-Door Sales in whole or in part, during a specified period of no longer than one year.

(2) When the competent minister has issued an order pursuant to the provisions of the preceding paragraph, he/she shall issue a public announcement to that effect.

(Withdrawal/Cancellation of a Contract in Door-to-Door Sales)

Article 9 (1) Where a seller or Service Provider has received an offer for a sales contract for goods or Designated Rights or an offer for a Service Contract for services at a place other than a Business Office, etc. , where a seller or Service Provider has received an offer for a sales contract for goods or Designated Rights or an offer for a Service Contract for services at a Business Office, etc. and from a Specified Customer, where a seller or Service Provider has concluded a sales contract for goods or Designated Rights or a Service Contract for services at a place other than a Business Office, etc. (excluding where the seller or the Service Provider received the offer at a Business Office, etc. and concluded the sales contract or Service Contract at a place other than a Business Office, etc.), or where a seller or Service Provider has concluded a sales contract for goods or Designated Rights or a Service Contract for services at a Business Office, etc. and with a Specified Customer, the person who made the offer or the purchaser or the service recipient (hereinafter referred to as the "Purchasing Party" in this Article through Article 9-3) may withdraw the offer for a sales contract or Service Contract or cancel the sales contract or Service Contract (hereinafter referred to as "Withdrawal/Cancellation" in this Article) in writing; provided, however, that this does not apply where eight days have passed since the date on which the Purchasing Party received the document referred to in Article 5 (or from the date on which he/she received the document referred to in Article 4, if the Purchasing Party received the document under Article 4 at an earlier date than that on which he/she received the document referred to in Article 5) (if the Purchasing Party did not effect a Withdrawal/Cancellation by that time limit because he/she was under the misapprehension that information about Withdrawal/Cancellation that the seller or the Service Provider had misrepresented to him/her, in violation of the provisions of Article 6, paragraph (1), was true, or because the Purchasing

Party was overwhelmed due to the seller's or the Service Provider's use of intimidation, in violation of the provisions of paragraph (3) of the same Article, the first part of this paragraph does not apply when eight days have passed since the date on which the Purchasing Party received a document delivered thereto by the seller or the Service Provider pursuant to the provisions of ordinance of the competent ministry that contains a notice to the effect that the Purchasing Party may effect a Withdrawal/Cancellation with respect to said sales contract or Service Contract).

- (2) A Withdrawal/Cancellation takes effect at the time said Withdrawal/Cancellation is set forth in writing.
- (3) Where a Withdrawal/Cancellation has been effected, the seller or Service Provider may not claim damages or demand the payment of any penalty in connection with the Withdrawal/Cancellation.
- (4) Where a Withdrawal/Cancellation has been effected, the seller bears the costs required for taking back or returning any goods already delivered or any rights already transferred under the sales contract.
- (5) Where a Withdrawal/Cancellation has been effected for a sales contract for goods or Designated Rights or for a Service Contract, the seller or Service Provider may not demand that the Purchasing Party pay money equivalent to any profits earned through the use of the goods or through the exercise of the rights, nor may the seller or the Service Provider demand that the Purchasing Party pay consideration or any other money for services under the Service Contract, even if the goods delivered based on the sales contract have already been used, even if facilities have already been used or services have already been provided due to the exercise of the rights, and even if services have already been provided based on the Service Contract.
- (6) Where a Withdrawal/Cancellation has been effected for a Service Contract, the Service Provider shall promptly return any money he/she has received in association with the Service Contract to the Purchasing Party.
- (7) Where the Purchasing Party under a Service Contract or a sales contract for Designated Rights has effected the Withdrawal/Cancellation of a Service Contract or sales contract, if the existing state of the Purchasing Party's land, building, or any other structure was changed in connection with services that were to be provided under the Service Contract or the Designated Rights, the Purchasing Party may demand that the Service Provider or the seller of the Designated Rights take the necessary measures to restore it to its original state at no charge.
- (8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the Purchasing Party are hereby invalidated.

(Withdrawal/Cancellation of a Sales Contract, etc. for Goods of a Quantity That Considerably Exceeds What Is Normally Required, etc.)

Article 9-2 (1) A Purchasing Party may withdraw an offer for a sales contract or a Service Contract that is categorized as any of the following contracts, or may cancel such a sales contract or Service Contract (hereinafter referred to as "Withdrawal/Cancellation" in this Article); provided, however, that this does not apply when there are special circumstances that make it necessary for the Purchasing Party to conclude the contract:

- (i) a sales contract for goods or Designated Rights of a quantity that considerably exceeds what would normally be required in the Purchasing Party's daily life or a Service Contract for the Purchasing Party to be provided with services of a frequency, period or quantity that considerably exceeds what would normally required in his/her daily life; and
 - (ii) a sales contract or Service Contract for which the seller or Service Provider has received an offer or that the seller or Service Provider has concluded with the knowledge that performing its obligations under the sales contract or Service Contract would cause the quantity of any of the Purchasing Party's goods or Designated Rights of the same kind as the goods or Designated Rights under the sales contract to considerably exceed what would normally be required in the Purchasing Party's daily life, that performing those obligations would cause the frequency, period or quantity of any services the Purchasing Party was being provided of the same kind as the services under the Service Contract to considerably exceed what would normally be required in the Purchasing Party's daily life, or with the knowledge that the quantity of any of the Purchasing Party's goods or Designated Rights of the same kind as the goods or Designated Rights under the sales contract already considerably exceeded what would normally be required in the Purchasing Party's daily life or that the frequency, period or quantity of services the Purchasing Party was being provided of the same kind as the services under the Service Contract already considerably exceeded what would normally be required in the Purchasing Party's daily life.
- (2) The right under the provisions of the preceding paragraph shall be exercised within one year from the time of the conclusion of the relevant sales contract or Service Contract.
- (3) The provisions of paragraphs (3) through (8) of the preceding Article apply mutatis mutandis to a Withdrawal/Cancellation under the provisions of paragraph (1). Where such is the case, the term "the preceding paragraphs" in paragraph (8) of the same Article is deemed to be replaced with "paragraphs (1) and (2) of the following Article and paragraphs (3) through (8) as applied mutatis mutandis pursuant to paragraph (3) of the same Article."

(Rescission of the Manifested Intention to Offer a Contract in Door-to-Door Sales or to Accept Such Offer)

- Article 9-3 (1) Where a Purchasing Party was under the misapprehension specified in each of the following items as a result of the seller or the Service Provider engaging in the conduct listed in the relevant item in soliciting the conclusion of a sales contract or a Service Contract through Door-to-Door Sales, because of which the Purchasing Party manifested his/her intention to offer a sales contract or Service Contract or to accept such offer, he/she may rescind his/her manifested intention to offer such contract or to accept such offer:
- (i) misrepresentation in violation of the provisions of Article 6, paragraph (1): the misapprehension that the information being represented was true; or
 - (ii) intentional failure to disclose a fact, in violation of the provisions of Article 6, paragraph (2): the misapprehension that the relevant fact did not exist.
- (2) The rescission under the provisions of the preceding paragraph of the manifested intention to offer a sales contract or Service Contract arising from Door-to-Door Sales or to accept such offer may not be duly asserted against third party without knowledge.
- (3) The provisions of paragraph (1) do not preclude the application of the provisions of Article 96 of the Civil Code (Act No. 89 of 1896) to the manifestation of intention to offer a sales contract or Service Contract arising from Door-to-Door Sales prescribed in said paragraph or to accept such offer.
- (4) The right to rescind under the provisions of paragraph (1) extinguishes by prescription if it is not exercised within six months from the time that a contract can be ratified. The same applies when five years have passed since the time that the relevant sales contract or Service Contract was concluded.

(Limitation to the Amount of Damages, etc. for the Cancellation of or Default on a Contract in Door-to-Door Sales)

- Article 10 (1) Where a seller or Service Provider has concluded a sales contract or Service Contract falling under any of the items in Article 5, paragraph (1), if the sales contract or Service Contract has been canceled, he/she may not demand that the purchaser or the service recipient pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:
- (i) where the goods or rights were returned: the amount of the ordinary usage fees for the goods or the amount equivalent to the profit that can normally be earned through the exercise of the rights (when the amount equivalent to the selling price of the goods or rights less their market value as of the time of

- their return exceeds the amount of ordinary usage fees or the amount equivalent to the profit that can normally be earned through the exercise of the rights, such amount applies);
- (ii) where the goods or rights are not returned: the amount equivalent to the selling price of the goods or rights;
 - (iii) where the Service Contract was canceled after the services started being provided: the amount equivalent to the consideration for the provided services; and
 - (iv) where the contract was canceled prior to the delivery of the goods or the transfer of the rights or prior to when the services started being provided: the amount of the costs normally required for concluding and performing a contract.
- (2) Where a seller or Service Provider has concluded a sales contract or Service Contract falling under any of the items in Article 5, paragraph (1), if the obligation to pay the charges under the sales contract or the consideration under the Service Contract is not performed in whole or in part (excluding where the sales contract or the Service Contract has been canceled), the seller or Service Provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the total of the amount equivalent to the selling price of the goods or rights or the consideration for the services less the already-paid amount of the charges for the goods or rights or consideration for the services plus the amount of any delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties.

Section 3 Mail Order Sales

(Advertisement of Mail Order Sales)

- Article 11 When a seller or Service Provider advertises terms and conditions under which he/she sells goods or Designated Rights or provides services through Mail Order Sales, the seller or Service Provider shall indicate the following information concerning said goods, rights, or services in the advertisement pursuant to the provisions of ordinance of the competent ministry; provided, however, that the seller or Service Provider is permitted not to indicate a portion of this information, pursuant to the provisions of ordinance of the competent ministry, if he/she indicates in the advertisement that upon request, he/she will deliver a document or provide electromagnetic records (meaning records created in electronic form, magnetic form, or any other form not recognizable by human perception, which is used in information processing by computers) containing the information without delay:
- (i) the selling price of the goods or rights or the consideration for the services

- (where shipping charges for goods are not included in the selling price, this means the selling price and the shipping charges for the goods);
- (ii) the timing of payment and means of paying the charges for the goods or rights or the consideration for the services;
 - (iii) the time at which the goods will be delivered, the time at which the rights will be transferred, or the time at which the services will be provided;
 - (iv) information concerning the withdrawal of an offer for a sales contract for the goods or Designated Rights or cancellation of such a sales contract (where the special provisions as provided for in the proviso to Article 15-2, paragraph (1) are in existence, such information includes the contents of those special provisions); and
 - (v) in addition to what is set forth in the preceding items, any other information specified by Ordinance of the Ministry of Economy, Trade and Industry.

(Prohibition of Misleading Advertising, etc.)

Article 12 When a seller or a Service Provider advertises the terms and conditions under which he/she sells goods or Designated Rights or provides services through Mail Order Sales, he/she shall make no representation about the performance of the goods or the contents of the rights or services, information on the withdrawal of an offer for a sales contract for the goods or Designated Rights or cancellation of such a sales contract (where special provisions as provided for in the proviso to Article 15-2, paragraph (1) are in existence, such information includes the contents of those special provisions), or any other information specified by ordinance of the competent ministry with respect to Mail Order Sales, that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 12-2 When the competent minister finds it necessary for determining whether a seller's or Service Provider's representation falls under the category of representations provided for in the preceding Article, he/she may require the seller or Service Provider who made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 14, paragraph (1) and Article 15, paragraph (1) in such a case, when the seller or Service Provider has failed to submit the relevant materials, the representation is deemed to fall under the category of representations provided for in the preceding Article.

(Prohibition, etc. on Sending E-mail Advertising to a Person Who Has Not

Given His/Her Consent)

Article 12-3 (1) Except in the following cases, neither a seller nor a Service Provider shall advertise via e-mail (meaning advertising by sending advertising text or any other information by an electromagnetic means (meaning a means that makes use of an electronic data processing system or any other means that makes use of information and communications technology, which is specified by ordinance of the competent ministry; the same applies hereinafter) so that such information will be displayed on the screen of the computer used by the advertising target; the same applies hereinafter) with regard to the terms and conditions under which he/she sells goods or Designated Rights or provides services through Mail Order Sales, without the consent of the advertising target:

- (i) when sending e-mail advertising regarding the to terms and conditions under which the seller or Service Provider sells goods or Designated Rights or provides services through Mail Order Sales (hereinafter referred to as "E-mail That Advertises Mail Order Sales" in this Section) at the request of the advertising target;
 - (ii) when sending E-mail That Advertises Mail Order Sales pursuant to the provisions of ordinance of the competent ministry while notifying a person who has offered a sales contract for goods or Designated Goods sold by the seller or a Service Contract for services provided by the Service Provider or a person who has concluded such a sales contract or Service Contract, of information concerning the contents of the offer or contract or the performance of the contract using a method specified by ordinance of the competent ministry; or
 - (iii) in addition to what is provided in the preceding two items, when sending E-mail That Advertises Mail Order Sales in the cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the E-mail That Advertises Mail Order Sales.
- (2) No seller or Service Provider who has obtained the consent prescribed in the preceding paragraph or who has received the request prescribed in item (i) of the same paragraph shall send E-mail That Advertises Mail Order Sales to an advertising target if the target of the E-mail That Advertises Mail Order Sales indicates that he/she is not willing to receive E-mail That Advertises Mail Order Sales; provided, however, that this does not apply where the seller or Service Provider has later received another request from the advertising target or has regained the consent of the advertising target to send E-mail That Advertises Mail Order Sales.
- (3) When sending E-mail That Advertises Mail Order Sales, a seller or Service Provider shall, except in the case set forth in paragraph (1), item (ii) or (iii), prepare all that is specified by ordinance of the competent ministry as a record

of having obtained the consent of the advertising target or having received a request from the advertising target to send E-mail That Advertises Mail Order Sales, and shall preserve such records pursuant to the provisions of ordinance of the competent ministry.

- (4) When sending E-mail That Advertises Mail Order Sales, a seller or Service Provider shall, except in the case set forth in paragraph (1), item (ii) or (iii), indicate in its E-mail That Advertises Mail Order Sales, pursuant to the provisions of ordinance of the competent ministry, information that is specified by ordinance of the competent ministry as the information that is necessary in order for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Mail Order Sales, in addition to the information listed in the items of Article 11.
- (5) When a seller or Service Provider has collectively entrusted all of the following business activities to another person, the provisions of the preceding two paragraphs do not apply to any E-mail That Advertises Mail Order Sales under that entrustment:
 - (i) business activities for obtaining the consent of advertising targets or receiving requests from advertising targets to send E-mail That Advertises Mail Order Sales;
 - (ii) business activities for preparing and preserving the records prescribed in paragraph (3); and
 - (iii) business activities for indicating the information that is necessary in order for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Mail Order Sales, as prescribed in the preceding paragraph.

Article 12-4 (1) Except in the following cases, a party to whom all of the business activities listed in the items of paragraph (5) of the preceding Article have been collectively entrusted by a seller or Service Provider (such a party is hereinafter referred to as a "Business Operator Entrusted with E-mail That Advertises Mail Order Sales" in this Section) shall not send E-mail That Advertises Mail Order Sales with regard to terms and conditions under which the seller or the Service Provider who has entrusted said business activities (hereinafter referred to as the "Party Entrusting E-mail That Advertises Mail Order Sales" in this Section and Article 66, paragraphs (4) and (6)) sells goods or Designated Rights or provides services through Mail Order Sales, without the consent of the advertising target:

- (i) when sending E-mail That Advertises the Mail Order Sales of a Party Entrusting E-mail That Advertises Mail Order Sales at the request of the advertising target; and
- (ii) in addition to what is provided in the preceding item, when sending E-mail

That Advertises the Mail Order Sales of a Party Entrusting E-mail That Advertises Mail Order Sales in cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the E-mail That Advertises the Mail Order Sales of a Party Entrusting E-mail That Advertises Mail Order Sales.

- (2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to E-mail That Advertises the Mail Order Sales of a Party Entrusting E-mail That Advertises Mail Order Sales by a Business Operator Entrusted with E-mail That Advertises Mail Order Sales. Where this is the case, the phrase "paragraph (1), item (ii) or (iii)" in paragraphs (3) and (4) of the preceding Article is deemed to be replaced with "paragraph (1), item (ii) of the following Article."

(Notification of Acceptance, etc. in Mail Order Sales)

Article 13 (1) Where a seller or Service Provider engages in Mail Order Sales in which he/she receives the charges for goods or rights or the consideration for services in whole or in part prior to the delivery of the goods, the transfer of the rights, or the provision of the services from a person who has offered a sales contract for goods or Designated Rights or a Service Contract for services, when the seller or Service Provider receives an offer for a sales contract for goods or rights or a Service Contract for services by Postal Mail, etc. and receives the charges for the goods or rights or the consideration for the services in whole or in part, he/she shall notify the person who made the offer in writing of his/her acceptance or non-acceptance of the offer (if he/she notified the person who made the offer of his/her acceptance or non-acceptance before receiving such charges or consideration, he/she shall send the person a notice to that effect) and of any other information specified by ordinance of the competent ministry without delay, pursuant to the provisions of ordinance of the competent ministry; provided, however, that this does not apply when the seller or Service Provider has sent the goods, transferred the rights, or provided the services without delay after receiving the charges for the goods or rights or the consideration for the services in whole or in part.

- (2) In place of the notification in writing under the provisions of the main clause of the preceding paragraph, a seller or Service Provider may provide the information of which he/she is to send notice by an electromagnetic means or any other means specified by ordinance of the competent ministry, after gaining the consent of the person who made the offer, pursuant to a Cabinet Order. Where such is the case, the seller or the Service Provider is deemed to have made the notification in writing.

(Instruction)

Article 14 (1) Where a seller or Service Provider has violated any of the provisions of Article 11, 12, or 12-3 (excluding paragraph (5)), or Article 13, paragraph (1) or has engaged in any of the following conduct, if the competent minister finds that the conduct is likely to prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient, he/she may instruct the seller or the Service Provider to take any necessary measures:

- (i) refusing to perform or unjustly delaying the performance of the obligations under a sales contract or Service Contract for Mail Order Sales or the obligations that arise through the cancellation of a sales contract or Service Contract arising from Mail Order Sales in whole or in part;
- (ii) that which is specified by ordinance of the competent ministry as conduct through which the relevant person sought to cause a customer to offer a sales contract or a Service Contract during Mail Order Sales against his/her will; and
- (iii) in addition to what is set forth in the preceding two items, conduct connected with Mail Order Sales that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient.

(2) Where a Business Operator Entrusted with E-mail That Advertises Mail Order Sales has violated any of the provisions of Article 12-4, paragraph (1) or Article 12-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) or has engaged in any of the following conduct, if the competent minister finds that the conduct is likely to prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient, he/she may instruct the Business Operator Entrusted with E-mail That Advertises Mail Order Sales to take any necessary measures:

- (i) that which is specified by ordinance of the competent ministry as conduct through which the relevant person sought to cause a customer to offer the Party Entrusting E-mail That Advertises Mail Order Sales a sales contract or Service Contract during Mail Order Sales against his/her will; and
- (ii) in addition to what is set forth in the preceding item, conduct connected with Mail Order Sales that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient.

(Suspension of Business, etc.)

Article 15 (1) Where a seller or a Service Provider has violated any of the

provisions of Article 11, 12, or 12-3 (excluding paragraph (5)), or Article 13, paragraph (1) or has engaged in any of the conduct listed in the items of paragraph (1) of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient, or if the seller or the Service Provider fails to follow the instructions under the provisions of the same paragraph, the competent minister may order the seller or the Service Provider to suspend those of his/her business activities that are connected with Mail Order Sales in whole or in part, during a specified period of no longer than one year.

- (2) Where a Business Operator Entrusted with E-mail That Advertises Mail Order Sales has violated any of the provisions of Article 12-4, paragraph (1) or Article 12-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 12-4, paragraph (2) or has engaged in any of the conduct listed in the items of paragraph (2) of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction arising from Mail Order Sales and the interests of the purchaser or the service recipient, or if a Business Operator Entrusted with E-mail That Advertises Mail Order Sales fails to follow the instructions under the provisions of the same paragraph, the competent minister may order the Business Operator Entrusted with E-mail That Advertises Mail Order Sales to suspend those of his/her business activities that are connected with E-mail That Advertises Mail Order Sales in whole or in part, during a specified period of no longer than one year.
- (3) When the competent minister has issued an order pursuant to the provisions of paragraph (1) he/she shall issue a public announcement to that effect.
- (4) When the competent minister has issued an order pursuant to the provisions of paragraph (2), he/she shall issue a public announcement to that effect.

(Cancellation, etc. of a Contract in Mail Order Sales)

Article 15-2 (1) Where a seller that has advertised terms and conditions for selling goods or Designated Rights through Mail Order Sales receives an offer for a sales contract for said goods or Designated Rights or concludes a sales contract for said goods or Designated Rights, the person who made the offer or the purchaser (simply referred to as the "Purchaser" in the following paragraph) may withdraw his/her offer for a sales contract or cancel the sales contract (hereinafter referred to as a "Withdrawal/Cancellation" in this Article) during the period up until eight days have passed since the date on which the Purchaser is delivered the goods or is transferred the rights; provided, however, that this does not apply when the seller had indicated special provisions on Withdrawal/Cancellation in its advertisement (where the sales contract is an

electronic consumer contract prescribed in Article 2, paragraph (1) of the Act on Special Provisions to the Civil Code Concerning Electronic Consumer Contracts and Electronic Acceptance Notices (Act No. 95 of 2001) or in any other cases specified by ordinance of the competent ministry, this means when the seller had indicated special provisions in its advertisement and had also indicated such special provisions by a method other than an advertisement that is specified by ordinance of the competent ministry).

(2) When a Withdrawal/Cancellation is made, the Purchaser bears the costs required for taking back or returning any goods already delivered or any rights already transferred under the sales contract.

Section 4 Telemarketing Sales

(Clear Indication of Name, etc. in Telemarketing Sales)

Article 16 Where a seller or a Service Provider seeks to conduct Telemarketing Sales, he/she shall tell the person solicited, prior to solicitation, the name of the seller or the Service Provider and the name of the solicitor, the type of the goods, rights, or services, and the fact that the purpose of the telephone call is to solicit the conclusion of a sales contract or a Service Contract.

(Prohibition against Soliciting Contract from a Person Who Has Manifested the Intention Not to Conclude One)

Article 17 No seller or Service Provider shall solicit a sales contract or a Service Contract through Telemarketing Sales from a person who has manifested the intention not to conclude a sales contract or Service Contract.

(Delivery of Documents in Telemarketing Sales)

Article 18 Where a seller or a Service Provider receives an offer for a sales contract for goods or Designated Rights or an offer for a Service Contract for services from a Telemarketing Target by Postal Mail, etc. as a result of the Act of Telemarketing, the seller or the Service Provider shall deliver a document containing the details of the offer with respect to the following information without delay, pursuant to the provisions of ordinance of the competent ministry; provided, however, that this does not apply when the seller or the Service Provider has concluded the sales contract or the Service Contract upon receiving the offer therefor:

- (i) the type of the goods, rights, or services;
- (ii) the selling price of the goods or rights or the consideration for the services;
- (iii) the timing of payment and means of paying the charges for the goods or rights or the consideration for the services;
- (iv) the time at which the goods will be delivered, the time at which the rights

- will be transferred, or the time at which the services will be provided;
- (v) information about withdrawing the offer for the sales contract or Service Contract or about cancelling the sales contract or Service Contract under the provisions of Article 24, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of the same Article (where the provisions of Article 26, paragraph (3) or (4) apply, this includes information under the provisions of paragraph (3) or (4) of the same Article)); and
 - (vi) in addition to what is set forth in the preceding items, any other information specified by ordinance of the competent ministry.

Article 19 (1) Where a seller or a Service Provider falls under any of the following items, he/she shall, except in the cases prescribed in the following paragraph, deliver to the purchaser or the service recipient a document that clarifies the details of the sales contract or the Service Contract with respect to the information referred to in each of the items of the preceding Article (with respect to the information referred to in item (v) of the same Article, limited to information about cancelling the sales contract or Service Contract) without delay, pursuant to the provisions of ordinance of the competent ministry:

- (i) when the seller or the Service Provider has concluded a sales contract for goods or Designated Rights or a Service Contract for services with a Telemarketing Target by Postal Mail, etc. as a result of the Act of Telemarketing; and
 - (ii) when the seller or the Service Provider has received an offer for a sales contract for goods or Designated Rights or an offer for a Service Contract for services from a Telemarketing Target by Postal Mail, etc. as a result of the Act of Telemarketing.
- (2) Where a seller or a Service Provider falls under item (ii) of the preceding paragraph and, upon concluding a sales contract or Service Contract, he/she delivered the goods, transferred the Designated Rights, or provided the services and received the total amount of the charges for the goods or Designated Rights or the consideration for the services, he/she shall, pursuant to the provisions of ordinance of the competent ministry, immediately deliver to the purchaser or the service recipient a document containing the information referred to in items (i) and (ii) of the preceding Article, the portion of the information referred to in item (v) of the same Article that is about cancelling the sales contract or the Service Contract, and any information specified by ordinance of the competent ministry.

(Notification of Acceptance, etc. in Telemarketing Sales)

Article 20 Where a seller or Service Provider engages in Telemarketing Sales in which he/she receives charges for goods or rights or consideration for services

in whole or in part prior to the delivery of goods, the transfer of rights, or the provision of services from a person who has offered a sales contract for goods or Designated Rights or who has offered a Service Contract for services, when the seller or Service Provider receives an offer for a sales contract for goods or rights or a Service Contract for services by Postal Mail, etc. and receives the charges for the goods or rights or the consideration for the services in whole or in part, he/she shall notify the person who made the offer in writing of his/her acceptance or non-acceptance of the offer (if he/she notified the person who made the offer of his/her acceptance or non-acceptance of the offer before receiving such charges or consideration, he/she shall send the person a notice to that effect) and of any other information specified by ordinance of the competent ministry without delay, pursuant to the provisions of ordinance of the competent ministry; provided, however, that this does not apply when the seller or Service Provider has sent the goods, transferred the rights, or provided the services without delay after receiving the charges for the goods or rights or the consideration for the services in whole or in part.

(Prohibited Conduct)

Article 21 (1) No seller or Service Provider shall misrepresent the following information, either in soliciting the conclusion of a sales contract or Service Contract through Telemarketing Sales, in order to prevent the withdrawal of an offer for a sales contract or a Service Contract arising from Telemarketing Sales, or in order to prevent the cancellation of such a contract:

- (i) the type of goods and their performance or quality, the type of rights or services, the details thereof, and other similar information specified by ordinance of the competent ministry;
- (ii) the selling price of the goods or rights, or the consideration for the services;
- (iii) the timing of payment and means of paying the charges for the goods or rights or the consideration for the services;
- (iv) the time at which the goods will be delivered, the time at which the rights will be transferred, or the time at which the services will be provided;
- (v) information about withdrawing the offer for the sales contract or the Service Contract or about cancelling the sales contract or the Service Contract (including information under the provisions of Article 24, paragraphs (1) through (7) (where the provisions of Article 26, paragraph (3) or (4) apply, this includes information under the provisions of paragraph (3) or (4) of the same Article));
- (vi) information about any circumstances that make it necessary for the Telemarketing Target to conclude the sales contract or the Service Contract; and
- (vii) in addition to what is set forth in the preceding items, any material

information about the sales contract or Service Contract that would affect the decision of the Telemarketing Target, the purchaser, or the service recipient.

- (2) No seller or Service Provider shall intentionally fail to disclose facts with respect to the information listed in items (i) through (v) of the preceding paragraph in soliciting the conclusion of a sales contract or a Service Contract through Telemarketing Sales.
- (3) No seller or Service Provider shall use intimidation to overwhelm a person in order to cause him/her to conclude a sales contract or a Service Contract arising from Telemarketing Sales, to prevent him/her from withdrawing an offer for a sales contract or a Service Contract arising from Telemarketing Sales, or to prevent him/her from canceling such a contract.

(Submission of Materials Showing Reasonable Grounds)

Article 21-2 When the competent minister finds it necessary for determining whether or not a seller or Service Provider has misrepresented the information prescribed in paragraph (1), item (i) of the preceding Article, he/she may require the seller or Service Provider to submit materials showing reasonable grounds to support the information he/she conveyed to the counterparty, within a specified period. With regard to the application of the provisions of the following Article or Article 23, paragraph (1) in such a case, when the seller or Service Provider has failed to submit such materials, he/she is deemed to have misrepresented the information prescribed in that item.

(Instruction)

Article 22 Where a seller or a Service Provider has violated any of the provisions of Articles 16 to 21 or has engaged in any of the following conduct, if the competent minister finds that the conduct is likely to prejudice the fairness of a transaction arising from Telemarketing Sales and the interests of the purchaser or the service recipient, he/she may instruct the seller or the Service Provider to take any necessary measures:

- (i) refusing to perform or unjustly delaying performance of the obligations under a sales contract or Service Contract arising from Telemarketing Sales or the obligations that occur through cancellation of a sales contract or Service Contract arising from Telemarketing Sales in whole or in part;
- (ii) intentionally failing to disclose any material information about a sales contract or Service Contract that would affect the decision of the Telemarketing Target, the purchaser, or the service recipient (excluding the information listed in Article 21, paragraph (1), items (i) through (v)) in soliciting the conclusion of a sales contract or a Service Contract through Telemarketing Sales, in order to prevent the withdrawal of an offer for a

sales contract or Service Contract arising from Telemarketing Sales, or in order to prevent the cancellation of such a contract; and

(iii) in addition to what is set forth in the preceding two items, conduct connected with Telemarketing Sales that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of a transaction arising from Telemarketing Sales and the interests of the purchaser or the service recipient.

(Suspension of Business, etc.)

Article 23 (1) Where a seller or a Service Provider has violated any of the provisions of Articles 16 through 21 or has engaged in any of the conduct listed in the items of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction arising from Telemarketing Sales and the interests of the purchaser or the service recipient, or if the seller or the Service Provider fails to follow the instructions under the provisions of the same Article, the competent minister may order the seller or the Service Provider to suspend those of his/her business activities that are connected with Telemarketing Sales in whole or in part, during a specified period of no longer than one year.

(2) When the competent minister has issued an order pursuant to the preceding paragraph, he/she shall issue a public announcement to that effect.

(Withdrawal/Cancellation of Contract in Telemarketing Sales)

Article 24 (1) Where a seller or a Service Provider receives an offer for a sales contract for goods or Designated Rights or an offer for a Service Contract for services from a Telemarketing Target by Postal Mail, etc. as the result of an Act of Telemarketing, or where a seller or a Service Provider concludes a sales contract for goods or Designated Rights or a Service Contract for services with a Telemarketing Target by Postal Mail, etc. as a result of an Act of Telemarketing, the person who made the offer or the purchaser or the service recipient (hereinafter referred to as the "Purchasing Party" in this Article and the following Article) may withdraw his/her offer for a sales contract or Service Contract or cancel that sales contract or Service Contract (hereinafter referred to as a "Withdrawal/Cancellation" in this Article) in writing; provided, however, that this does not apply where eight days have passed since the date on which the Purchasing Party received the document referred to in Article 19 (or from the date on which he/she received the document referred to in Article 18, if the Purchasing Party received the document under Article 18 at an earlier date than that on which he/she received the document referred to in Article 19) (if the Purchasing Party did not effect a Withdrawal/Cancellation by that time limit because he/she was under the misapprehension that information about

Withdrawal/Cancellation that the seller or the Service Provider had misrepresented to him/her, in violation of the provisions of Article 21, paragraph (1), was true, or because the Purchasing Party was overwhelmed due to the seller's or the Service Provider's use of intimidation, in violation of the provisions of paragraph (3) of the same Article, the first part of this paragraph does not apply when eight days have passed since the date on which the Purchasing Party received a document delivered thereto by the seller or the Service Provider pursuant to the provisions of ordinance of the competent ministry that contains a notice to the effect that the Purchasing Party may effect a Withdrawal/Cancellation with respect to said sales contract or Service Contract).

- (2) A Withdrawal/Cancellation takes effect at the time said Withdrawal/Cancellation is set forth in writing.
- (3) Where a Withdrawal/Cancellation has been effected, the seller or Service Provider may not claim damages nor demand the payment of any penalty in connection with the Withdrawal/Cancellation.
- (4) Where a Withdrawal/Cancellation has been effected, the seller bears the costs required for taking back or returning any goods already delivered or any rights already transferred under the sales contract.
- (5) Where a Withdrawal/Cancellation has been effected for a Service Contract or a sales contract for Designated Rights, the Service Provider or the seller of the Designated Rights may not demand that the Purchasing Party pay consideration or any other money for services under the Service Contract, nor may the Service Provider or the seller demand that the Purchasing Party pay money equivalent to any profits earned through the exercise of the rights, even if services have already been provided based on the Service Contract, and even if facilities have already been used or services have already been provided due to the exercise of those rights.
- (6) Where a Withdrawal/Cancellation has been effected for a Service Contract, the Service Provider shall promptly return any money he/she has received in association with that Service Contract to the Purchasing Party.
- (7) Where the Purchasing Party under a Service Contract or a sales contract for Designated Rights has effected a Withdrawal/Cancellation of the Service Contract or the sales contract, if the existing state of the Purchasing Party's land, building, or any other structure was changed in line with services that were to be provided in connection with the Service Contract or the Designated Rights, he/she may demand the Service Provider or the seller of the Designated Rights to take the necessary measures to return it to its original state at no charge.
- (8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the Purchasing Party

are hereby invalidated.

(Rescission of the Manifested Intention to Offer a Contract in Telemarketing Sales or to Accept Such Offer)

Article 24-2 (1) Where a Purchasing Party was under the misapprehension specified in each of the following items as a result of the seller or the Service Provider engaging in the conduct listed in the relevant item in soliciting the conclusion of a sales contract or a Service Contract through Telemarketing Sales, because of which the Purchasing Party manifested his/her intention to offer a sales contract or Service Contract or to accept such offer, he/she may rescind his/her manifested intention to offer such contract or to accept such offer:

- (i) misrepresentation in violation of the provisions of Article 21, paragraph (1): the misapprehension that the information being represented was true; or
- (ii) intentional failure to disclose a fact, in violation of the provisions of Article 21, paragraph (2): the misapprehension that the relevant fact did not exist.

(2) The provisions of Article 9-3, paragraphs (2) through (4) apply mutatis mutandis to the rescission, under the provisions of the preceding paragraph, of the manifested intention to offer a sales contract or Service Contract arising from Telemarketing Sales or to accept such offer.

(Limitation to the Amount of Damages, etc. for Cancellation or Default of Contract in Telemarketing Sales)

Article 25 (1) Where a seller or Service Provider has concluded a sales contract or Service Contract falling under any of the items in Article 19, paragraph (1), if the sales contract or Service Contract was canceled, he/she may not demand the purchaser or the service recipient to pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:

- (i) where the goods or rights were returned: the amount of the ordinary usage fees for the goods or the amount equivalent to the profit that can normally be earned through the exercise of the rights (when the amount equivalent to the selling price of the goods or rights less their market value as of the time of their return exceeds the amount of ordinary usage fees or the amount equivalent to the profit that can normally be earned through the exercise of the rights, such amount applies);
- (ii) where the goods or rights are not returned: the amount equivalent to the selling price of the goods or rights;
- (iii) where the Service Contract was canceled after the services started being

- provided: the amount equivalent to the consideration for the provided services; and
- (iv) where the contract was canceled prior to the delivery of the goods or the transfer of the rights or prior to when the services started being provided: the amount of costs normally required for concluding and performing a contract.
- (2) Where a seller or Service Provider has concluded a sales contract or Service Contract falling under any of the items in Article 19, paragraph (1), if the obligation to pay the charges under the sales contract or the consideration under the Service Contract is not performed in whole or in part (excluding where the sales contract or Service Contract has been canceled), the seller or Service Provider may not demand that the purchaser or the service recipient pay an amount of money that exceeds the total of the amount equivalent to the selling price of the goods or rights or the consideration for the services less the already-paid amount of the charges for the goods or rights or consideration for the services plus the amount of any delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties.

Section 5 Miscellaneous Provisions

(Exclusion from Application)

Article 26 (1) The provisions of the preceding three Sections do not apply to the following sales or provision of services that falls under the category of Door-to-Door Sales, Mail Order Sales, or Telemarketing Sales:

- (i) sales or provision of services under a sales contract or Service Contract that the person who offered it, or the purchaser or the service recipient concluded for business purposes or as a part of business;
- (ii) sales of goods or rights or provision of services to persons residing outside Japan;
- (iii) sales or provision of services by the national or local government;
- (iv) sales or provision of services by the following organizations to their direct or indirect members (when an organization is able to make its business or facilities available to non-members, this includes sales or provision of services to such non-members):
- (a) partnerships established based on a special act and federations or central associations thereof;
- (b) organizations under Article 108-2 of the National Public Service Act (Act No. 120 of 1947) or Article 52 of the Local Public Service Act (Act No. 261 of 1950); and
- (c) labor unions;

- (v) sales or provision of services by a business operator to its employees;
- (vi) sales of a newspaper published by a person that is not a stock company;
- (vii) provision of the services prescribed in Article 3, paragraph (1) of the Attorney Act (Act No. 205 of 1949) by an attorney-at-law, provision of the services prescribed in Article 3, paragraph (1) or Article 30-5 of the same Act by a legal professional corporation prescribed in Article 30-2 of the same Act, and provision of the services prescribed in Article 3, paragraph (1), Article 5, paragraph (1), Article 5-2, paragraph (1) or Article 5-3 of the Act on Special Measures concerning the Handling of Legal Services by Foreign Lawyers (Act No. 66 of 1986) by a registered foreign lawyer prescribed in Article 2, item (iii) of the same Act;
- (viii) the following sales or provision of services:
 - (a) the sale of goods or provision of services prescribed in Article 2, paragraph (8) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) by a financial instruments business operator prescribed in paragraph (9) of the same Article, the provision of services prescribed in paragraph (11) of the same Article by a financial instruments intermediary prescribed in paragraph (12) of the same Article, the sale of goods or provision of services prescribed in Article 33-5, paragraph (1), item (iii) of the same Act by a registered financial institution prescribed in Article 2, paragraph (11) of the same Act, provision of services prescribed in Article 79-7, paragraph (1) of the same Act by a certified investor protection organization prescribed in Article 79-10 of the same Act, and provision of services prescribed in Article 156-24, paragraph (1) or Article 156-27, paragraph (1) of the same Act by a securities finance company prescribed in Article 2, paragraph (30) of the same Act;
 - (b) the sale of goods or provision of services prescribed in Article 2, item (ii) of the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952) by a real estate transaction operator prescribed in Article 2, item (iii) of the same Act (including a trust company or a financial institution that has obtained the authorization set forth in Article 1, paragraph (1) of the Act on Provision, etc. of Trust Business by Financial Institutions (Act No. 43 of 1943) that engages in the real estate transaction business prescribed in Article 2, item (ii) of the Building Lots and Buildings Transaction Business Act);
 - (c) the provision of services prescribed in Article 2, paragraph (3) of the Travel Agency Act (Act No. 239 of 1952) by a travel agent prescribed in Article 6-4, paragraph (1) of the same Act or a travel agent's business representative prescribed in paragraph (3) of the same Article; and
 - (d) in addition to what is provided for in (a) to (c), sales and the provision of services that are specified by Cabinet Order as those under a sales contract

for goods or Designated Rights or those under a Service Contract, that arise from Door-to-Door Sales, Mail Order Sales, or Telemarketing Sales and for which it is found that the interests of the person who makes the offer, the purchaser, or the service recipient can be protected based on the provisions of another Act.

- (2) The provisions of Articles 4, 5, 9, 18, 19 and 24 do not apply where the whole or a part of the provision of services that is specified by a Cabinet Order as being normally performed in whole immediately after concluding a contract and that falls under the category of Door-to-Door Sales or Telemarketing Sales, has been performed immediately after concluding the contract (limited to the cases specified by ordinance of the competent ministry).
- (3) The provisions of Articles 9 and 24 do not apply to the following sales or provision of services that falls under the category of Door-to-Door Sales or Telemarketing Sales:
 - (i) sales or the provision of goods or services specified by a Cabinet Order as normally being transacted by negotiating the terms and conditions for the sales or provision of services between the seller or the Service Provider and the purchaser or the service recipient over a reasonable period of time; and
 - (ii) provision of services specified by a Cabinet Order as being likely to significantly prejudice the interests of the service recipient if the services are not offered promptly after concluding the contract.
- (4) The provisions of Articles 9 and 24 do not apply to sales or the provision of services that fall under the category of Door-to-Door Sales or Telemarketing Sales when any of the following applies:
 - (i) where the Purchasing Party prescribed in Article 9, paragraph (1) or the Purchasing Party prescribed in Article 24, paragraph (1) has received a document referred to in Article 4, 5, 18, or 19, when the Purchasing Party has used or consumed in whole or in part goods specified by Cabinet Order as having a value that is likely to decline significantly through their use or partial consumption (except where the seller had caused the Purchasing Party to use or consume said goods in whole or in part);
 - (ii) where the Purchasing Party prescribed in Article 9, paragraph (1) or the Purchasing Party prescribed in Article 24, paragraph (1) has received a document referred to in Article 4, 5, 18, or 19, when the goods transferred thereto were goods specified by Cabinet Order as being of a quality that is difficult to maintain for any reasonable period of time and whose value is likely to decline significantly due to a decline in quality; or
 - (iii) in the cases prescribed in Article 5, paragraph (2) or Article 19, paragraph (2), when the total amount of the charges for the goods or the Designated Rights under the sales contract or the consideration for the services under the Service Contract is below the amount specified by Cabinet Order.

- (5) The provisions of Articles 4 through 10 do not apply to the following Door-to-Door Sales:
- (i) Door-to-Door Sales to a person who offered a sales contract or a Service Contract or requested that such a contract be concluded at his/her residence; and
 - (ii) Door-to-Door Sales that fall under a form of transaction specified by Cabinet Order in which it is normal for the seller or Service Provider to receive offers for or conclude sales contracts for goods or Designated Rights or Service Contracts for services at a place other than a Business Office, etc. and that is found unlikely to prejudice the interests of the purchaser or the service recipient.
- (6) The provisions of Articles 18, 19, and 21 through 25 do not apply to the following Telemarketing Sales:
- (i) Telemarketing Sales to a person who requested a telephone call in order to make an offer for or conclude a sales contract or a Service Contract (excluding a person who made such a request as a result of an Act of Telemarketing or because of conduct specified by a Cabinet Order); and
 - (ii) Telemarketing Sales that fall under a form of transaction specified by a Cabinet Order in which it is normal for the seller or Service Provider to receive offers for or conclude sales contracts for goods or Designated Rights or Service Contracts for services by Postal Mail, etc. as a result of an Act of Telemarketing, and that is found unlikely to prejudice the interests of the purchaser or the service recipient.
- (7) The provisions of Article 10 and the preceding Article do not apply to installment sales (meaning installment sales prescribed in Article 2, paragraph (1) of the Installment Sales Act (Act No. 159 of 1961); the same applies hereinafter) that fall under the category of Door-to-Door Sales or Telemarketing Sales.
- (8) The provisions of Articles 11 and 13 do not apply to installment sales, etc. (meaning installment sales, sales with affiliated loans as prescribed in Article 2, paragraph (2) of the Installment Sales Act, sales with comprehensive third party credit as prescribed in paragraph (3) of the same Article, or sales with transaction-specific third party credit as prescribed in paragraph (4) of the same Article; the same applies in the following paragraph) that fall under the category of Mail Order Sales.
- (9) The provisions of Article 20 do not apply to installment sales, etc. that fall under the category of Telemarketing Sales.

(Door-to-Door Sales Associations)

Article 27 (1) A general incorporated association that includes the words "Door-to-Door Sales Association" in its name may be established, provided that its

articles of incorporation contain provisions to the effect that it will ensure the fairness of transactions arising from Door-to-Door Sales, protect the interests of the purchasers or the service recipients, contribute to the sound development of the Door-to-Door Sales business, and have as its members persons who engage in Door-to-Door Sales as a business.

(2) The provisions of the articles of incorporation prescribed in the preceding paragraph may not be changed.

(Restrictions, etc. on Joining the Association)

Article 27-2 (1) A general incorporated association set forth in paragraph (1) of the preceding Article (hereinafter referred to as a "Door-to-Door Sales Association") shall provide in its articles of incorporation to the effect that it may refuse to allow any party that has been ordered to suspend those of its business activities that are connected with Door-to-Door Sales in whole or in part pursuant to the provisions of Article 8, paragraph (1), or any party that has been expelled by a Door-to-Door Sales Association pursuant to the provisions of the articles of incorporation prescribed in Article 29-3, to become a member of that Door-to-Door Sales Association.

(2) A Door-to-Door Sales Association shall make the directory of its members available for public inspection.

(Notification of Incorporation)

Article 27-3 (1) When a Door-to-Door Sales Association has been incorporated, notification to that effect shall be submitted to the competent minister with a certificate of registered matters and a copy of its articles of incorporation attached thereto, within two weeks from the day of its incorporation.

(2) When a notification under the provisions of the preceding paragraph has been submitted, the competent minister shall issue a public notice to that effect.

(Notification of Changes)

Article 27-4 (1) When there have been any changes to a Door-to-Door Sales Association's name, address, articles of incorporation or any other information specified by ordinance of the competent ministry, notification to that effect shall be submitted to the competent minister within two weeks from the day on which such change occurred.

(2) The provisions of paragraph (2) of the preceding Article applies mutatis mutandis to a notification under the provisions of the preceding paragraph.

(Restrictions on Name Use)

Article 28 (1) A person who is not a Door-to-Door Sales Association may not use words in his/her name or trade name that will likely cause him/her to be

mistaken for a Door-to-Door Sales Association.

- (2) A person who is not a member of a Door-to-Door Sales Association may not use words in his/her name or trade name that will likely cause him/her to be mistaken for a Door-to-Door Sales Association member.

(Measures for Protecting the Interests of the Purchaser, etc.)

Article 29 (1) When a Door-to-Door Sales Association is requested by a purchaser, a service recipient, or other relevant person to help settle a complaint about business activities for Door-to-Door Sales in which a member is engaging, it shall hold consultations, provide the necessary advice to the requester, and investigate the circumstances surrounding the complaint, as well as notifying the member of the details of the complaint and requesting that it be processed promptly.

- (2) When a Door-to-Door Sales Association finds it necessary for settling a complaint connected with a request under the preceding paragraph, it may demand written or oral explanations or the submission of materials from the member.
- (3) A member may not refuse a demand made by a Door-to-Door Sales Association under the provisions of the preceding paragraph without justifiable grounds.
- (4) A Door-to-Door Sales Association shall fully inform its members about any request under paragraph (1), the circumstances involved in the complaint, and the result of the settlement of the complaint.

Article 29-2 (1) A Door-to-Door Sales Association shall carry out business activities for delivering a certain amount of money to a person who has paid money to a member and requested a refund thereof after canceling, pursuant to the provisions of this Act, a sales contract or Service Contract related to the business activities the member engages in for Door-to-Door Sales or after rescinding, pursuant to the provisions of this Act, the manifested intention to offer a sales contract or Service Contract arising from the business activities the member engages in for Door-to-Door Sales or to accept such offer, if the member has failed to refund such money without justifiable grounds.

- (2) A Door-to-Door Sales Association shall set up a fund for the business activities set forth in the preceding paragraph, and shall allocate to such fund the total amount of money contributed by its members on the condition of its allocation to the expenses required for said business activities.
- (3) A Door-to-Door Sales Association shall specify the means by which it will implement the business activities set forth in paragraph (1) in its articles of incorporation.
- (4) When a Door-to-Door Sales Association has specified the means by which it

will implement its business activities pursuant to the provisions of the preceding paragraph, it shall issue a public announcement of those means. The same applies when the Door-to-Door Sales Association has changed those means.

(Disposition against a Member)

Article 29-3 A Door-to-Door Sales Association shall set forth in its articles of incorporation that, in the event that a member engages in conduct in violation of the provisions of this Act or any disposition based on the provisions of this Act, it will impose a monetary penalty on the member, order the member's rights as provided for in the articles of incorporation to be suspended or restricted, or expel the member.

(Provision of Information, etc.)

Article 29-4 The competent minister shall provide the necessary information and materials or offer the necessary guidance and advice concerning the implementation of the business activities prescribed in Articles 29 and 29-2 to a Door-to-Door Sales Association.

(Supervision of the Business Activities of a Door-to-Door Sales Association)

Article 29-5 (1) The business activities of a Door-to-Door Sales Association are subject to the supervision of the competent minister.

(2) Where the competent minister finds it necessary for securing the proper implementation of business activities, he/she may, to the extent necessary for enforcing the provisions of this Act, inspect a Door-to-Door Sales Association's business activities or property status or order a Door-to-Door Sales Association to take any measures necessary for the improvement thereof.

(3) When the competent minister has given the order set forth in the preceding paragraph, if he/she finds it particularly necessary for protecting the interests of purchasers or service recipients, he/she may issue a public announcement to the effect that he/she has done so.

(Mail Order Sales Associations)

Article 30 (1) A general incorporated association that includes the words "Mail Order Sales Association" in its name may be established, provided that its articles of incorporation contain provisions to the effect that it will ensure the fairness of transactions arising from Mail Order Sales, protect the interests of the purchasers or the service recipients, contribute to the sound development of the Mail Order Sales business, and have as its members persons who engage in Mail Order Sales as a business.

(2) The provisions of the articles of incorporation prescribed in the preceding

paragraph may not be changed.

(Notification of Incorporation)

Article 30-2 (1) When a general incorporated association set forth in paragraph (1) of the preceding Article (hereinafter referred to as a "Mail Order Sales Association") has been incorporated, notification to that effect shall be submitted to the competent minister with a certificate of registered matters and a copy of its articles of incorporation attached thereto, within two weeks from the day of its incorporation.

(2) When a notification under the provisions of the preceding paragraph has been submitted, the competent minister shall issue a public notice to that effect.

(Notification of Changes)

Article 30-3 (1) When there have been any changes to a Mail Order Sales Association's name, address, articles of incorporation or any other information specified by ordinance of the competent ministry, notification to that effect shall be submitted the competent minister within two weeks from the day on which such change occurred.

(2) The provisions of paragraph (2) of the preceding Article apply mutatis mutandis to a notification under the provisions of the preceding paragraph.

(Restrictions on Name Use)

Article 31 (1) A person who is not a Mail Order Sales Association may not use words in his/her name or trade name that will likely cause him/her to be mistaken for a Mail Order Sales Association.

(2) A person who is not a member of a Mail Order Sales Association may not use words in his/her name or trade name that will likely cause him/her to be mistaken for a Mail Order Sales Association member.

(Settlement of Complaints)

Article 32 (1) When a Mail Order Sales Association is requested by a purchaser, a service recipient, or any other relevant person to help settle a complaint about business activities for Mail Order Sales in which a member is engaging, it shall hold consultations, provide the necessary advice to the requester, and investigate the circumstances surrounding the complaint, as well as notifying the member of the details of the complaint and requesting that it be processed promptly.

(2) When a Mail Order Sales Association finds it necessary for settling a complaint connected with a request under the preceding paragraph, it may demand written or oral explanations or submission of materials from the member.

- (3) A member may not refuse a demand made by a Mail Order Sales Association under the provisions of the preceding paragraph without justifiable grounds.
- (4) A Mail Order Sales Association shall fully inform its members about any request under paragraph (1), the circumstances involved in the complaint, and the result of settlement of the complaint.

(Supervision of the Business Activities of a Mail Order Sales Association)

Article 32-2 (1) The business activities of a Mail Order Sales Association will be placed under the supervision of the competent minister.

- (2) Where the competent minister finds it necessary for securing the proper implementation of the business activities set forth in the preceding Article, he/she may, at any time, inspect a Mail Order Sales Association's business activities or property status or issue a Mail Order Sales Association any order that is necessary from a supervisory perspective, with regard to its business activities.
- (3) When the competent minister has given the order set forth in the preceding paragraph, if he/she finds it particularly necessary for protecting the interests of purchasers or service recipients, he/she may issue a public announcement to the effect that he/she has done so.

Chapter III Multilevel Marketing Transactions

(Definitions)

Article 33 (1) The term "Multilevel Marketing" as used in this Chapter and Article 58-7, paragraphs (1) and (3) and Article 67, paragraph (1) means the business of sale (including arranging the sale) of articles (including the rights to use facilities or to be provided with services; the same applies hereinafter) or the provision (including arranging the provision) of services in exchange for payment, wherein a counterparty is induced to resell the articles that have been sold thereto (hereinafter referred to as "Goods" in this Chapter and Article 58-7, paragraph (1), item (i)(a)) ("resell" means purchasing the Goods and then selling them; the same applies hereinafter), wherein a counterparty is induced to sell Goods on consignment (meaning being consigned the Goods and then selling them; the same applies hereinafter), wherein a counterparty is induced to arrange the sale of Goods, wherein a counterparty is induced to provide the same kind of services (meaning providing the same kind of services that have been provided thereto; the same shall apply hereinafter), or wherein a counterparty is induced to arrange for such services to be provided, using the possible receipt of a specified profit (meaning all or part of the transaction fees provided by another person who resells, sells on consignment, or arranges the sale of Goods, all or part of the transaction fees provided by another person

who provides the same kind of services or arranges for such services to be provided, and any other profits that satisfy the requirements specified by ordinance of the competent ministry; hereinafter the same applies in this Chapter and Article 58-7, paragraph (1), item (iv)), and wherein transactions that involve a specified burden (meaning the purchase of Goods, payment of consideration for services, or provision of a transaction fee; hereinafter the same applies in this Chapter and Article 58-7, paragraph (1), item (iv)) are carried out with the counterparty to sell or arrange the sale of Goods, or wherein transactions that involve a specified burden are carried out with the counterparty to provide or arrange the provision of the same type of services (such transactions include any change in the terms of a transaction; hereinafter referred to as "Multilevel Marketing Transactions").

- (2) The term "Coordinator" as used in this Chapter and Article 58-7, Article 66, paragraph (1) and Article 67, paragraph (1) means the person coordinating the Multilevel Marketing program, which includes the person attaching his/her own trademark to the Multilevel Marketing Goods or causing his/her own trade name or other specific indication to be used for the provision of services through Multilevel Marketing, stipulating the adhesive terms and conditions of Multilevel Marketing Transactions, and continuously guiding the operations of the persons engaged in Multilevel Marketing.
- (3) The term "transaction fee" as used in this Chapter means a transaction fee, a membership fee, a security deposit, or other money or goods provided at the time a transaction is carried out or upon changing the terms of a transaction, irrespective of the name given to it.

(Clear Indication of Name, etc. in Multilevel Marketing Transactions)

Article 33-2 Where a Coordinator, a solicitor (meaning a person who the Coordinator causes to engage in solicitation for Multilevel Marketing Transactions through the Multilevel Marketing program coordinated by the Coordinator; the same applies hereinafter), or a general multilevel marketing distributor (meaning a person other than a Coordinator or a solicitor who engages in Multilevel Marketing; the same applies hereinafter) seeks to carry out Multilevel Marketing Transactions through the Multilevel Marketing program coordinated by the Coordinator, he/she shall clearly indicate to the counterparty, prior to solicitation, the name of the Coordinator, solicitor, or general multilevel marketing distributor (a solicitor or a general multilevel marketing distributor shall also indicate the name of the Coordinator), the fact that his/her purpose is to solicit a contract for transactions that involve a specified burden, and the type of Goods or services connected with the solicitation.

(Prohibited Conduct)

Article 34 (1) No Coordinator or solicitor shall intentionally fail to disclose facts about nor misrepresent the following pieces of information either in soliciting a contract for Multilevel Marketing Transactions through the Multilevel Marketing program coordinated by the Coordinator (limited to a contract with an individual who, without using a store or other similar facility (hereinafter referred to as a "Store, etc."), sells or arranges the sale of the Goods that are sold through the Multilevel Marketing or provides or arranges for the provision of services that are provided through the Multilevel Marketing; hereinafter the same applies in this Article), or in order to prevent the cancellation of a contract for Multilevel Marketing Transactions arising from Multilevel Marketing:

- (i) the type of Goods (excluding rights to use a facility and to be provided services) and their performance or quality, the type of services, rights to use a facility, or rights to be provided services, the details thereof, and other similar information specified by ordinance of the competent ministry;
 - (ii) information about the specified burden involved in the Multilevel Marketing Transactions;
 - (iii) information about cancelling the contract (including information under the provisions of Article 40, paragraphs (1) through (3) and Article 40-2, paragraphs (1) through (5));
 - (iv) information about the specified profit involved in the Multilevel Marketing;
 - (v) in addition to what is set forth in the preceding items, any material information about the Multilevel Marketing that would affect the decision of the counterparty of the Multilevel Marketing Transactions.
- (2) No general multilevel marketing distributor shall misrepresent the information listed in the items of the preceding paragraph, either in soliciting the conclusion of a contract for Multilevel Marketing Transactions through the Multilevel Marketing program coordinated by the Coordinator, or in order to prevent the cancellation of a contract for Multilevel Marketing Transactions arising from Multilevel Marketing.
- (3) No Coordinator, solicitor, or general multilevel marketing distributor shall use intimidation to overwhelm a person in order to cause him/her to conclude a contract for Multilevel Marketing Transactions through the Multilevel Marketing program coordinated by the Coordinator or in order to prevent him/her from canceling a contract for Multilevel Marketing Transactions arising from Multilevel Marketing.
- (4) No Coordinator, solicitor, or general multilevel marketing distributor shall solicit the conclusion of a contract for transactions involving a specified burden other than in a place into and out of which the general public comes and goes, from a person whom the Coordinator, solicitor, or general multilevel marketing

distributor has stopped and caused to follow him/her or whom he/she has by any other means specified by Cabinet Order induced away from a place that is not a business office, agency office, or any other place specified by ordinance of the competent ministry, without informing the person that the purpose for doing so is to solicit such a contract.

(Submission of Materials Showing Reasonable Grounds)

Article 34-2 When the competent minister finds it necessary for determining whether or not a Coordinator, solicitor, or general multilevel marketing distributor has misrepresented the information prescribed in Article 34, paragraph (1), item (i) or (iv), he/she may require the Coordinator, solicitor, or general multilevel marketing distributor to submit materials showing reasonable grounds to support the information he/she conveyed to the other party, within a specified period. With regard to the application of the provisions of Article 38, paragraphs (1) through (3) and Article 39, paragraph (1) in such a case, when the Coordinator, solicitor, or general multilevel marketing distributor has failed to submit such materials, he/she is deemed to have misrepresented the information prescribed in Article 34, paragraph (1), item (i) or (iv).

(Advertising Multilevel Marketing Transactions)

Article 35 When a Coordinator, a solicitor, or a general multilevel marketing distributor advertises the Multilevel Marketing Transactions that arise from the Multilevel Marketing program coordinated by the Coordinator, it shall indicate the following pieces of information about said Multilevel Marketing in the advertisement, pursuant to the provisions of ordinance of the competent ministry:

- (i) the type of Goods or services;
- (ii) information about the specified burden involved in the Multilevel Marketing Transactions;
- (iii) if the specified profits for the Multilevel Marketing Transactions are advertised, the method of calculating such profits;
- (iv) in addition to the information listed in the preceding three items, information specified by ordinance of the competent ministry.

(Prohibition of Misleading Advertising, etc.)

Article 36 When a Coordinator, solicitor, or general multilevel marketing distributor advertises the Multilevel Marketing Transactions that arise from the Multilevel Marketing program coordinated by the Coordinator, it shall make no representation about the performance or quality of the Goods sold through the Multilevel Marketing (excluding rights to use a facility or to be

provided services), the details of the rights to use a facility or to be provided services, or the details of services provided through the Multilevel Marketing, nor about the specified burden involved in the Multilevel Marketing Transactions, the specified profit involved in the Multilevel Marketing, or any other information specified by ordinance of the competent ministry, that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 36-2 When the competent minister finds it necessary for determining whether a Coordinator's, solicitor's, or general multilevel marketing distributor's representation falls under the category of representations provided for in the preceding Article, he/she may require the Coordinator, solicitor, or general multilevel marketing distributor who made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 38, paragraphs (1) through (3) and Article 39, paragraph (1) in such a case, when the Coordinator, solicitor, or general multilevel marketing distributor has failed to submit such materials, the representation is deemed to fall under the category of representations provided for in the preceding Article.

(Prohibition, etc. on Sending E-mail Advertising to a Person Who Has Not Given His/Her Consent)

Article 36-3 (1) Except in the following cases, neither a Coordinator nor a solicitor nor a general multilevel marketing distributor shall advertise the Multilevel Marketing Transactions that arise from the Multilevel Marketing program coordinated by the Coordinator via e-mail without the consent of the advertising target:

(i) when sending e-mail advertising the Multilevel Marketing Transactions that arise from the Multilevel Marketing program coordinated by the Coordinator (hereinafter referred to as "E-mail That Advertises Multilevel Marketing Transactions" in this Chapter) at the request of the advertising target; or

(ii) in addition to what is provided in the preceding item, when sending E-mail That Advertises Multilevel Marketing Transactions in cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the E-mail That Advertises Multilevel Marketing Transactions.

(2) No Coordinator, solicitor, or general multilevel marketing distributor that has obtained the consent prescribed in the preceding paragraph or that has received a request provided for in item (i) of the same paragraph shall send E-

mail That Advertises Multilevel Marketing Transactions to an advertising target if the target of the E-mail That Advertises Multilevel Marketing Transactions indicates that he/she is not willing to receive E-mail That Advertises Multilevel Marketing Transactions; provided, however, that this does not apply where the Coordinator, the solicitor, or the general multilevel marketing distributor has later received a request from the advertising target or has regained the consent of the advertising target to send E-mail That Advertises Multilevel Marketing Transactions.

- (3) When sending E-mail That Advertises Multilevel Marketing Transactions, a Coordinator, solicitor, or general multilevel marketing distributor shall, except in the case set forth in paragraph (1), item (ii), prepare what is specified by ordinance of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send E-mail That Advertises Multilevel Marketing Transactions, and shall preserve such records pursuant to the provisions of ordinance of the competent ministry.
- (4) When sending E-mail That Advertises Multilevel Marketing Transactions, a Coordinator, solicitor, or general multilevel marketing distributor shall, except in the case set forth in paragraph (1), item (ii), indicate in its E-mail That Advertises Multilevel Marketing Transactions, pursuant to the provisions of ordinance of the competent ministry, all that is specified by ordinance of the competent ministry as the information that is necessary in order for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Multilevel Marketing Transactions, in addition to the information listed in the items of Article 35.
- (5) When a Coordinator, a solicitor, or a general multilevel marketing distributor has collectively entrusted all of the following business activities to another person, the provisions of the preceding two paragraphs do not apply to any E-mail That Advertises Multilevel Marketing Transactions under that entrustment:
 - (i) business activities for obtaining the consent of the advertising targets or receiving requests from advertising targets to send E-mail That Advertises Multilevel Marketing Transactions;
 - (ii) business activities for preparing and preserving the records prescribed in paragraph (3); and
 - (iii) business activities for indicating the information necessary for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Multilevel Marketing Transactions, as prescribed in the preceding paragraph.

Article 36-4 (1) Except in the following cases, a party to whom all of the business

activities listed in the items of paragraph (5) of the preceding Article have been collectively entrusted by a Coordinator, a solicitor, or a general multilevel marketing distributor (a party so entrusted is hereinafter referred to as a "Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions" in this Chapter and Article 66, paragraphs (4) and (6)) shall not send E-mail That Advertises Multilevel Marketing Transactions for the Multilevel Marketing Transactions arising in the Multilevel Marketing program coordinated by the Coordinator, that are carried out by the Coordinator, the solicitor, or the general multilevel marketing distributor that has entrusted said business activities (hereinafter referred to as the "Party Entrusting E-mail That Advertises Its Multilevel Marketing Transactions" in this Article) without the consent of the advertising target:

- (i) when sending E-mail That Advertises the Multilevel Marketing Transactions of a Party Entrusting E-mail That Advertises Its Multilevel Marketing Transactions at the request of the advertising target; and
 - (ii) in addition to what is set forth in the preceding item, when sending E-mail That Advertises the Multilevel Marketing Transactions of a Party Entrusting E-mail That Advertises Its Multilevel Marketing Transactions in cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the E-mail That Advertises the Multilevel Marketing Transactions of the Party Entrusting E-mail That Advertises Its Multilevel Marketing Transactions.
- (2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to the E-mail That Advertises the Multilevel Marketing Transactions of a Party Entrusting E-mail That Advertises Its Multilevel Marketing Transactions, by a Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions. Where such is the case, the phrase "paragraph (1), item (ii)" in paragraphs (3) and (4) of the preceding Article is deemed to be replaced with "paragraph (1), item (ii) of the following Article."

(Delivery of Documents in Multilevel Marketing Transactions)

Article 37 (1) When a person engaged in Multilevel Marketing (if a person other than a person engaged in Multilevel Marketing concludes a contract concerning the specified burden involved in Multilevel Marketing Transactions that arise from Multilevel Marketing, the person concluding the contract) seeks to conclude a contract concerning the specified burden involved in Multilevel Marketing Transactions with a person who seeks to bear such specified burden (limited to an individual who, without using a Store, etc., sells or arranges the sale of Goods that are sold through the Multilevel Marketing or provides or arranges the provision of services that are provided through the Multilevel

Marketing), he/she shall deliver to that person a document containing an outline of the Multilevel Marketing pursuant to the provisions of ordinance of the competent ministry before concluding the contract.

- (2) Where a person engaged in Multilevel Marketing has concluded a contract for Multilevel Marketing Transactions arising from Multilevel Marketing (hereinafter referred to as a "Multilevel Marketing Contract" in this Chapter), and the counterparty to the Multilevel Marketing Contract is an individual who, without using a Store, etc. , sells or arranges the sale of Goods that are sold through the Multilevel Marketing or provides or arranges the provision of services that are provided through the Multilevel Marketing, the person engaged in Multilevel Marketing shall deliver a document to that person containing the details of the Multilevel Marketing Contract with respect to the following information without delay, pursuant to the provisions of ordinance of the competent ministry:
- (i) the type of Goods (excluding rights to use a facility or to be provided services) and their performance or quality, or the type of services, rights to use a facility, or rights to be provided services, and the details thereof;
 - (ii) information about reselling, selling on consignment, or arranging the sale of the Goods, or about providing the same kind of services or arranging for such services to be provided;
 - (iii) information about the specified burden involved in the Multilevel Marketing Transactions;
 - (iv) information about cancelling the Multilevel Marketing Contract (including information related to the provisions of Article 40, paragraphs (1) through (3) and Article 40-2, paragraphs (1) through (5)); and
 - (v) in addition to what is set forth in the preceding items, any other information specified by ordinance of the competent ministry.

(Instruction)

Article 38 (1) Where a Coordinator has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the following conduct, or where a solicitor has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, or Article 36-3 (excluding paragraph (5)) or has engaged in any of the conduct listed in items (ii) through (iv) of this paragraph, if the competent minister finds that the conduct is likely to prejudice the fairness of Multilevel Marketing Transactions or the interests of the counterparty thereto, he/she may instruct the Coordinator to take any necessary measures:

- (i) refusing to perform or unjustly delaying performance of the obligations under a Multilevel Marketing Contract arising from Multilevel Marketing or

the obligations that occur through cancellation of such a contract in whole or in part;

- (ii) soliciting a Multilevel Marketing Contract through Multilevel Marketing (limited to a contract with an individual who, without using a Store, etc., sells or arranges the sale of Goods that are sold through the Multilevel Marketing or provides or arranges for the provision of services that are provided through the Multilevel Marketing; hereinafter the same applies in the following item) by providing conclusive evaluations that would likely cause a person to mistakenly believe that the Multilevel Marketing Transactions arising from the Multilevel Marketing program coordinated by the Coordinator are sure to generate a profit;
 - (iii) soliciting the conclusion of a Multilevel Marketing Contract through the Multilevel Marketing program coordinated by the Coordinator from a person who has indicated his/her intention not to conclude such a contract, in a way that such person feels is a nuisance; and
 - (iv) in addition to what is set forth in the preceding three items, conduct in connection with a Multilevel Marketing Contract arising from the Multilevel Marketing program coordinated by a Coordinator, that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty. .
- (2) Where a solicitor has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of the preceding paragraph, if the competent minister finds that the conduct is likely to prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, he/she may instruct the solicitor to take any necessary measures.
- (3) Where a general multilevel marketing distributor has violated any of the provisions of Article 33-2, Article 34, paragraphs (2) through (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of paragraph (1), if the competent minister finds that the conduct is likely to prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, he/she may instruct the general multilevel marketing distributor to take any necessary measures.
- (4) Where a Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions has violated any of the provisions of Article 36-4, paragraph (1) or Article 36-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 36-4, paragraph (2), if the competent minister finds that the conduct is likely to prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, he/she

may instruct the Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions to take any necessary measures.

(Suspension of Multilevel Marketing Transactions, etc.)

Article 39 (1) Where a Coordinator has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of Article 38, paragraph (1), or where a solicitor has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, or Article 36-3 (excluding paragraph (5)) or has engaged in any of the conduct listed in Article 38, paragraph (1), items (ii) through (iv), if the competent minister finds that such conduct is likely to significantly prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, or if the Coordinator has failed to follow the instructions under the provisions of Article 38, paragraph (1), the competent minister may order the Coordinator to stop soliciting or having a solicitor solicit the Multilevel Marketing Transactions involved in its Multilevel Marketing, or may order the Coordinator to suspend its Multilevel Marketing Transactions in whole or in part, during a specified period no longer than one year.

(2) Where a solicitor has violated any of the provisions of Article 33-2, Article 34, paragraph (1), (3), or (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of Article 38, paragraph (1), if the competent minister finds that the conduct is likely to significantly prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, or if the solicitor has failed to follow the instructions under the provisions of Article 38, paragraph (2), the competent minister may order the solicitor to stop soliciting Multilevel Marketing Transactions involved in the Multilevel Marketing, or may order the solicitor to suspend his/her Multilevel Marketing Transactions in whole or in part, during a specified period no longer than one year.

(3) Where a general multilevel marketing distributor has violated any of the provisions of Article 33-2, Article 34, paragraphs (2) through (4), Article 35, Article 36, Article 36-3 (excluding paragraph (5)), or Article 37 or has engaged in any of the conduct listed in the items of Article 38, paragraph (1), if the competent minister finds that the conduct is likely to significantly prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, or if the general multilevel marketing distributor has failed to follow the instructions under the provisions of Article 38, paragraph (3), the competent minister may order the general multilevel marketing distributor to stop soliciting Multilevel Marketing Transactions through the

Multilevel Marketing, or may order the general multilevel marketing distributor to suspend its Multilevel Marketing Transactions in whole or in part, during a specified period of no longer than one year.

- (4) Where a Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions has violated any of the provisions of Article 36-4, paragraph (1) or Article 36-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 36-4, paragraph (2), if the competent minister finds that the conduct is likely to significantly prejudice the fairness of Multilevel Marketing Transactions and the interests of the counterparty thereto, or if a Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions has failed to follow the instructions under the provisions of paragraph (4) of the preceding Article, the competent minister may order the Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions to suspend those of his/her business activities that are connected with E-mail That Advertises Multilevel Marketing Transactions in whole or in part, during a specified period of no longer than one year.
- (5) When the competent minister has issued an order pursuant to paragraphs (1) through (3), he/she shall issue a public announcement to that effect.
- (6) When the competent minister has issued an order pursuant to paragraph (4), he/she shall issue a public announcement to that effect.

(Cancellation of a Multilevel Marketing Contract)

Article 40 (1) Where a person engaged in Multilevel Marketing has concluded a Multilevel Marketing Contract through that Multilevel Marketing, the counterparty to the Multilevel Marketing Contract (limited to an individual who, without using a Store, etc., sells or arranges the sale of Goods that are sold through the Multilevel Marketing or provides or arranges for the provision of services that are provided through the Multilevel Marketing; hereinafter referred to as a "Multilevel Marketing Affiliate" in this Chapter) may cancel the Multilevel Marketing Contract in writing, except for when 20 days have passed since the date on which the Multilevel Marketing Affiliate received the document referred to in Article 37, paragraph (2) (or except for when 20 have passed since the date the Goods were first delivered, where the specified burden under the Multilevel Marketing Contract is the purchase of Goods (excluding rights to use a facility or to be provided services; hereinafter the same applies in this paragraph) for resale, and if the date of the first delivery of the Goods that were purchased based on the Multilevel Marketing Contract is after the date on which the Multilevel Marketing Affiliate received said document; the same applies in paragraph (1) of the following Article) (if the Multilevel Marketing Affiliate did not cancel the Multilevel Marketing

Contract pursuant to the provisions of this paragraph by said time limit because he/she was under the misapprehension that information about canceling the Multilevel Marketing Contract under the provisions of this paragraph that the Coordinator or the solicitor had misrepresented to him/her, in violation of the provisions of Article 34, paragraph (1), or that the general multilevel marketing distributor had misrepresented to him/her, in violation of Article 34, paragraph (2), was true, or because the Multilevel Marketing Affiliate was overwhelmed due to the Coordinator's, the solicitor's, or the general multilevel marketing distributor's use of intimidation, in violation of the provisions of Article 34, paragraph (3), then except for when 20 days have passed since the date on which he/she received a document delivered thereto by the Coordinator, the solicitor, or the general multilevel marketing distributor, pursuant to the provisions of ordinance of the competent ministry, that contains a notice to the effect that the Multilevel Marketing Affiliate may cancel said Multilevel Marketing Contract pursuant to the provisions of this paragraph). Where such is the case, the person engaged in the Multilevel Marketing may not claim damages or demand payment of any penalty in connection with the cancellation of the Multilevel Marketing Contract.

- (2) The cancellation of a Multilevel Marketing Contract under the preceding paragraph takes effect at the time the Multilevel Marketing Affiliate sets forth in writing that he/she is canceling the Multilevel Marketing Contract.
- (3) Where a Multilevel Marketing Contract has been canceled pursuant to paragraph (1), the person engaged in the Multilevel Marketing bears the costs required for taking back any Goods that have already been delivered under the Multilevel Marketing Contract.
- (4) Any special provisions of a contract that run counter to the provisions of the preceding three paragraphs and that are disadvantageous to the Multilevel Marketing Affiliate are hereby invalidated.

Article 40-2 (1) After 20 days have passed since the date on which a Multilevel Marketing Affiliate received the document referred to in Article 37, paragraph (2), he/she may effect the prospective cancellation of the Multilevel Marketing Contract in question (if the Multilevel Marketing Affiliate did not cancel the Multilevel Marketing Contract pursuant to the provisions of paragraph (1) of the preceding Article by the relevant time limit because he/she was under the misapprehension that information about cancelling the Multilevel Marketing Contract under the provisions of said paragraph that the Coordinator or the solicitor had misrepresented to him/her, in violation of the provisions of Article 34, paragraph (1), or that the general multilevel marketing distributor had misrepresented to him/her, in violation of Article 34, paragraph (2), was true,, or because the Multilevel Marketing Affiliate was overwhelmed due to the

Coordinator's, the solicitor's, or the general multilevel marketing distributor's use of intimidation, in violation of the provisions of Article 34, paragraph (3), then when 20 days have passed since the date on which he/she received a document delivered thereto by the Coordinator, the solicitor, or the general multilevel marketing distributor, pursuant to the provisions of ordinance of the competent ministry, that contains a notice to the effect that the Multilevel Marketing Affiliate may cancel said Multilevel Marketing Contract pursuant to the provisions of paragraph (1) of the preceding Article).

(2) Where a Multilevel Marketing Contract has been canceled pursuant to the provisions of the preceding paragraph, if the person engaged in Multilevel Marketing has already sold (including arranging the sale of) the Goods sold through the Multilevel Marketing to the Multilevel Marketing Affiliate (limited to the person who concluded the relevant Multilevel Marketing Contract (excluding a Multilevel Marketing Contract to change the terms of transactions) within the past one year; hereinafter the same applies in this Article), the Multilevel Marketing Affiliate may cancel the Contract for the sale of said Goods (including the part of said Multilevel Marketing Contract concerning the sale of Goods that are connected with the specified burden involved in the relevant Multilevel Marketing Transactions; hereinafter referred to as the "Sales Contract for Goods" in this Article), except in the following cases:

(i) when 90 days have passed since the date said Goods were delivered to the Multilevel Marketing Affiliate (where the relevant Goods are the rights to use a facility or to be provided with services, the date he/she was transferred said rights; hereinafter the same applies in this Article);

(ii) when the Multilevel Marketing Affiliate has resold said Goods;

(iii) when the Multilevel Marketing Affiliate has used or consumed said Goods in whole or in part (excluding where the person who sold him/her the Goods through Multilevel Marketing induced the Multilevel Marketing Affiliate to use or consume said Goods in whole or in part); or

(iv) when otherwise specified by Cabinet Order.

(3) Where a Multilevel Marketing Contract has been canceled pursuant to the provisions of paragraph (1), the person engaged in the Multilevel Marketing may not demand that the Multilevel Marketing Affiliate pay an amount of money that exceeds the total of the amount of costs normally required for concluding and performing a contract (where the case falls under any of the following items, said amount plus the amount specified in the relevant item in accordance with the case listed therein) and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:

(i) where the Multilevel Marketing Contract was canceled after the delivery of

Goods connected with Multilevel Marketing Transactions that involved a specified burden: the total of the following amounts:

- (a) the amount equivalent to the selling price of the delivered Goods (limited to those sold under the Multilevel Marketing Contract and excluding those with regard to which the Sales Contract for Goods has been canceled pursuant to the provisions of the preceding paragraph); and
 - (b) the amount equivalent to the specified profit or any other money and goods that were offered (limited to those connected with the Goods under the Sales Contract for Goods that was canceled pursuant to the provisions of the preceding paragraph).
- (ii) where the Multilevel Marketing Contract was canceled after the services connected with Multilevel Marketing Transactions that involved a specified burden started to be provided: the amount equivalent to consideration for the services provided (limited to those provided under said Multilevel Marketing Contract).
- (4) When a Sales Contract for Goods has been canceled pursuant to the provisions of paragraph (2), the person engaged in the sale of Goods through Multilevel Marketing may not demand that the Multilevel Marketing Affiliate pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:
- (i) where the Goods were returned or where the Sales Contract for Goods was cancelled before the delivery of the Goods: the amount equivalent to one-tenth of the selling price of the Goods; and
 - (ii) where the Goods were not returned: the amount equivalent to the selling price of the Goods.
- (5) When a Sales Contract for Goods has been canceled pursuant to the provisions of paragraph (2), the Coordinator of the Multilevel Marketing program to which said Goods are connected shall be jointly and severally liable for the performance of any obligations of the person who sold said Goods that have arisen from such cancellation.
- (6) Any special provisions that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the Multilevel Marketing Affiliate are hereby invalidated.
- (7) The provisions of paragraphs (3) and (4) shall not apply to Multilevel Marketing Goods or services that are sold or provided through installment sales.

(Rescission of the Manifested Intention to Offer a Multilevel Marketing

Contract or to Accept Such Offer)

Article 40-3 (1) Where a Multilevel Marketing Affiliate was under the misapprehension specified in item (i) or (ii) as a result of the Coordinator or the solicitor engaging in conduct listed in the relevant item in soliciting a Multilevel Marketing Contract through the Multilevel Marketing program coordinated by the Coordinator, or where the Multilevel Marketing Affiliate was under the misapprehension specified in item (iii) as a result of a general multilevel marketing distributor engaging in conduct listed in said item in soliciting a Multilevel Marketing Contract through the Multilevel Marketing, because of which the Multilevel Marketing Affiliate manifested his/her intention to offer a Multilevel Marketing Contract or to accept such offer, he/she may rescind the manifested intention to offer such contract or to accept such offer; provided, however, that this does not apply when the counterparty to the Multilevel Marketing Contract was unaware of the conduct by the Coordinator, solicitor, or general multilevel marketing distributor at the time the Multilevel Marketing Contract was concluded:

- (i) misrepresentation in violation of the provisions of Article 34, paragraph (1): the misapprehension that the information being represented was true;
- (ii) intentional failure to disclose a fact, in violation of the provisions of Article 34, paragraph (1): the misapprehension that the relevant fact did not exist; or
- (iii) misrepresentation in violation of the provisions of Article 34, paragraph (2): the misapprehension that the information being represented was true.

(2) The provisions of Article 9-3, paragraphs (2) through (4) apply mutatis mutandis to the rescission, under the provisions of the preceding paragraph, of the manifested intention to offer a Multilevel Marketing Contract or to accept such offer.

Chapter IV Provision of Specified Continuous Services

(Definitions)

Article 41 (1) The term "Provision of Specified Continuous Services" as used in this Chapter and Article 58-8, paragraph (1), item (i) means the following:

- (i) provision of Specified Continuous Services that are carried out by a Service Provider who has concluded a contract under which he/she promises to provide Specified Continuous Services for a period exceeding that which is specified by Cabinet Order for each kind of Specified Continuous Services, and under which the counterparty promises to pay an amount of money that exceeds that which is specified by Cabinet Order in exchange (hereinafter referred to as a "Specified Continuous Service Contract" in this Chapter); and

- (ii) the sale of rights to be provided Specified Continuous Services (limited to those to be provided for a period exceeding that which is specified by the Cabinet Order under the preceding item) that is carried out by a seller who has concluded a contract under which the seller sells the rights to be provided Specified Continuous Services by receiving an amount of money exceeding that which is specified by the Cabinet Order under the same item (hereinafter referred to as a "Sales Contract for Specified Rights" in this Chapter).
- (2) The term "Specified Continuous Services" as used in this Chapter and Article 58-8, paragraph (1), item (i) and Article 67, paragraph (1) means services that are continuously provided, in exchange for payment, during transactions that arise in the daily lives of the people, and that are specified by Cabinet Order as falling under both of the following items:
- (i) services that the recipient is induced to receive through the claim that they will increase his/her physical beauty, increase his/her knowledge or skills, or cause him/her to accomplish any other purpose related to his/her mind, body, or personal affairs; and
 - (ii) services whose nature makes it uncertain whether the purposes prescribed in the preceding item will be accomplished.

(Delivery of Documents in the Provision of Specified Continuous Services)

- Article 42 (1) When a Service Provider or a seller seeks to conclude a Specified Continuous Service Contract or a Sales Contract for Specified Rights (hereinafter referred to as a Specified Continuous Service Contract, etc. in this Chapter and Article 58-8) with a person who seeks to be provided with Specified Continuous Services or a person who seeks to purchase the rights to be provided with Specified Continuous Services, the Service Provider or the seller shall deliver a document containing an outline of the Specified Continuous Service Contract, etc. thereto pursuant to the provisions of ordinance of the competent ministry, prior to the conclusion of said Specified Continuous Service Contract, etc.
- (2) When a Service Provider has concluded a Specified Continuous Service Contract, he/she shall immediately deliver a document containing the details of said Specified Continuous Service Contract pursuant to the provisions of ordinance of the competent ministry, with respect to the following information:
- (i) information specified by ordinance of the competent ministry concerning the details of the services, and if there are goods that the service recipient will need to purchase at the time the services are provided, the name of such goods;
 - (ii) the consideration for the services and any other amount of money that the service recipient must pay;

- (iii) the timing of the payment and means of paying the money referred to in the preceding item;
 - (iv) the service period;
 - (v) information about cancelling the Specified Continuous Service Contract under the provisions of Article 48, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of the same Article);
 - (vi) information about cancelling the Specified Continuous Service Contract under the provisions of Article 49, paragraph (1) (including information under the provisions of paragraphs (2), (5), and (6) of the same Article); and
 - (vii) in addition to what is set forth in the preceding items, any other information specified by ordinance of the competent ministry.
- (3) When a seller concludes a Sales Contract for Specified Rights, he/she shall immediately deliver a document containing the details of said Sales Contract for Specified Rights pursuant to the provisions of ordinance of the competent ministry, with respect to the following information:
- (i) information specified by ordinance of the competent ministry concerning the details of the rights, and if there are goods that the purchaser of the rights to be provided with services will need to purchase at the time the services are provided, the name of such goods;
 - (ii) the selling price of the rights and any other amount of money that the purchaser of the rights to be provided with the services must pay;
 - (iii) the timing of payment and means of paying the money referred to in the preceding item;
 - (iv) the service period available through exercise of the rights;
 - (v) information about cancelling the Sales Contract for Specified Rights under the provisions of Article 48, paragraph (1) (including information under the provisions of paragraphs (2) through (7) of the same Article);
 - (vi) information about cancelling the Sales Contract for Specified Rights under the provisions of Article 49, paragraph (3) (including information under the provisions of paragraphs (4) through (6) of the same Article); and
 - (vii) in addition to what is set forth in the preceding items, any other information specified by ordinance of the competent ministry.

(Prohibition of Misleading Advertising, etc.)

Article 43 When, in the Provision of Specified Continuous Services, a Service Provider or seller advertises the terms and conditions under which it provides Specified Continuous Services or under which it sells the rights to be provided with Specified Continuous Services, it shall make no representation about the content, results, or any other information specified by ordinance of the competent ministry concerning said Specified Continuous Services that differs vastly from the truth or misleads people into believing that it is vastly better

or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 43-2 When the competent minister finds it necessary for determining whether a Service Provider's or seller's representation falls under the category of representations provided for in the preceding Article, he/she may require the Service Provider or seller who made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 46 and Article 47, paragraph (1) in such a case, when the Service Provider or seller has failed to submit such materials, the representation is deemed to fall under the category of representations provided for in the preceding Article.

(Prohibited Conduct)

Article 44 (1) No Service Provider or seller shall misrepresent the following information in soliciting the conclusion of a Specified Continuous Service Contract, etc. or in order to prevent the cancellation of a Specified Continuous Service Contract, etc. :

- (i) the type of services or rights to be provided with services, and the details or results thereof (in the case of rights, the results of the services connected to said rights), and other similar information specified by ordinance of the competent ministry;
- (ii) if there are goods that the service recipient or the purchaser of the rights will need to purchase at the time the services are provided or at the time he/she exercises his/her right to be provided with the services, the type of goods and their performance or quality, and other similar information specified by ordinance of the competent ministry;
- (iii) the consideration for the services or the selling price of the rights, and any other amount of money that the service recipient or the purchaser of the rights to be provided with services must pay;
- (iv) the timing of payment and means of paying the money referred to in the preceding item;
- (v) the service period or the service period available through exercise of the rights;
- (vi) information about cancelling the Specified Continuous Service Contract, etc. (including information under the provisions of Article 48, paragraphs (1) through (7) and Article 49, paragraphs (1) through (6));
- (vii) information about any circumstances that make it necessary for the customer to conclude the Specified Continuous Service Contract, etc. ; and
- (viii) in addition to what is set forth in the preceding items, any material information about the Specified Continuous Service Contract, etc. that would

affect the decision of the customer, the recipient of the Specified Continuous Services, or the purchaser of the rights to be provided with Specified Continuous Services.

- (2) Neither a Service Provider nor a seller shall intentionally fail to disclose facts with respect to the information listed in items (i) through (vi) of the preceding paragraph in soliciting the conclusion of a Specified Continuous Service Contract, etc.
- (3) Neither a Service Provider nor a seller shall use intimidation to overwhelm a person in order to cause him/her to conclude a Specified Continuous Service Contract, etc. or to prevent him/her from canceling a Specified Continuous Service Contract, etc.

(Submission of Materials Showing Reasonable Grounds)

Article 44-2 When the competent minister finds it necessary for determining whether or not a Service Provider or seller has misrepresented the information prescribed in paragraph (1), item (i) or (ii) of the preceding Article, he/she may require the Service Provider or seller to submit materials showing reasonable grounds to support the information he/she conveyed to the counterparty, within a specified period. With regard to the application of the provisions of Article 46 and Article 47, paragraph (1) in such a case, when the Service Provider or seller has failed to submit such materials, he/she is deemed to have misrepresented the information prescribed in paragraph (1), item (i) or (ii) of the preceding Article.

(Retention and Inspection of Documents)

Article 45 (1) When a Service Provider or a seller conducts prepaid transactions during the Provision of Specified Continuous Services (a transaction arising from the Provision of Specified Continuous Services wherein the Service Provider or seller receives an amount of money exceeding an amount specified by Cabinet Order from the counterparty prior to the Provision of Specified Continuous Services; the same applies in the following paragraph), it shall keep documents describing the status of its business and property at the office where it carries out business activities that are connected to Specified Continuous Service Contracts, etc. , pursuant to the provisions of ordinance of the competent ministry.

- (2) The counterparty to a prepaid transaction arising from the Provision of Specified Continuous Services may demand to inspect the documents prescribed in the preceding paragraph or may pay the fee specified by the Service Provider or the seller under the preceding paragraph and demand to be delivered a full or extracted copy of the documents.

(Instruction)

Article 46 Where a Service Provider or a seller has violated any of the provisions of Article 42, 43, 44, or 45 or has engaged in any of the following conduct, when the competent minister finds that the conduct is likely to prejudice the fairness of a transaction arising from the Provision of Specified Continuous Services and the interests of a person who concludes a Specified Continuous Service Contract and receives Specified Continuous Services or a person who purchases the rights to be provided with Specified Continuous Services by concluding a Sales Contract for Specified Rights (hereinafter referred to as the "Specified Continuous Service Recipient, etc." in this Chapter), the competent minister may instruct the Service Provider or the seller to take any necessary measures:

- (i) refusing to perform or unjustly delaying performance of the obligations under the Specified Continuous Service Contract, etc. or the obligations that occur through cancellation of such contract in whole or in part;
- (ii) intentionally failing to disclose any material information about the Specified Continuous Service Contract, etc. that would affect the decision of the customer or the Specified Continuous Service Recipient, etc. (excluding the information set forth in Article 44, paragraph (1), items (i) through (vi)) in soliciting the conclusion of a Specified Continuous Service Contract, etc. or in order to prevent the cancellation of a Specified Continuous Service Contract, etc. ; and
- (iii) in addition to what is set forth in the preceding two items, conduct connected with the Provision of Specified Continuous Services that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of a transaction arising from the Provision of Specified Continuous Services and the interests of the Specified Continuous Service Recipient, etc.

(Suspension of Business, etc.)

Article 47 (1) Where a Service Provider or a seller has violated any of the provisions of Article 42, 43, 44, or 45 or has engaged in any of the conduct listed in the items of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of a transaction arising from the Provision of Specified Continuous Services and the interests of the Specified Continuous Service Recipient, etc. , or if the Service Provider or the seller fails to follow the instructions under the provisions of said Article, the competent minister may order the Service Provider or the seller to suspend those of its business activities that are connected with the Provision of Specified Continuous Services in whole or in part, during a specified period of no longer than one year.

(2) When the competent minister has issued an order pursuant to the preceding

paragraph, he/she shall issue a public announcement to that effect.

(Cancellation of a Specified Continuous Service Contract, etc.)

- Article 48 (1) Where a Service Provider or a seller has concluded a Specified Continuous Service Contract, etc. , the Specified Continuous Service Recipient, etc. may cancel such Specified Continuous Service Contract, etc. in writing, except when eight days have passed since the date on which he/she received the document referred to in Article 42, paragraph (2) or (3) (if the Specified Continuous Service Recipient, etc. did not cancel the Specified Continuous Service Contract, etc. pursuant to this paragraph by that time limit because he/she was under the misapprehension that information about the cancellation of a Specified Continuous Service Contract, etc. under the provisions of this paragraph that the Service Provider or seller had misrepresented to him/her, in violation of the provisions of Article 44, paragraph (1), was true, or because the Continuous Service Recipient, etc. was overwhelmed due to the Service Provider's or the seller's use of intimidation, in violation of the provisions of Article 44, paragraph (3), then when eight days have passed since the date on which the Specified Continuous Service Recipient, etc. received a document delivered thereto by the Service Provider or seller pursuant to the provisions of ordinance of the competent ministry that contains a notice to the effect that the Specified Continuous Service Recipient, etc. may cancel the Specified Continuous Service Contract, etc. under the provisions of this paragraph).
- (2) Where a Specified Continuous Service Contract, etc. has been canceled under the provisions of the preceding paragraph, if the Service Provider or seller has sold, acted as an agent for the sale of, or arranged the sale of goods specified by Cabinet Order as goods that a Specified Continuous Service Recipient, etc. needs to purchase at the time he/she is provided Specified Continuous Services (hereinafter referred to as "Related Goods" in this Chapter and Article 58-8, paragraph (2) and Article 66, paragraph (2)), the provisions of the preceding paragraph also apply to any contract connected with the sale of said goods (hereinafter referred to as a "Sales Contract for Related Goods" in this Article, the following Article and Article 58-8, paragraph (2)); provided, however, that this does not apply when, in spite of having received the document referred to in Article 42, paragraph (2) or (3), the Specified Continuous Service Recipient, etc. has used or consumed in whole or in part Related Goods specified by Cabinet Order as having a value that is likely to decline significantly through their use or partial consumption (excluding where the Service Provider or the seller induced the Specified Continuous Service Recipient, etc. to use or consume said Related Goods in whole or in part).
- (3) The cancellation of a Specified Continuous Service Contract, etc. and the cancellation of a Sales Contract for Related Goods under the provisions of the

preceding two paragraphs take effect at the time the Service Recipient, etc. sets forth in writing that he/she is canceling them.

- (4) Where a Specified Continuous Service Contract, etc. has been canceled under the provisions of paragraph (1) or where a Sales Contract for Related Goods has been canceled under the provisions of paragraph (2), the Service Provider or seller may not claim damages nor demand the payment of any penalty in connection with the cancellation.
- (5) Where a Sales Contract for Specified Rights has been canceled under the provisions of paragraph (1) or where a Sales Contract for Related Goods has been canceled under the provisions of paragraph (2), the seller or the person who sold the Related Goods bears the costs required for taking back or returning any rights already transferred under the Sales Contract for Specified Rights or any Related Goods already delivered under the Sales Contract for Related Goods.
- (6) Where a Specified Continuous Service Contract, etc. has been canceled under the provisions of paragraph (1), the Service Provider or seller may not demand that the Specified Continuous Service Recipient, etc. pay consideration or any other money for Specified Continuous Services under the Specified Continuous Service Contract, etc. , even if Specified Continuous Services have already been provided based on that contract.
- (7) Where a Specified Continuous Service Contract has been canceled under the provisions of paragraph (1), the Service Provider shall promptly return any money he/she has received in association with the Specified Continuous Service Contract to the recipient of the Specified Continuous Services.
- (8) Any special provisions of a contract that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the Specified Continuous Service Recipient, etc. are hereby invalidated.

Article 49 (1) Where a Service Provider has concluded a Specified Continuous Service Contract, the recipient of the Specified Continuous Services may effect a prospective cancellation of the contract in question after eight days have passed since the date on which he/she received the document referred to in Article 42, paragraph (2) (if the recipient of the Specified Continuous Services did not cancel the Specified Continuous Service Contract pursuant to the provisions of paragraph (1) of the previous Article by the relevant time limit because he/she was under the misapprehension that information about canceling the Specified Continuous Service Contract pursuant to the provisions of said paragraph that the Service Provider had misrepresented to him/her, in violation of the provisions of Article 44, paragraph (1), was true, or because the recipient of the Specified Continuous Services was overwhelmed due to the Service Provider's use of intimidation, in violation of the provisions of Article

44, paragraph (3), then when eight days have passed since the date on which he/she received a document delivered thereto by the Service Provider, pursuant to the provisions of ordinance of the competent ministry, that contains a notice to the effect that he/she may cancel the Specified Continuous Service Contract under the provisions of paragraph (1) of the previous Article).

(2) Where a Specified Continuous Service Contract has been canceled pursuant to the provisions of the preceding paragraph, the Service Provider may not demand that the recipient of the Specified Continuous Services pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:

(i) where the Specified Continuous Service Contract was canceled after the Specified Continuous Services began to be provided: the total of the following amounts:

(a) the amount equivalent to the consideration for the Specified Continuous Services that were provided; and

(b) the amount specified by the Cabinet Order referred to in Article 41, paragraph (2) in accordance with each of the services specified therein as the amount of damages that are normally caused by the cancellation of the relevant Specified Continuous Service Contract.

(ii) where the Specified Continuous Service Contract was canceled before the Specified Continuous Services started to be provided: the amount specified by the Cabinet Order referred to in Article 41, paragraph (2) in accordance with each of the services specified therein as the amount of costs normally required for concluding and performing a contract.

(3) Where a seller has concluded a Sales Contract for Specified Rights, the purchaser of the rights to be provided with Specified Continuous Services may cancel the Sales Contract for Specified Rights after eight days have passed since the date on which he/she received the document referred to in Article 42, paragraph (3) (if the purchaser of the rights to be provided with the Specified Continuous Services did not cancel the Sales Contract for Specified Rights under the provisions of paragraph (1) of the preceding Article by the relevant time limit because he/she was under the misapprehension that information about canceling the Sales Contract for Specified Rights under the provisions of that paragraph that the seller had misrepresented to him/her, in violation of the provisions of Article 44, paragraph (1), was true, or because the purchaser of the rights to be provided with the Specified Continuous Services was overwhelmed due to the seller's use of intimidation, in violation of the provisions of Article 44, paragraph (3), then when eight days have passed since the date on which he/she received a document delivered thereto by the seller,

pursuant to the provisions of ordinance of the competent ministry, that contains a notice to the effect that he/she may cancel said Sales Contract for Specified Rights under the provisions of paragraph (1) of the preceding Article).

- (4) Where a Sales Contract for Specified Rights has been canceled pursuant to the provisions of the preceding paragraph, the seller may not demand that the purchaser of the rights to be provided with Specified Continuous Services pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:
- (i) where the rights were returned: the amount equivalent to the profit that can normally be earned through the exercise of the rights (when an amount equivalent to the selling price of the rights less their market value at the time of their return exceeds the amount equivalent to the profit that can normally be gained through the exercise of the rights, such amount applies);
 - (ii) where the rights are not returned: the amount equivalent to the selling price of the rights;
 - (iii) where the contract was canceled prior to the transfer of the rights: the amount of costs normally required for concluding and performing a contract.
- (5) Where a Specified Continuous Service Contract, etc. has been canceled pursuant to the provisions of paragraph (1) or (3), if the Service Provider or the seller has sold, acted as an agent for the sale of, or arranged for the sale of the Related Goods to the Specified Continuous Service Recipient, etc. , the Specified Continuous Service Recipient, etc. may cancel the Sales Contract for Related Goods.
- (6) When a Sales Contract for Related Goods has been canceled pursuant to the provisions of the preceding paragraph, the seller of the Related Goods may not demand that the Specified Continuous Service Recipient, etc. pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:
- (i) where the Related Goods were returned: the amount equivalent to the ordinary usage fees for the Related Goods (when the amount equivalent to the selling price of the Related Goods less their market value as of the time of their return exceeds the amount equivalent to the ordinary usage fees, such amount applies);
 - (ii) where the Related Goods are not returned: the amount equivalent to the selling price of the Related Goods;
 - (iii) where the contract was canceled prior to the transfer of the Related Goods: the amount of costs normally required for concluding and performing a

contract.

- (7) Any special provisions that run counter to the provisions of the preceding paragraphs and that are disadvantageous to the Specified Continuous Service Recipient, etc. , are hereby invalidated.

(Rescission of the Manifested Intention to Offer a Specified Continuous Service Contract, etc. or to Accept Such Offer)

Article 49-2 (1) Where a Specified Continuous Service Recipient, etc. was under the misapprehension specified in each the following items as a result of the Service Provider or the seller engaging in the conduct listed in the relevant item in soliciting the conclusion of a Specified Continuous Service Contract, etc. , because of which the Specified Continuous Service Recipient, etc. manifested his/her intention to offer a Specified Continuous Service Contract, etc. or to accept such offer, he/she may rescind his/her manifested intention to offer such contract or to accept such offer:

- (i) misrepresentation in violation of the provisions of Article 44, paragraph (1): the misapprehension that the information being represented was true; or
 - (ii) intentional failure to disclose a fact, in violation of the provisions of Article 44, paragraph (2): the misapprehension that the relevant fact did not exist.
- (2) The provisions of Article 9-3, paragraphs (2) through (4) apply mutatis mutandis to rescission, under the provisions of the preceding paragraph, of the manifested intention to offer a Specified Continuous Service Contract, etc. or to accept such offer.
- (3) The provisions of Article 49, paragraphs (5) through (7) apply mutatis mutandis to where the manifested intention to offer a Specified Continuous Service Contract, etc. or to accept such offer has been rescinded pursuant to the provisions of paragraph (1).

(Exclusion from Application)

Article 50 (1) The provisions of this Chapter do not apply to the following Provision of Specified Continuous Services:

- (i) Provision of Specified Continuous Services under a Specified Continuous Service Contract, etc. concluded by a Specified Continuous Service Recipient, etc. for the purpose of business or as a part of business;
- (ii) Provision of Specified Continuous Services to a person residing outside Japan;
- (iii) Provision of Specified Continuous Services by the national or local government;
- (iv) Provision of Specified Continuous Services by the following organizations to their direct or indirect members (if the organization is permitted to allow non-members to make use of its administrative services or facilities, this

- includes Provision of Specified Continuous Services to such non-members):
- (a) partnerships established based on a special Act and any federation or central association thereof;
 - (b) organizations under Article 108-2 of the National Public Service Act or Article 52 of the Local Public Service Act; and
 - (c) labor unions.
- (v) Provision of Specified Continuous Services by a business enterprise to its employees.
- (2) The provisions of Article 49, paragraphs (2), (4), and (6) (including where they apply mutatis mutandis pursuant to Article 49-2, paragraph (3)) do not apply to Specified Continuous Services provided or Related Goods sold through installment sales.

Chapter V Business Opportunity Sales Transactions

(Definitions)

- Article 51 (1) The term "Business Opportunity Sales" as used in this Chapter and Article 58-9, Article 66, paragraph (1), and Article 67, paragraph (1) means the business of sale (including arranging the sale) of articles or the provision (including arranging for the provision) of services in exchange for payment, wherein the possible receipt of a profit (hereinafter referred to as "Business Opportunity Profit" in this Chapter and Article 58-9, paragraph (1), item (iii)) through engaging in business activities that use the articles being sold (hereinafter referred to as "Goods" in this Chapter and Article 58-9, paragraph (1), item (i)(a)) or the services being provided (such business activities are limited to those that are directly provided or arranged by the person who sells or arranges the sale of the Goods or who provides or arranges for the provision of the services) is used to induce the counterparty to enter transactions, and wherein transactions that involve a specified burden (meaning purchase of Goods, payment of consideration for services, or provision of a Transaction Fee; hereinafter the same applies in this Chapter and Article 58-9, paragraph (1), item (iii)) are carried out with the counterparty to sell or arrange the sale of Goods or to provide or arrange the provision of services (such transactions include any change in the terms of a transaction; hereinafter referred to as "Business Opportunity Sales Transactions").
- (2) The term "Transaction Fee" as used in this Chapter shall mean a transaction fee, a membership fee, a security deposit, or other money or goods provided at the time a transaction is conducted or upon changing the terms of a transaction, irrespective of the name given to it.

(Clear Indication of Name, etc. in Business Opportunity Sales Transactions)

Article 51-2 Where a person engaged in Business Opportunity Sales seeks to conduct Business Opportunity Sales Transactions through those Business Opportunity Sales, he/she shall clearly indicate to the counterparty, prior to solicitation, the name of the person engaged in the Business Opportunity Sales, the fact that his/her purpose is to solicit the conclusion of a contract for transactions involving a specified burden, and the type of Goods or services connected with the solicitation.

(Prohibited Conduct)

Article 52 (1) No person engaged in Business Opportunity Sales shall intentionally fail to disclose facts about or misrepresent the following information in soliciting a contract for Business Opportunity Sales Transactions through Business Opportunity Sales (limited to a contract with an individual who, without using a place of business or other similar facility (hereinafter referred to as a "Place of Business, etc."), engages in business activities that are provided or arranged in connection with the Business Opportunity Sales; hereinafter the same applies in this Article) or in order to prevent the cancellation of a contract for Business Opportunity Sales Transactions arising from Business Opportunity Sales:

- (i) the type of Goods (excluding rights to use a facility and to be provided services) and their performance or quality, the type of services, rights to use a facility, or rights to be provided services, the details thereof, and other similar information specified by ordinance of the competent ministry;
 - (ii) information about the specified burden involved in the Business Opportunity Sales Transactions;
 - (iii) information about cancelling the relevant contract (including information under the provisions of Article 58, paragraphs (1) through (3));
 - (iv) information about the Business Opportunity Profit from the Business Opportunity Sales;
 - (v) in addition to what is set forth in the preceding items, any material information about Business Opportunity Sales that would affect the decision of the counterparty to the Business Opportunity Sales Transactions.
- (2) No person engaged in Business Opportunity Sales shall use intimidation to overwhelm a person in order to cause him/her to conclude a contract for Business Opportunity Sales Transactions through Business Opportunity Sales or in order to prevent him/her from canceling a contract for Business Opportunity Sales Transactions arising from Business Opportunity Sales.
- (3) No person engaged in Business Opportunity Sales shall solicit a contract for Business Opportunity Sales Transactions arising from his/her Business Opportunity Sales other than in a place into and out of which the general public comes and goes, from a person whom the person engaged in Business

Opportunity Sales has stopped and caused to follow him/her or whom he/she has by any other means specified by Cabinet Order induced away from a place that is not a business office, agency office, or any other place specified by ordinance of the competent ministry, without informing the person that the purpose for doing so is to solicit the conclusion of a contract for transactions involving a specified burden.

(Submission of Materials Showing Reasonable Grounds)

Article 52-2 When the competent minister finds it necessary for determining whether or not a person engaged in Business Opportunity Sales has misrepresented the information prescribed in Article 52, paragraph (1), item (i) or (iv), he/she may require the person engaged in Business Opportunity Sales to submit materials showing reasonable grounds to support the information he/she conveyed to the other party within a specified period. With regard to the application of the provisions of Article 56, paragraph (1) and Article 57, paragraph (1) in such a case, when the person engaged in Business Opportunity Sales has failed to submit such materials, he/she is deemed to have misrepresented the information prescribed in Article 52, paragraph (1), item (i) or (iv).

(Advertisements of Business Opportunity Sales Transactions)

Article 53 When a person conducting Business Opportunity Sales advertises the Business Opportunity Sales Transactions arising from his/her Business Opportunity Sales, he/she shall indicate the following information concerning his/her Business Opportunity Sales in the advertisement, pursuant to the provisions of ordinance of the competent ministry:

- (i) the type of Goods or services;
- (ii) information about the specified burden involved in the Business Opportunity Sales Transactions;
- (iii) if the person is advertising the business activities that he/she provides or arranges to be provided in connection with the Business Opportunity Sales, the conditions under which these business activities are provided; and
- (iv) in addition to what is set forth in the preceding three items, any other information specified by ordinance of the competent ministry.

(Prohibition of Misleading Advertising, etc.)

Article 54 When a person conducting Business Opportunity Sales advertises the Business Opportunity Sales Transactions arising from those Business Opportunity Sales, he/she shall make no representation about the specified burden involved in said Business Opportunity Sales Transactions, the Business Opportunity Profit arising from said Business Opportunity Sales, or any other

information specified by ordinance of the competent ministry, that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality.

(Submission of Materials Showing Reasonable Grounds)

Article 54-2 When the competent minister finds it necessary for determining whether a representation made by a person engaged in Business Opportunity Sales falls under the category of representations provided for in the preceding Article, he/she may require the person engaged in Business Opportunity Sales who made that representation to submit materials showing reasonable grounds to support it within a specified period. With regard to the application of the provisions of Article 56, paragraph (1) and Article 57, paragraph (1) in such a case, when the person engaged in Business Opportunity Sales has failed to submit such materials, the representation is deemed to fall under the category of representations provided for in the preceding Article.

(Prohibition, etc. on Sending E-mail Advertising to a Person Who Has Not Given His/Her Consent)

Article 54-3 (1) Except in the following cases, no person engaged in Business Opportunity Sales shall advertise the Business Opportunity Sales Transactions arising from his/her Business Opportunity Sales via e-mail without the consent of the advertising target:

- (i) when sending e-mail advertising the Business Opportunity Sales Transactions that arise from his/her Business Opportunity Sales (hereinafter referred to as "E-mail That Advertises Business Opportunity Sales Transactions" in this Chapter) at the request of the counterparty; or
- (ii) in addition to the case set forth in the preceding item, when sending E-mail That Advertises Business Opportunity Sales Transactions in cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of an E-mail That Advertises Business Opportunity Sales Transactions.

(2) No person engaged in Business Opportunity Sales that has obtained the consent prescribed in the preceding paragraph or that has received the request prescribed in item (i) of the same paragraph shall send an E-mail That Advertises Business Opportunity Sales Transactions to the advertising target if the target of the E-mail That Advertises Business Opportunity Sales Transactions indicates that he/she is not willing to receive E-mail That Advertises Business Opportunity Sales Transactions; provided, however, that this does not apply where the person conducting Business Opportunity Sales has later received a request from the advertising target or regains the consent of the advertising target with regard to E-mail That Advertises Business

Opportunity Sales Transactions.

- (3) When sending E-mail That Advertises Business Opportunity Sales Transactions, a person engaged in Business Opportunity Sales shall, except in the case set forth in paragraph (1), item (ii), prepare what is specified by ordinance of the competent ministry as a record of having obtained the consent of the advertising target or having received a request from the advertising target to send E-mail That Advertises Business Opportunity Sales Transactions, and shall preserve such records pursuant to the provisions of ordinance of the competent ministry.
- (4) When sending E-mail That Advertises Business Opportunity Sales Transactions, a person engaged in Business Opportunity Sales shall, except in the case set forth in paragraph (1), item (ii), indicate in said E-mail That Advertises Business Opportunity Sales Transactions, pursuant to the provisions of ordinance of the competent ministry, all that is specified by ordinance of the competent ministry as the information that is necessary in order for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Business Opportunity Sales Transactions, in addition to the information listed in the items of Article 53.
- (5) When a person engaged in Business Opportunity Sales has collectively entrusted all of the following business activities to another person, the provisions of the preceding two paragraphs do not apply to any E-mail That Advertises Business Opportunity Sales Transactions under such entrustment:
- (i) business activities for obtaining the consent of the advertising targets or receiving requests from advertising targets to send E-mail That Advertises Business Opportunity Sales Transactions;
 - (ii) business activities for preparing and preserving the records prescribed in paragraph (3); and
 - (iii) business activities for indicating the information that is necessary for the advertising target to indicate that he/she is not willing to receive E-mail That Advertises Business Opportunity Sales Transactions, as prescribed in the preceding paragraph.

Article 54-4 (1) Except in the following cases, a party to whom all of the business activities listed in the items of paragraph (5) of the preceding Article have been collectively entrusted by a person engaged in Business Opportunity Sales (a party so entrusted is hereinafter referred to as a "Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions" in this Chapter and Article 66, paragraphs (4) and (6)) shall not send E-mail That Advertises Business Opportunity Sales Transactions for the Business Opportunity Sales Transactions that arise from the Business Opportunity Sales that are carried out by the person engaged in Business Opportunity Sales

who has entrusted said business activities (hereinafter referred to as the "Party Entrusting E-mail That Advertises Its Business Opportunity Sales Transactions" in this Article) without the consent of the advertising target:

- (i) when sending E-mail That Advertises the Business Opportunity Sales Transactions of a Party Entrusting E-mail That Advertises Its Business Opportunity Sales Transactions based on the request of the advertising target; and
 - (ii) in addition to what is set forth in the preceding item, when sending E-mail That Advertises the Business Opportunity Sales Transactions of a Party Entrusting E-mail That Advertises Its Business Opportunity Sales Transactions in cases specified by ordinance of the competent ministry as cases that are found to be unlikely to prejudice the interests of the target of the E-mail That Advertises the Business Opportunity Sales Transactions of the Party Entrusting E-mail That Advertises Its Business Opportunity Sales Transactions.
- (2) The provisions of paragraphs (2) through (4) of the preceding Article apply mutatis mutandis to E-mail That Advertises the Business Opportunity Sales Transactions of a Party Entrusting E-mail That Advertises Its Business Opportunity Sales Transactions, by a Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions. Where such is the case, the phrase "paragraph (1), item (ii)" in paragraph (3) and paragraph (4) of the preceding Article is deemed to be replaced with "paragraph (1), item (ii) of the following Article."

(Delivery of Document in Business Opportunity Sales Transactions)

- Article 55 (1) Where a person engaged in Business Opportunity Sales seeks to conclude a contract concerning the specified burden involved in Business Opportunity Sales Transactions with a person who seeks to bear such specified burden (limited to an individual who, without using a Place of Business, etc., engages in business activities that are provided or arranged in connection with the Business Opportunity Sales), the person engaged in Business Opportunity Sales shall deliver to that person a document containing an outline of the Business Opportunity Sales pursuant to the provisions of ordinance of the competent ministry before concluding the contract.
- (2) Where a person engaged in Business Opportunity Sales has concluded a contract for Business Opportunity Sales Transactions arising from his/her Business Opportunity Sales (hereinafter referred to as a "Business Opportunity Sales Contract" in this Chapter), and the counterparty to the Business Opportunity Sales Contract is an individual who, without using a Place of Business, etc. , engages in business activities that are provided or arranged in connection with the Business Opportunity Sales, the person

engaged in Business Opportunity Sales shall deliver a document to that person containing the details of the Business Opportunity Sales Contract with respect to the following information without delay, pursuant to the provisions of ordinance of the competent ministry:

- (i) the type of Goods (excluding rights to use a facility or to be provided services) and their performance or quality, or the type of services, rights to use a facility, or rights to be provided services, and the details thereof;
- (ii) information about the conditions under which the business activities that use the Goods or the services being provided, are provided;
- (iii) information about the specified burden involved in the Business Opportunity Sales Transactions;
- (iv) information about cancelling the Business Opportunity Sales Contract (including information under the provisions of Article 58, paragraphs (1) through (3)); and
- (v) in addition to what is set forth in the preceding items, any other information specified by ordinance of the competent ministry.

(Instruction)

Article 56 (1) Where a person engaging in Business Opportunity Sales has violated any of the provisions of Article 51-2, 52, 53, 54, 54-3 (excluding paragraph (5)), or 55 or has engaged in any of the following conduct, when the competent minister finds that the conduct is likely to prejudice the fairness of a Transaction Arising from Business Opportunity Sales or the interests of the counterparty thereto, he/she may instruct the person engaging in Business Opportunity Sales to take any necessary measures:

- (i) refusing to perform or unjustly delaying performance of the obligations under the Business Opportunity Sales Contract arising from Business Opportunity Sales or the obligations that occur through cancellation of such contract in whole or in part;
- (ii) soliciting a Business Opportunity Sales Contract through Business Opportunity Sales (limited to a contract with an individual who, without using a Place of Business, etc., engages in business activities that are provided or arranged in connection with the Business Opportunity Sales; hereinafter the same applies in the following item) by providing conclusive evaluations that would likely cause a person to mistakenly believe that the Business Opportunity Sales Transactions arising from those Business Opportunity Sales are sure to generate a profit;
- (iii) soliciting a Business Opportunity Sales Contract through Business Opportunity Sales from a person who has indicated his/her intention not to conclude such a contract, in a way that that such person feels is a nuisance; and

(iv) in addition to what is set forth in the preceding three items, conduct connected with a Business Opportunity Sales Contract for Business Opportunity Sales that is specified by ordinance of the competent ministry as being likely to prejudice the fairness of Business Opportunity Sales Transactions and the interests of the counterparty thereto.

(2) Where a Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions has violated any of the provisions of Article 54-4, paragraph (1) or Article 54-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 54-4, paragraph (2), if the competent minister finds that the conduct is likely to prejudice the fairness of Business Opportunity Sales Transactions or the interests of the counterparty thereto, he/she may instruct the Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions to take any necessary measures.

(Suspension of Business Opportunity Sales Transactions, etc.)

Article 57 (1) Where a person engaged in Business Opportunity Sales has violated any of the provisions of Article 51-2, 52, 53, 54, 54-3 (excluding paragraph (5)), or 55 or has engaged in any of the conduct listed in the respective items of paragraph (1) of the preceding Article, if the competent minister finds that the conduct is likely to significantly prejudice the fairness of the Business Opportunity Sales Transactions or the interests of the counterparty thereto, or if the person engaged in the Business Opportunity Sales has failed to follow the instructions under the provisions of the same paragraph, the competent minister may order the person engaged in Business Opportunity Sales to suspend the Business Opportunity Sales Transactions that arise from its Business Opportunity Sales in whole or in part, during a specified period of no longer than one year.

(2) Where a Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions has violated any of the provisions of Article 54-4, paragraph (1) or Article 54-3, paragraphs (2) through (4) as applied mutatis mutandis pursuant to Article 54-4, paragraph (2), if the competent minister finds that the conduct is likely to significantly prejudice the fairness of Business Opportunity Sales Transactions or the interests of the counterparty thereto, or if the Business Operator Entrusted with the E-mail That Advertises the Business Opportunity Sales Transactions has failed to follow the instructions under the provisions of paragraph (2) of the preceding Article, the competent minister may order the Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions to suspend those of his/her business activities that are connected with E-mail That Advertises Business Opportunity Sales Transactions in whole or in part,

during a specified period of no longer than one year.

- (3) When the competent minister has issued an order pursuant to paragraph (1), he/she shall issue a public announcement to that effect.
- (4) When the competent minister has issued an order pursuant to paragraph (2), he/she shall issue a public announcement to that effect.

(Cancellation of a Business Opportunity Sales Contract)

Article 58 (1) Where a person engaged in Business Opportunity Sales has concluded a Business Opportunity Sales Contract arising from the Business Opportunity Sales, the counterparty to the contract (limited to an individual who, without using a Place of Business, etc., engages in business activities that are provided or arranged in connection with the Business Opportunity Sales; hereinafter referred to as the "Counterparty" in this Article through Article 58-3) may cancel such Business Opportunity Sales Contract in writing, except when 20 days have passed since the date on which he/she received the document referred to in Article 55, paragraph (2) (if the Counterparty did not cancel the Business Opportunity Sales Contract pursuant to the provisions of this paragraph by said time limit because he/she was under the misapprehension that the information about cancelling a Business Opportunity Sales Contract under the provisions of this paragraph that the person engaged in Business Opportunity Sales had misrepresented to him/her, in violation of the provisions of Article 52, paragraph (1), was true, or because the Counterparty was overwhelmed due to intimidation by the person engaged in Business Opportunity Sales, in violation of the provisions of Article 52, paragraph (2), then except for when 20 days have passed since the date on which he/she received a document delivered thereto by the person engaged in Business Opportunity Sales, pursuant to ordinance of the competent ministry, that contains a notice to the effect that the Counterparty may cancel said Business Opportunity Sales Contract under the provisions of this paragraph). Where such is the case, the person engaged in Business Opportunity Sales may not claim damages or demand payment of any penalty in connection with the cancellation of the Business Opportunity Sales Contract.

- (2) The cancellation of a Business Opportunity Sales Contract pursuant to the preceding paragraph takes effect at the time the Counterparty sets forth in writing that he/she is canceling said Business Opportunity Sales Contract.
- (3) When a Business Opportunity Sales Contract has been canceled pursuant to the provision of paragraph (1), the person conducting Business Opportunity Sales bears the costs required for taking back any goods already delivered under the Business Opportunity Sales Contract.
- (4) Any special provisions of a contract that run counter to the provisions of the preceding three paragraphs and that are disadvantageous to the Counterparty

are hereby invalidated.

(Rescission of the Manifested Intention to Offer a Business Opportunity Sales Contract or to Accept Such Offer)

Article 58-2 (1) Where a Counterparty was under the misapprehension specified in each of the following items as a result of the person engaged in Business Opportunity Sales engaging in the conduct listed in the relevant item in soliciting the conclusion of a Business Opportunity Sales Contract through the Business Opportunity Sales, because of which the Counterparty manifested his/her intention to offer a Business Opportunity Sales Contract or to accept such offer, he/she may rescind his/her manifested intention to offer such contract or to accept such offer:

- (i) misrepresentation in violation of the provisions of Article 52, paragraph (1): the misapprehension that the information being represented was true; or
- (ii) intentional failure to disclose a fact, in violation of the provisions of Article 52, paragraph (1): the misapprehension that the relevant fact did not exist.

(2) The provisions of Article 9-3, paragraphs (2) through (4) apply mutatis mutandis to rescission, under the provisions of the preceding paragraph, of the manifested intention to offer a Business Opportunity Sales Contract or to accept such offer.

(Limitation to the Amount of Damages, etc. for the Cancellation of or Default on a Business Opportunity Sales Contract)

Article 58-3 (1) Where a person engaged in Business Opportunity Sales has concluded a Business Opportunity Sales Contract through those Business Opportunity Sales, if the Business Opportunity Sales Contract has been canceled, he/she may not demand that the Counterparty pay an amount of money that exceeds the total of the amount specified in each of the following items in accordance with the case listed therein and the amount of the relevant delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties:

- (i) where the goods (excluding rights to use a facility or to be provided services; hereinafter the same applies in this paragraph) or the rights were returned: the amount of the ordinary usage fees for the goods or the amount equivalent to the profit that can normally be earned through the exercise of the rights (when the amount equivalent to the selling price of the goods or rights less their market value as of the time of their return exceeds the amount of ordinary usage fees or the amount equivalent to the profit that can normally be earned through the exercise of the rights, such amount applies);
- (ii) where the goods or the rights are not returned: the amount equivalent to the selling price of the goods or the rights;

- (iii) where the Business Opportunity Sales Contract was canceled after the services started being provided: the amount equivalent to the consideration for the provided services; and
 - (iv) where the Business Opportunity Sales Contract was canceled prior to the delivery of the goods or the transfer of the rights or prior to when the services started being provided: the amount of costs normally required for concluding and performing a contract.
- (2) Where a person engaged in Business Opportunity Sales has concluded a Business Opportunity Sales Contract through those Business Opportunity Sales, if the obligation to pay the charges for the goods or the consideration for the services under the Business Opportunity Sales Contract is not performed in whole or in part (excluding where the Business Opportunity Sales Contract has been canceled), he/she may not demand that the Counterparty pay an amount of money that exceeds the total of the amount equivalent to the selling price of the goods or rights or the consideration for the services less the already-paid amount of the charges for the goods or consideration for the services plus the amount of any delinquency charges based on the statutory interest rate, even if there is an agreement for liquidated damages or a provision for penalties.
- (3) The provisions of the preceding two paragraphs do not apply to Goods or services under Business Opportunity Sales Transactions that are sold or provided through installment sales.

Chapter V-2 Right to Demand an Injunction

(Right to Demand an Injunction in Connection with Door-to-Door Sales)

Article 58-4 (1) When a seller or a Service Provider has engaged in or is likely to engage in any of the following conduct with many and unspecified persons with regard to Door-to-Door Sales, a qualified consumer organization prescribed in Article 2, paragraph (4) of the Consumer Contract Act (Act No. 61 of 2000) (hereinafter simply referred to as a "Qualified Consumer Organization" in this Chapter) may demand that such seller or Service Provider discontinue or prevent said the relevant conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct:

- (i) misrepresentation of the following information in soliciting the conclusion of a sales contract or a Service Contract, or in order to prevent the withdrawal of an offer for a sales contract or a Service Contract, or in order to prevent the cancellation of such a contract:
 - (a) the type of goods and their performance or quality or the type of rights or services and the details thereof;

- (b) the information set forth in Article 6, paragraph (1), items (ii) through (v); or
 - (c) the information set forth in Article 6, paragraph (1), item (vi) or (vii);
 - (ii) intentional failure to disclose facts with respect to the information set forth in (a) or (b) of the preceding item in soliciting the conclusion of a sales contract or a Service Contract; or
 - (iii) use of intimidation to overwhelm a person in order to cause him/her conclude a sales contract or a Service Contract, to prevent him/her from withdrawing an offer for a sales contract or a Service Contract, or to prevent him/her from canceling such a contract.
- (2) When, at the time of concluding sales contracts or Service Contracts, the seller or Service Provider has manifested or is likely to manifest the intention to offer, or to accept offers for, sales contracts or Service Contracts that contain any of the following special provisions and are concluded with many and unspecified persons, a Qualified Consumer Organization may demand the seller or Service Provider to discontinue or prevent the relevant conduct, to dispose of or remove any object used for said conduct, or to take any other necessary measures for discontinuing or preventing said conduct:
- (i) the special provisions prescribed in Article 9, paragraph (8) (including the cases where it is applied mutatis mutandis pursuant to Article 9-2, paragraph (3)); or
 - (ii) special provisions that run counter to the provisions of Article 10.

(Right to Demand an Injunction in Connection with Mail Order Sales)

Article 58-5 When, in advertising terms and conditions for selling goods or Designated Rights or for offering services through Mail Order Sales, a seller or a Service Provider makes an indication, to many and unspecified persons, of the performance of the goods or the contents of the rights or services or information concerning the withdrawal of an offer for a sales contract for the goods or the Designated Rights or cancellation of such sales contract (where the special provisions prescribed in the proviso to Article 15-2, paragraph (1) exist, such information shall include the contents of such special provisions) that differs vastly from the truth or misleads such persons into believing that it is vastly better or more advantageous than it is in reality, a Qualified Consumer Organization may demand that such seller or Service Provider discontinue or prevent the relevant conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct.

(Right to Demand an Injunction in Connection with Telemarketing Sales)

Article 58-6 (1) When a seller or a Service Provider engages or is likely to engage

in any of the following conduct with many and unspecified persons with regard to Telemarketing Sales, a Qualified Consumer Organization may demand that such seller or Service Provider discontinue or prevent the relevant conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct:

- (i) misrepresentation of the following information in soliciting the conclusion of a sales contract or a Service Contract or in order to prevent the withdrawal of an offer for a sales contract or Service Contract or the cancellation of such a contract:
 - (a) the type of goods and their performance or quality or the type of rights or services and the details thereof;
 - (b) the information listed in Article 21, paragraph (1), items (ii) through (v);
or
 - (c) the information listed in Article 21, paragraph (1), item (vi) or (vii);
- (ii) intentional failure to disclose facts with respect to the information listed in (a) or (b) of the preceding item in soliciting the conclusion of a sales contract or a Service Contract; or
- (iii) use of intimidation to overwhelm a person in order to cause him/her conclude a sales contract or a Service Contract or to prevent him/her from withdrawing an offer for a sales contract or a Service Contract or canceling such a contract.

(2) When, at the time of concluding sales contracts or Service Contracts, the seller or Service Provider has manifested or is likely to manifest the intention to offer, or to accept offers for, sales contracts or Service Contracts that contain any of the following special provisions and are concluded with many and unspecified persons, a Qualified Consumer Organization may demand the seller or Service Provider to discontinue or prevent the relevant conduct, to dispose of or remove any object used for said conduct, or to take any other necessary measures for discontinuing or preventing said conduct:

- (i) the special provisions prescribed in Article 24, paragraph (8); or
- (ii) special provisions that run counter to the provisions of Article 25.

(Right to Demand an Injunction in Connection with Multilevel Marketing Transactions)

Article 58-7 (1) When a Coordinator, a solicitor, or a general multilevel marketing distributor engages in or is likely to engage in any of the following conduct with many and unspecified persons, a Qualified Consumer Organization may demand such Coordinator, solicitor, or general multilevel marketing distributor to discontinue or prevent said conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct:

- (i) the Coordinator's intentional failure to disclose facts with regard to the following information or its misrepresentation thereof in soliciting a contract for Multilevel Marketing Transactions involved in the Multilevel Marketing program coordinated by the Coordinator (limited to a contract with an individual who, without using a Store, etc., sells or arranges the sale of goods that are sold through the Multilevel Marketing or provides or arranges the provision of services that are provided through the Multilevel Marketing; the same applies in this paragraph and paragraph (3)) or for preventing cancellation of a contract for Multilevel Marketing Transactions arising from Multilevel Marketing:
 - (a) the type of Goods (excluding rights to use a facility and to be provided services; the same applies in item (iv)) and their performance or quality or the type of services, rights to use a facility, or rights to be to be provided services, and the details thereof; or
 - (b) the information listed in Article 34, paragraph (1), items (ii) through (v);
- (ii) a general multilevel marketing distributor's misrepresentation of the information listed in (a) or (b) of the preceding item in soliciting the conclusion of a contract for Multilevel Marketing Transactions involved in the Multilevel Marketing program coordinated by the Coordinator or for preventing the cancellation of a contract for Multilevel Marketing Transactions arising from Multilevel Marketing;
- (iii) the Coordinator's, a solicitor's, or a general multilevel marketing distributor's use of intimidation to overwhelm a person in order to cause him/her conclude a contract for the Multilevel Marketing Transactions involved in the Multilevel Marketing program coordinated by the Coordinator or to prevent him/her from canceling a contract for Multilevel Marketing Transactions arising from Multilevel Marketing;
- (iv) conduct by a Coordinator, a solicitor, or a general multilevel marketing distributor making an indication, in advertising the Multilevel Marketing Transactions involved in the Multilevel Marketing program coordinated by the Coordinator, of the performance or quality of the Goods or the details of the rights to use a facility or to be provided services or those of the services connected with the Multilevel Marketing, the specified burden involved in the Multilevel Marketing Transactions or the specified profit involved in the Multilevel Marketing that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality; or
- (v) conduct by a Coordinator, a solicitor, or a general multilevel marketing distributor whereby he/she solicits the conclusion of a contract for Multilevel Marketing Transactions involved in the Multilevel Marketing program coordinated by the Coordinator, by providing conclusive evaluations that

would likely cause a person to mistakenly believe that the Multilevel Marketing Transactions arising from that Multilevel Marketing are sure to generate a profit.

- (2) When a solicitor engages in or is likely to engage in any of the conduct listed in item (i) or (iii) through (v) of the preceding paragraph with many and unspecified persons, a Qualified Consumer Organization may demand such solicitor to discontinue or prevent said conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct.
- (3) When, at the time of concluding contracts for Multilevel Marketing Transactions arising from Multilevel Marketing, the Coordinator, solicitor, or general multilevel marketing distributor has manifested or is likely to manifest the intention to offer, or to accept offers for, contracts on Multilevel Marketing Transactions that arise from Multilevel Marketing, that contain any of the following special provisions and are concluded with many and unspecified persons, a Qualified Consumer Organization may demand the Coordinator, solicitor, or general multilevel marketing distributor to discontinue or prevent the relevant conduct, to dispose of or remove any object used for said conduct, or to take any other necessary measures for discontinuing or preventing said conduct:
 - (i) the special provisions prescribed in Article 40, paragraph (4); or
 - (ii) the special provisions prescribed in Article 40-2, paragraph (6).

(Right to demand an injunction pertaining to Provision of Specified Continuous Services)

- Article 58-8 (1) When a Service Provider or a seller engages in or is likely to engage in any of the following conduct with many and unspecified persons, a Qualified Consumer Organization may demand such Service Provider or seller to discontinue or prevent the relevant conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct:
- (i) indication, in advertising terms and conditions for providing Specified Continuous Services or selling rights to be provided Specified Continuous Services in conducting Provision of Specified Continuous Services, of the contents or effects of said Specified Continuous Service that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality;
 - (ii) misrepresentation of the following information in soliciting the conclusion of a Specified Continuous Service Contract, etc. or for preventing cancellation of a Specified Continuous Service Contract, etc. :
 - (a) the type of services or rights to be provided services and the details or

- results thereof (in the case of rights, the results of the services connected to said rights);
- (b) if there are goods that need to be purchased by a service recipient or a purchaser of said rights upon provision of the services or provision of the services through exercise of the rights, the type and performance or quality of the goods;
 - (c) the information listed in Article 44, paragraph (1), items (iii) through (vi); or
 - (d) the information listed in Article 44, paragraph (1), item (vii) or (viii);
- (iii) intentional failure to disclose facts with respect to the information listed in (a) to (c) of the preceding item in soliciting the conclusion of a Specified Continuous Service Contract, etc. ; or
- (iv) use of intimidation to overwhelm a person in order to cause him/her to conclude a Specified Continuous Service Contract, etc. or to prevent him/her from canceling a Specified Continuous Service Contract, etc.
- (2) When, at the time of concluding Specified Continuous Service Contracts, etc. or Sales Contracts for Related Goods, the Service Provider, seller, or person selling the Related Goods has manifested or is likely to manifest the intention to offer, or to accept offers for, Specified Continuous Service Contracts, etc. , that contain any of the following special provisions and are concluded with many and unspecified persons, a Qualified Consumer Organization may demand the Service Provider, seller, or person selling the Related Goods to discontinue or prevent the relevant conduct, to dispose of or remove any object used for said conduct, or to take any other necessary measures for discontinuing or preventing said conduct:
- (i) the special provisions prescribed in Article 48, paragraph (8); or
 - (ii) the special provisions prescribed in Article 49, paragraph (7) (including the cases where it is applied mutatis mutandis pursuant to Article 49-2, paragraph (3)).

(Right to Demand an Injunction in Connection with Business Opportunity Sales Transactions)

- Article 58-9 (1) When a person conducting Business Opportunity Sales engages in or is likely to engage in any of the following conduct with many and unspecified persons, a Qualified Consumer Organization may demand that the person conducting Business Opportunity Sales discontinue or prevent the relevant conduct, dispose of or remove any object used for said conduct, or take any other necessary measures for discontinuing or preventing said conduct:
- (i) intentional failure to disclose facts with regard to the following information or the misrepresentation thereof in soliciting conclusion of a contract on Business Opportunity Sales Transactions pertaining to Business Opportunity

- Sales (limited to a contract with an individual who, without using a Place of Business, etc., engages in business activities that are provided or arranged in connection with the Business Opportunity Sales; hereinafter the same applies in this Article) or to prevent cancellation of such contract on Business Opportunity Sales Transactions pertaining to Business Opportunity Sales:
- (a) the type of Goods (excluding rights to use a facility or to be provided services) and their performance or quality or the type rights to use a facility or to be provided services or the type of services, and the details thereof; or
 - (b) the information listed in Article 52, paragraph (1), items (ii) through (v);
- (ii) use of intimidation to overwhelm a person in order to make him/her conclude a contract on Business Opportunity Sales Transactions pertaining to Business Opportunity Sales or to prevent him/her from canceling such a contract on Business Opportunity Sales Transactions pertaining to Business Opportunity Sales;
 - (iii) indication, in advertising Business Opportunity Sales Transactions pertaining to Business Opportunity Sales, of the specified burden involved in said Business Opportunity Sales Transactions or the Business Opportunity Profit pertaining to the Business Opportunity Sales that differs vastly from the truth or misleads people into believing that it is vastly better or more advantageous than it is in reality; or
 - (iv) conduct whereby the relevant person solicits the conclusion of a contract for Business Opportunity Sales Transactions arising from Business Opportunity Sales, by providing conclusive evaluations that would likely cause a person to mistakenly believe that the Business Opportunity Sales Transactions arising from those Business Opportunity Sales are sure to generate a profit.
- (2) When, at the time of concluding contracts for Business Opportunity Sales Transactions arising from Business Opportunity Sales, the person engaged in the Business Opportunity Sales has manifested or is likely to manifest the intention to offer, to accept offers for, contracts on Business Opportunity Sales Transactions arising from Business Opportunity Sales, that contain any of the following special provisions and are concluded with many and unspecified persons, a Qualified Consumer Organization may demand the person engaged Business Opportunity Sales to discontinue or prevent the relevant conduct, dispose of or remove any object used for said conduct, or to take any other necessary measures for discontinuing or preventing said conduct:
- (i) the special provisions prescribed in Article 58, paragraph (4); or
 - (ii) special provisions that run counter to the provisions of Article 58-3, paragraph (1) or (2).

(Exclusion from Application)

Article 58-10 The provisions listed in the following items apply mutatis mutandis with regard to the application of the provisions set forth in the relevant item:

- (i) Article 26, paragraph (1): Articles 58-4 through 58-6;
- (ii) Article 26, paragraph (5): Article 58-4;
- (iii) Article 26, paragraph (6): Article 58-6;
- (iv) Article 26, paragraph (7): Article 58-4, paragraph (2) (limited to the portion involving item (ii)) and Article 58-6, paragraph (2) (limited to the portion involving item (ii));
- (v) Article 40-2, paragraph (7): Article 58-7, paragraph (3) (limited to the portion involving the special provisions set forth in item (ii) that run counter to the provisions of Article 40-2, paragraphs (3) and (4));
- (vi) Article 50, paragraph (1): Article 58-8;
- (vii) Article 50, paragraph (2): Article 58-8, paragraph (2) (limited to the portion involving the special provisions set forth in item (ii) that run counter to the provisions of Article 49, paragraphs (2), (4) and (6) (including where applied mutatis mutandis pursuant to Article 49-2, paragraph (3))); and
- (viii) Article 58-3, paragraph (3): paragraph (2) of the preceding Article (limited to the portion involving item (ii)).

Chapter VI Miscellaneous Provisions

(Goods Sent in Absence of Sales Contract Therefor)

Article 59 (1) Where a seller has offered a sales contract and has sent the goods under that offer to a party other than a person who has offered said seller a sales contract or the purchaser under a sales contract that the seller has concluded (hereinafter referred to as a "Purchasing Party" in this paragraph), or where the seller has offered a Purchasing Party a sales contract for goods other than the goods under the sales contract with said Purchasing Party and has sent the goods under that offer, if the person who was sent the goods has not accepted the offer and the seller has not retrieved the goods by the day on which 14 days have passed since the day the goods were sent (or by the day on which seven days have passed since the day on which the person who was sent the goods requested the seller to retrieve them, when the day on which 14 days have passed since the day the goods were sent falls after the day on which seven days have passed since such request) the seller may not claim the return of the goods that were sent. .

(2) The provisions of the preceding paragraph do not apply to an offer for a sales contract that represents a commercial transaction for the person who was sent the goods.

(Notification of the Competent Minister)

Article 60 (1) When any person finds it likely that the fairness of a Specified Commercial Transaction or the interests of the purchaser, etc. , will be prejudiced, he/she may notify the competent minister to that effect and ask that appropriate measures be taken.

(2) When the competent minister has been notified pursuant to the provisions of the preceding paragraph, he/she shall conduct the necessary investigations and take measures under this Act or any other appropriate measures if he/she finds the content of the notification to be true.

(Designated Corporations)

Article 61 (1) The competent minister may, pursuant to the provisions of ordinance of the competent ministry, designate a corporation that is a general incorporated association or a general incorporated foundation and that is found to be capable of carrying out the business activities prescribed in the following paragraph (hereinafter referred to as "Business Activities for Ensuring Appropriate Specified Commercial Transactions" in this paragraph and Article 66, paragraph (5)) appropriately without fail as an entity carrying out Business Activities for Ensuring Appropriate Specified Commercial Transactions (hereinafter referred to as a "Designated Corporation") at the application of such a corporation.

(2) A Designated Corporation shall carry out the following business activities:

- (i) providing guidance or advice to a person who intends to notify the competent minister under the provisions of paragraph (1) of the preceding Article;
- (ii) conducting investigations with regard to the factuality of the notification under paragraph (2) of the preceding Article when so requested by the competent minister;
- (iii) collecting and providing information or materials about Specified Commercial Transactions; and
- (iv) training persons who will take charge of business activities related to handling complaints or providing advice on Specified Commercial Transactions.

(Order for Improvement)

Article 62 Where the competent minister finds it necessary to improve a Designated Corporation's management of the business activities prescribed in paragraph (2) of the preceding Article, he/she may order the Designated Corporation to take any necessary measures for improvement.

(Rescission of Designation)

Article 63 The competent minister may rescind the designation of a Designated Corporation if the Designated Corporation has violated the order under the provisions of the preceding Article.

(Consultation with Consumer Commission or Consumer Affairs Council)

Article 64 (1) When planning the enactment, revision, or abolishment of a Cabinet Order under Article 2, paragraph (4), Article 26, paragraph (1), item (viii)(d), Article 26, paragraph (2), the items of Article 26, paragraph (3), Article 26, paragraph (4), item (i) or (ii), Article 26, paragraph (5), item (ii) or Article 26, paragraph (6), item (ii), Article 41, paragraph (1), item (i) (limited to the provisions involving the period) or Article 41, paragraph (2), or Article 48, paragraph (2), the competent minister shall consult with the Consumer Commission or the Consumer Affairs Council pursuant to the provisions of a Cabinet Order.

(2) When planning the enactment, revision, or abolishment of a Cabinet Order under Article 2, paragraph (1), item (ii) or paragraph (3), Article 6, paragraph (4), Article 26, paragraph (4), item (iii) or paragraph (6), item (i), Article 34, paragraph (4), Article 40-2, paragraph (2), item (iv), Article 41, paragraph (1), item (i) (limited to the portion involving the amount of money), Article 49, paragraph (2), item (i)(b) or item (ii), Article 52, paragraph (3), or Article 66, paragraph (2) (limited to the portion involving a Closely Related Person), the competent minister shall consult with the Consumer Commission or the Consumer Affairs Council pursuant to the provisions of a Cabinet Order.

(Transitional Measures)

Article 65 When an order is enacted, revised, or abolished based on the provisions of this Act, the necessary transitional measures (including transitional measures concerning penal provisions) may be prescribed by such order to the extent that is judged reasonably necessary for the enactment, revision, or abolishment.

(Reports and On-site Inspections)

Article 66 (1) When the competent minister finds it to be necessary in order to enforce this Act, he/she may order a seller, Service Provider, Coordinator, solicitor, general multilevel marketing distributor, or person engaged in Business Opportunity Sales (hereinafter referred to as the "Seller, etc." in this Article) to submit reports, its books, documents, or any other articles, and may cause government officials to enter the store or any other place of business of the Seller, etc. and inspect its books, documents, or any other articles.

(2) When the competent minister finds it to be particularly necessary in order to

enforce this Act, he/she may, pursuant to the provisions of Cabinet Order, order a person selling Related Goods or any other person specified by Cabinet Order as being closely related to a Seller, etc. (hereinafter referred to as a "Closely Related Person" in this paragraph) to submit reports or materials, or may cause government officials to enter the store or any other place of business of the Closely Related Person and inspect its books, documents, or any other articles.

- (3) When the competent minister finds it to be particularly necessary in order to enforce this Act, he/she may order a person who has transactions with a Seller, etc. (excluding a person to whom the provisions of the following paragraph apply) to submit reports or materials to which reference should be made with regard to the business or property of the Seller, etc.
- (4) When the competent minister finds it to be particularly necessary in order to enforce this Act, he/she may request a telecommunications carrier prescribed in Article 2, item (v) of the Telecommunications Business Act (Act No. 86 of 1984) or any other party that has granted a person a right to use characters, numbers, symbols, and any other marks by which a user of electromagnetic means is identified or that has granted a person a right to use characters, numbers, symbols, and any other marks by which a telecommunications facility prescribed in item (ii) of the same Article is identified (limited to marks related to the sender of e-mail advertising, that were displayed on the screen of the computer used by the target of said e-mail advertising or that were used for sending said e-mail advertising) to report the name or address of the person to whom said right was granted or any other information necessary for identifying the person to whom said right was granted.
- (5) The competent minister may, to the extent that is necessary for ensuring the appropriate management of Business Activities for Ensuring Appropriate Specified Commercial Transactions, require a Designated Corporation to make any necessary reports on the state of its Business Activities for Ensuring Appropriate Specified Commercial Transactions or its property, or cause government officials to enter the place of business of the Designated Corporation and inspect the state of its Business Activities for Ensuring Appropriate Specified Commercial Transactions or inspect its books, documents, or any other articles.
- (6) The provisions of paragraphs (1) through (3) apply mutatis mutandis to a Business Operator Entrusted with E-mail That Advertises Mail Order Sales, a Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions, and a Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions. Where such is the case, the term "Seller, etc." in paragraphs (2) and (3) is deemed to be replaced with "Business Operator Entrusted with E-mail That Advertises Mail Order Sales,

Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions, or Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions."

- (7) A government official who enters and inspects pursuant to the provisions of paragraph (1) or (2) (including the cases where these provisions are applied mutatis mutandis pursuant to the preceding paragraph) or paragraph (5) shall carry a certificate of identification and present it to the relevant persons.
- (8) The authority for entry and inspection under the provisions of paragraph (1) or (2) (including where these provisions are applied mutatis mutandis pursuant to the paragraph (6)) and paragraph (5) shall not be construed as having been conferred for the purpose of a criminal investigation.

(Competent Minister, etc.)

Article 67 (1) In this Act, the competent minister shall be as follows:

- (i) in matters concerning a seller of goods, matters concerning a Coordinator, solicitor, or general multilevel marketing distributor engaged in a Multilevel Marketing program involving goods, and matters concerning a person engaged in Business Opportunity Sales involving goods, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the distribution of said goods;
- (ii) in matters concerning a seller of Designated Rights, matters concerning a Coordinator, solicitor, or general multilevel marketing distributor engaged in a Multilevel Marketing program involving rights to use a facility or to be provided services, matters concerning a seller of rights to be provided Specified Continuous Services, and matters concerning a person engaged in Business Opportunity Sales involving rights to use a facility or to be provided services, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the businesses that provide the facilities or services relevant to said rights;
- (iii) in matters concerning a Service Provider, matters concerning a Coordinator, solicitor, or general multilevel marketing distributor engaged in a Multilevel Marketing program involving services, and matters concerning a person engaged in Business Opportunity Sales involving services, the Prime Minister, the Minister of Economy, Trade and Industry, and the minister with jurisdiction over the businesses that provide said services;
- (iv) in matters concerning a Party Entrusting E-mail That Advertises Mail Order Sales, Business Operator Entrusted with E-mail That Advertises Multilevel Marketing Transactions, or Business Operator Entrusted with E-mail That Advertises Business Opportunity Sales Transactions, matters concerning a Door-to-Door Sales Association or Mail Order Sales Association, and matters concerning consultation with the Consumer Commission or the

- Consumer Affairs Council under the provisions of Article 64, paragraph (2), the Prime Minister and the Minister of Economy, Trade and Industry;
- (v) in matters concerning a Designated Corporation, the Prime Minister, the Minister of Economy, Trade and Industry, the minister with jurisdiction over the distribution of goods, the minister with jurisdiction over the businesses that provide the facilities or services relevant to said rights, the minister with jurisdiction over the businesses that provide services, and the minister with jurisdiction over the businesses that offer Specified Continuous Services; and
- (vi) in matters concerning consultation with the Consumer Commission and the Consumer Affairs Council under the provisions of Article 64, paragraph (1), the Prime Minister, the Minister of Economy, Trade and Industry, the minister with jurisdiction over the distribution of the relevant Goods, the minister with jurisdiction over the businesses that provide the facilities or services relevant to the rights, or the minister with jurisdiction over the businesses that provide the services.
- (2) The Prime Minister shall delegate his/her authority under this Act (limited to authority under the jurisdiction of the Financial Services Agency, excluding the authority specified by Cabinet Order) to the Commissioner of the Financial Services Agency.
- (3) The Prime Minister shall delegate his/her authority under this Act (limited to that under jurisdiction of the Consumer Affairs Agency, excluding the authority specified by Cabinet Order) to the Secretary-General of the Consumer Affairs Agency.
- (4) In this Act, ordinance of the competent ministry shall be an order issued jointly by the Prime Minister and the Minister of Economy, Trade and Industry; provided, however, that the ordinance of the competent ministry prescribed in Article 61, paragraph (1) shall be an order issued by the competent minister specified in paragraph (1), item (v).

(Administrative Affairs Processed by Prefectural Governments)

Article 68 Part of the administrative affairs prescribed in this Act that are under the authority of the competent minister may be undertaken by a prefectural governor pursuant to the provisions of a Cabinet Order.

(Delegation of Authority)

- Article 69 (1) The competent minister may have the head of a Local Branch Office undertake matters that are placed under his/her authority by this Act, pursuant to the provisions of Cabinet Order.
- (2) The Commissioner of the Financial Services Agency may, pursuant to the provisions of Cabinet Order, delegate part of the authority that has been

delegated thereto pursuant to the provisions of Article 67, paragraph (2), to the head of a Local Finance Bureau or the head of a Local Finance Branch Bureau.

(3) The Secretary-General of the Consumer Affairs Agency may, pursuant to the provisions of a Cabinet Order, delegate part of the authority that has been delegated thereto pursuant to the provisions of Article 67, paragraph (3), to the Director-General of a Bureau of Economy, Trade and Industry.

Chapter VII Penal Provisions

Article 70 A person who has violated any provision of Article 6, paragraphs (1) through (3), Article 21, Article 34, paragraphs (1) through (3), Article 44, or Article 52, paragraph (1) or (2) shall be punished by imprisonment with work for not more than three years, a fine of not more than three million yen, or both.

Article 70-2 A person who has violated an order under the provisions of Article 8, paragraph (1), Article 15, paragraph (1) or (2), Article 23, paragraph (1), Article 39, paragraphs (1) through (4), Article 47, paragraph (1), or Article 57, paragraph (1) or (2) shall be punished by imprisonment with work for not more than two years, a fine of not more than three million yen, or both.

Article 70-3 A person who has violated any provision of Article 6, paragraph (4), Article 34, paragraph (4) or Article 52, paragraph (3) shall be punished by imprisonment with work for not more than one year, a fine of not more than two million yen, or both.

Article 71 A person who, in violation of the provisions of Article 37 or 55, has failed to deliver a document or who has delivered a document that did not contain the information prescribed in said provisions or that contained false statements shall be punished by imprisonment with work for not more than six months, a fine of not more than one million yen, or both.

Article 72 (1) A person who falls under any of the following items shall be punished by a fine of not more than one million yen:

- (i) a person who, in violation of the provisions of Article 4, 5, 18, 19, or 42, has failed to deliver a document or who has delivered a document that does not contain the information prescribed in said provisions or that contained false statements;
- (ii) a person who has violated the instructions under the provisions of Article 7, 14, 22, 38, 46, or 56;
- (iii) a person who, in violation of the provisions of Article 12, 36, 43, or 54, has

- made a representation that differed vastly from the truth or that misled people into believing that a thing was vastly better or more advantageous than it was in reality;
- (iv) a person who has violated any provision of Article 12-3, paragraph (1) or (2) (including where it is applied mutatis mutandis pursuant to Article 12-4, paragraph (2)), Article 12-4, paragraph (1), Article 36-3, paragraph (1) or (2) (including where it is applied mutatis mutandis pursuant to Article 36-4, paragraph (2)), Article 36-4, paragraph (1), Article 54-3, paragraph (1) or (2) (including where it is applied mutatis mutandis pursuant to Article 54-4, paragraph (2)) or Article 54-4, paragraph (1);
 - (v) a person who, in violation of the provisions of Article 12-3, paragraph (3) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 12-4, paragraph (2)), Article 36-3, paragraph (3) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 36-4, paragraph (2)) or Article 54-3, paragraph (3) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 54-4, paragraph (2)), has failed to prepare a record, has prepared a false record or has failed to preserve a record;
 - (vi) a person who, in violation of the provisions of Article 13, paragraph (1) or Article 20, has not notified the relevant person;
 - (vii) a person who, in violation of the provisions of Article 35 or 53, has not made the relevant indication;
 - (viii) a person who, in violation of the provisions of Article 45, paragraph (1), has not kept the documents specified in said paragraph or who has made unlawful statements in the documents;
 - (ix) a person who, in violation of the provisions of Article 45, paragraph (2), has refused to allow a person to inspect documents or has refused to deliver a full or extracted copy of the documents, without justifiable grounds;
 - (x) a person who has failed to provide the report under the provisions of Article 66, paragraph (1) (including where it is applied mutatis mutandis by replacing the terms pursuant to paragraph (6) of the same Article; hereinafter the same applies in this item), who has provided a false report, who has failed to submit the articles under the provisions of paragraph (1) of the same Article, who has submitted false articles, or who has refused, obstructed, or evaded the inspection under the provisions of the same paragraph; or
 - (xi) a person who has failed to provide the report under the provisions of Article 66, paragraph (2) (including where it is applied mutatis mutandis by replacing the terms pursuant to paragraph (6) of the same Article; hereinafter the same applies in this item) who has provided a false report, who has failed to submit materials under the provisions of paragraph (2) of

the same Article, who has submitted false materials, or who has refused, obstructed, or evaded the inspection prescribed in the same paragraph.

(2) When a person who has committed the offense set forth in item (iv) of the preceding paragraph has failed to make an indication, in violation of the provisions of Article 11, Article 12-3, paragraph (4) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 12-4, paragraph (2)), Article 35, Article 36-3, paragraph (4) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 36-4, paragraph (2)), Article 53 or Article 54-3, paragraph (4) (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 54-4, paragraph (2)), or has made a representation that differed vastly from the truth or misled people into believing that a thing was vastly better or more advantageous than it was in reality, in violation of the provisions of Article 12, 36 or 54, in e-mail advertising sent thereby, he/she shall be punished by imprisonment with work for not more than one year, a fine of not more than two million yen, or both.

Article 73 Any person who falls under any of the following items shall be punished by a fine of not more than 300,000 yen:

- (i) a person who, in violation of the provisions of Article 28, paragraph (2) or Article 31, paragraph (2), uses words in his/her name or trade name that will likely cause him/her to be mistaken for a Door-to-Door Sales Association member or a Mail Order Sales Association member;
- (ii) a person who has failed to provide the report under the provisions of Article 66, paragraph (3) (including where it is applied mutatis mutandis by replacing the terms pursuant to paragraph (6) of the same Article; hereinafter the same applies in this item), who has provided a false report, who has failed to submit the materials under the provisions of paragraph (3) of the same Article or who has submitted false materials; or
- (iii) a person who has failed to provide the report under the provisions of Article 66, paragraph (5), who has provided a false report, or who has refused, obstructed, or evaded an inspection under the provisions of the same paragraph.

Article 74 When the representative of a juridical person, or the agent, employee or any other worker of a juridical person or an individual commits a violation prescribed in any of the provisions of the following items with regard to the business of said juridical person or said individual, not only shall the offender be punished, but the relevant juridical person shall be punished by the fines specified in the relevant item, and the individual shall be punished by the fine prescribed in the relevant Article:

- (i) Article 70-2: a fine of not more than 300 million yen; and
- (ii) Article 70 or Article 70-3 through the preceding Article: the fine prescribed in the relevant Articles.

Article 75 A person who falls under any of the following items shall be subject to a non-criminal fine of not more than 500,000 yen:

- (i) a person who has failed to submit the notification under the provisions of Article 27-3, paragraph (1), Article 27-4, paragraph (1), Article 30-2, paragraph (1) or Article 30-3, paragraph (1) or who has submitted a false notification; or
- (ii) a person who has refused, obstructed, or evaded an inspection under the provisions of Article 29-5, paragraph (2) or Article 32-2, paragraph (2) or who has violated the order prescribed in Article 29-5, paragraph (2) or Article 32-2, paragraph (2).

Article 76 A person who, in violation of the provisions of Article 28, paragraph (1) or Article 31, paragraph (1), uses words in his/her name or trade name that will likely cause him/her to be mistaken for a Door-to-Door Sales Association or a Mail Order Sales Association shall be punished by a fine of not more than 100,000 yen.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of Article 19 and Article 21, item (ii) of the Act and Articles 3 and 4 of the Supplementary Provisions shall come into effect as of the date of its promulgation.

(Transitional Measures)

Article 2 (1) The provisions of Articles 4 and 9 do not apply to an offer for a sales contract that was received by a seller prior to the enforcement of this Act.

(2) The provisions of Article 5, paragraphs (1) through (3) and Article 7 do not apply to a sales contract that was concluded prior to the enforcement of this Act.

(3) The provisions of Article 6 do not apply to an offer for a sales contract that was received by a seller prior to the enforcement of this Act, any sales contract arising from such an offer that was concluded after the enforcement of this Act, or a sales contract that was concluded prior to the enforcement of this Act.

(4) The provisions of Article 15, paragraph (2) and Article 16 do not apply to a

contract for transactions equivalent to the Multilevel Marketing Transactions prescribed in Article 11, paragraph (1) that was concluded by a person engaged in business equivalent to the Multilevel Marketing prescribed in the same paragraph prior to the enforcement of this Act.

- (5) With regard to the application of the provisions of Article 18 to the sending of goods by a seller prior to the enforcement of this Act, "the day the goods were sent" in Article 18, paragraph (1) is deemed to be "the effective date of this Act."

Supplementary Provisions [Act No. 49 of June 2, 1984] [Extract]

(Transitional Measures in Connection with the Partial Revision of the Act on Door-to-Door Sales, etc.)

- (12) With regard to a sales contract concluded prior to the enforcement of this Act, an offer for a sales contract that a seller received prior to the enforcement of this Act, or a sales contract arising from such an offer that was concluded after the enforcement of this Act, the provisions then in force shall remain applicable, notwithstanding the provisions of Article 6 of the Act on Door-to-Door Sales, etc. as revised by the provisions of the preceding paragraph.

Supplementary Provisions [Act No. 43 of May 17, 1988] [Extract]

(Effective Date, etc.)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of the following Article shall come into effect as of the date of its promulgation.

Article 2 If it is planned to enact the Cabinet Order referred to in Article 2, paragraph (1), item (ii) and paragraph (3), Article 6, paragraph (1), Article 10, paragraph (2), item (ii), or Article 11, paragraph (1) of the revised Act on Door-to-Door Sales (hereinafter referred to as the "New Act") prior to the effective date of this Act, the provisions of Article 19 of the pre-revision Act on Door-to-Door Sales (hereinafter referred to as the "Old Act") shall apply.

(Transitional Measures, etc.)

Article 3 (1) The provisions of Article 4 of the New Act shall apply to an offer for a sales contract or Service Contract that a seller or Service Provider has received after the enforcement of this Act, but with regard to an offer for a sales contract for any Designated Goods prescribed in Article 2, paragraph (3) of the New Act that fall under the category of Designated Goods prescribed in

Article 2, paragraph (3) of the Old Act (hereinafter referred to as "Specified Designated Goods"), that a seller received prior to the enforcement of this Act, the provisions then in force shall remain applicable.

- (2) The provisions of Article 5 of the New Act shall apply to a sales contract or a Service Contract that was concluded after the enforcement of this Act, but with regard to a sales contract for Specified Designated Goods that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.
- (3) The provisions of Article 6 of the New Act shall apply to an offer for a sales contract or Service Contract that a seller or Service Provider has received after the enforcement of this Act or a sales contract or Service Contract that is concluded after the enforcement of this Act (excluding a contract for which an offer was received prior to the enforcement of this Act), but with regard to an offer for a sales contract for Specified Designated Goods that a seller received prior to the enforcement of this Act, any sales contract arising from such an offer that was concluded after the enforcement of this Act, or a sales contract for Specified Designated Goods that was concluded prior to the enforcement of this Act, the provisions before the enforcement of this Act shall remain applicable.
- (4) The provisions of Article 7, paragraph (1) of the New Act shall apply to a sales contract or a Service Contract that is concluded after the enforcement of this Act, but with regard to a sales contract for Specified Designated Goods that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.
- (5) The provisions of Article 7, paragraph (2) of the New Act shall not apply to a sales contract or a Service Contract that was concluded prior to the enforcement of this Act.
- (6) The provisions of Article 9 of the New Act shall not apply to an offer for a sales contract or a Service Contract for Designated Rights prescribed in Article 2, paragraph (3) of the New Act that a seller or a Service Provider received prior to the enforcement of this Act.
- (7) The provisions of Article 14, paragraph (2) and Article 17 of the New Act shall apply to a contract for Multilevel Marketing Transactions prescribed in Article 11, paragraph (1) of the New Act that is concluded after the enforcement of this Act by a person engaged in Multilevel Marketing under the same paragraph, but with regard to a contract for Multilevel Marketing Transactions prescribed in Article 11, paragraph (1) of the Old Act that was concluded prior to the enforcement of this Act by a person engaged in Multilevel Marketing under the same paragraph, the provisions then in force shall remain applicable.
- (8) With regard to the application of the provisions of Article 18, paragraph (1) of the New Act to the sending of goods by a seller prior to the enforcement of this

Act, "the day on which 14 days have passed since the day the goods were sent (or by the day on which seven days have passed since the day on which the person who was sent the goods requested the seller to retrieve them, when the day on which 14 days have passed since the day the goods were sent falls after the day on which seven days have passed since such request)" is deemed to be replaced with "the day on which 14 days have passed since the date of enforcement of the Act Partially Revising the Act on Door-to-Door Sales, etc. (Act No. 43 of 1988), the date on which three days have passed since the day on which the goods were sent, or, if the person who was sent the goods has requested the seller to retrieve them, the date on which one month has passed since the date of the request, whichever comes earliest."

- (9) With regard to the application of the penal provisions against conduct engaged in prior to the enforcement of this Act and against conduct engaged in after the enforcement of this Act where the provisions from before the enforcement of this Act are to remain applicable pursuant to the provisions of paragraphs (1), (2), and (7), the provisions before the enforcement of this Act shall remain applicable.

Article 4 (1) If the Japan Direct Selling Association established on April 1, 1980 satisfies the requirements prescribed in Article 10-2 of the New Act on the effective date of this Act, with regard to the application of the provisions of Articles 10-3 and 10-4 of the New Act, the Japan Direct Selling Association shall be deemed to be the corporation prescribed in Article 10-2 of the New Act that has been established on the effective date of this Act.

- (2) If the Japan Direct Marketing Association established on October 11, 1983 satisfies the requirements prescribed in Article 10-5 of the New Act on the effective date of this Act, with regard to the application of the provisions of Articles 10-6 and 10-7 of the New Act, the Japan Direct Marketing Association shall be deemed to be the corporation prescribed in Article 10-5 of the New Act that has been established on the effective date of this Act.

Supplementary Provisions [Act No. 44 of May 22, 1996] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation; provided, however, that the provisions of Article 1 that revise Article 19 and Article 21, item (iv) of the Act on Door-to-Door Sales, etc. , the provisions of Article 2, the provisions of Article 3 of the Supplementary Provisions that revise Article 37, paragraph (1) of the Installment Sales Act, and the provisions of Articles 4 and 5 of the Supplementary Provisions shall come into

effect as of the date of its promulgation.

(Transitional Measures)

Article 2 (1) The provisions of Articles 9-6 and 9-8 of the Act on Door-to-Door Sales, etc. as revised by the provisions of Article 1 (hereinafter referred to as the "New Act") shall not apply to an offer for a sales contract or a Service Contract that a seller or a Service Provider received prior to the enforcement of this Act.

(2) The provisions of Articles 9-7 and 9-13 of the New Act shall not apply to a sales contract or Service Contract that was concluded prior to the enforcement of this Act or to a sales contract or Service Contract arising from an offer that a seller or Service Provider received prior to the enforcement of this Act and that was concluded after the enforcement of this Act.

(3) The provisions of Article 9-12 of the New Act shall not apply to an offer for a sales contract or Service Contract that was received by a seller or Service Provider prior to the enforcement of this Act, any sales contract or Service Contract arising from such an offer that was concluded after the enforcement of this Act, or a sales contract or Service Contract concluded prior to the enforcement of this Act.

(4) With regard to a contract for Multilevel Marketing Transactions arising from Multilevel Marketing that was concluded prior to the enforcement of this Act by a person engaged in Multilevel Marketing, the provisions then in force shall remain applicable, notwithstanding the provisions of Article 17 of the New Act.

(5) With regard to the application of penal provisions to conduct engaged in prior to the enforcement of this Act, the provisions then in force shall remain applicable.

Supplementary Provisions [Act No. 34 of April 23, 1999] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation.

(Transitional Measures Concerning Penal Provisions)

Article 3 With regard to the application of penal provisions to conduct engaged in prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation to Cabinet Order)

Article 4 In addition to what is provided for in the preceding two Articles, any transitional measures necessary for enforcement of this Act shall be provided

for by Cabinet Order.

Supplementary Provisions [Act No. 120 of November 17, 2000] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of June 1, 2001.

(Transitional Measures in Connection with the Partial Revision of the Act on Door-to-Door Sales, etc.)

Article 2 (1) The provisions of Article 37, paragraph (2) and Article 40 of the Act on Specified Commercial Transactions as revised by the provisions of Article 1 (hereinafter referred to as the "Specified Commercial Transactions Act") shall apply to a contract for Multilevel Marketing Transactions prescribed in Article 33, paragraph (1) of the Specified Commercial Transactions Act that is concluded after the enforcement of this Act by a person engaged in Multilevel Marketing prescribed in the same paragraph, but with regard to a contract for Multilevel Marketing Transactions prescribed in Article 11, paragraph (1) of the Act on Door-to-Door Sales, etc. before its revision by the provisions of Article 1, that was concluded prior to the enforcement of this Act by a person engaged in the Multilevel Marketing prescribed in the same paragraph, the provisions then in force shall remain applicable.

(2) The provisions of Article 55, paragraph (2) and Article 58 of the Specified Commercial Transaction Act shall not apply to a contract for transactions equivalent to Business Opportunity Sales Transactions under Article 51, paragraph (1) of the Specified Commercial Transactions Act, that was concluded prior to the enforcement of this Act by a person engaged in business equivalent to Business Opportunity Sales under the same paragraph.

(Transitional Measures Concerning Penal Provisions)

Article 4 With regard to the application of the penal provisions for conduct engaged in prior to the enforcement of this Act and for conduct engaged in after the enforcement of this Act where the provisions before the enforcement of this Act are to remain applicable pursuant to the provisions of Article 2, paragraph (1) of the Supplementary Provisions, the provisions before the enforcement of this Act shall remain applicable.

(Delegation to Cabinet Order)

Article 5 In addition to what is provided for by the preceding three Articles, the transitional measures necessary for enforcement of this Act shall be provided for by Cabinet Order.

(Review)

Article 6 The government shall review the provisions of the Specified Commercial Transactions Act in response to any changes in the circumstances of the commercial transactions that arise in the daily lives of the people and any other economic and social conditions, and shall take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 28 of April 19, 2002]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding three months from the date of its promulgation.

(Review)

Article 2 The government shall, after approximately three years from the enforcement of this Act, review any measures established with regard to advertising provided through electromagnetic means, that are based on the provisions of the Act on Specified Commercial Transactions as revised by this Act, in accordance with the circumstances of commercial transactions using information technology, the status of advertising provided through electromagnetic means in Specified Commercial Transactions, and other conditions after the enforcement of this Act, and shall take any necessary measures based on the results of its review.

Supplementary Provisions [Act No. 44 of May 12, 2004] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by Cabinet Order within a period not exceeding six months from the date of its promulgation.

(Transitional Measures in Connection with the Partial Revision of the Act on Specified Commercial Transactions)

Article 2 (1) The provisions of Articles 6-2, 21-2, 34-2, 44-2, and 52-2 of the Act on Specified Commercial Transactions as revised by the provision of Article 1 of this Act (hereinafter referred to as the "New Specified Commercial Transaction Act") shall not apply to acts done prior to the enforcement of this Act.

(2) The provisions of Articles 9 and 24 of the New Specified Commercial Transaction Act shall apply to an offer for a sales contract or a Service Contract that a seller or a Service Provider receives after the enforcement of this Act and a sales contract or a Service Contract that is concluded after the

enforcement of this Act (excluding such contract for which offer was received prior to the enforcement of this Act), but with regard to an offer for a sales contract or a Service Contract that a seller or a Service Provider received prior to the enforcement of this Act or, where a sales contract or a Service Contract pertaining to such offer is concluded after the enforcement of this Act, such sales contract or Service Contract, or a sales contract or a Service Contract that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.

- (3) The provisions of Articles 9-3 and 24-2 of the Act on Specified Commercial Transactions shall not apply to the manifested intention to offer a sales contract or Service Contract or to accept such offer that was made prior to the enforcement of this Act.
- (4) The provisions of Articles 40-3, 49-2, and 58-2 of the New Specified Commercial Transaction Act shall not apply to the manifestation of intention to offer, or to accept an offer for, a contract for Multilevel Marketing Transactions connected with Multilevel Marketing prescribed in Article 33, paragraph (1) of the Act on Specified Commercial Transactions (hereinafter referred to as a "Multilevel Marketing Contract"), a Specified Continuous Service Contract prescribed in Article 41, paragraph (1), item (i) of the same Act (hereinafter simply referred to as a "Specified Continuous Service Contract"), a Sales Contract for Specified Rights prescribed in Article 41, paragraph (1), item (ii) of the same Act (hereinafter simply referred to as a "Sales Contract for Specified Rights"), or a contract on Business Opportunity Sales Transactions pertaining to the Business Opportunity Sales prescribed in Article 51, paragraph (1) of the same Act (hereinafter referred to as a "Business Opportunity Sales Contract"), that was made prior to the enforcement of this Act.
- (5) The provisions of Articles 12-2, 36-2, 43-2, and 54-2 of the New Specified Commercial Transaction Act shall not apply to an indication that was made prior to the enforcement of this Act.
- (6) The provision of Article 37, paragraph (2) of the New Specified Commercial Transaction Act shall apply to a Multilevel Marketing Contract that is concluded after the enforcement of this Act, but with regard to a Multilevel Marketing Contract that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.
- (7) The provisions of Articles 40, 48, and 58 of the New Specified Commercial Transaction Act shall apply to a Multilevel Marketing Contract, a Specified Continuous Service Contract or a Sales Contract for Specified Rights, or a Business Opportunity Sales Contract that was concluded after the enforcement of this Act, but with regard to a Multilevel Marketing Contract, a Specified Continuous Service Contract or a Sales Contract for Specified Rights, or a

Business Opportunity Sales Contract concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.

- (8) The provision of Article 40-2 of the New Specified Commercial Transaction Act shall not apply to a Multilevel Marketing Contract that was concluded prior to the enforcement of this Act.
- (9) The provision of Article 50, paragraph (2) of the New Specified Commercial Transaction Act shall apply to a Specified Continuous Service Contract, a Sales Contract for Specified Rights, or a Sales Contract for Related Goods prescribed in Article 48, paragraph (2) of the Act on Specified Commercial Transactions (hereinafter simply referred to as a "Sales Contract for Related Goods") that is canceled after the enforcement of this Act, but with regard to a Specified Continuous Service Contract, a Sales Contract for Specified Rights, or a Sales Contract for Related Goods that was canceled prior to the enforcement of this Act, the provisions then in force shall remain applicable.
- (10) The provision of Article 58-3 of the New Specified Commercial Transactions shall not apply to a Business Opportunity Sales Contract that was concluded prior to the enforcement of this Act.

(Delegation to Cabinet Order)

Article 4 In addition to what is provided for in the preceding two Articles, the transitional measures necessary for enforcement of this Act shall be provided for by Cabinet Order.

(Review)

Article 5 The government shall, after approximately five years from the enforcement of this Act, review the provisions of the New Specified Commercial Transaction Act according to the changes in the situation of commercial transactions that arise during the daily lives of citizens and any other economic and social conditions, and take necessary measures based on the results of the review.

Supplementary Provisions [Act No. 50 of June 2, 2006] [Extract]

(Effective Date)

- (1) This Act shall come into effect as of the day of enforcement of the Act on General Incorporated Associations and General Incorporated Foundations.

(Adjustment Provisions)

- (2) Where the day of enforcement of the Act for Partial Revision of the Penal Code, etc. to Respond to Increase in International and Organized Crimes and Advancement of Information Processing (Act No. xxx of 2008) comes after the

effective date, with regard to the application of the provisions of item (lxii) of the appended table of the Act on Punishment of Organized Crimes and Control of Crime Proceeds (Act No. 36 of 1999; referred to as the "Organized Crime Punishment Act" in the following paragraph) during the period from the effective date until the day immediately preceding the day of enforcement of said Act for Partial Revision, the phrase "offense set forth in Article 157 (Special breach of trust by directors, etc.) of the Intermediate Juridical Person Act (Act No. 49 of 2001)" in said item is deemed to be replaced with "offense set forth in Article 334 (Special breach of trust by directors, etc.) of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)."

- (3) In addition to what is provided for in the preceding paragraph, in the case referred to in said paragraph, with regard to the application of the provisions of the Organized Crime Punishment Act for the period until the day immediately preceding the day of enforcement of the Act for Partial Revision of the Penal Code, etc. to Respond to Increase in International and Organized Crimes and Advancement of Information Processing, the offense set forth in Article 157 (Special breach of trust by directors, etc.) of the Old Intermediate Juridical Person Act where the provisions then in force shall remain applicable pursuant to the provisions of Article 457 is deemed to be the offense set forth in item (lxii) of the appended table of the Organized Crime Punishment Act.

Supplementary Provisions [Act No. 29 of May 2, 2008] [Extract]

(Effective Date)

- (1) This Act shall come into effect as of April 1, 2009; provided, however, that the provisions of Articles 2 and 4 shall come into effect as from the day of enforcement of the Act for Partial Revision of the Act on Specified Commercial Transactions and the Installment Sales Act (Act No. 74 of 2008).

Supplementary Provisions [Act No. 74 of June 18, 2008] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the date specified by a Cabinet Order within a period not exceeding one year and six months from the date of promulgation; provided, however, that the provisions listed in the following items shall come into effect as of the dates specified respectively in those items:

- (i) the provisions of Article 4, paragraphs (11) and (12) of the Supplementary Provisions and Article 5, paragraph (29) of the Supplementary Provisions - the day of promulgation;

- (ii) the provisions of Article 1 of this Act and Article 3 of the Supplementary Provisions- the date specified by a Cabinet Order within a period not exceeding six months from the date of promulgation;
- (iii) the provisions of Article 4 of this Act- the date specified by a Cabinet Order within a period not exceeding two years and six months from the date of promulgation; and
- (iv) the provisions of Article 11 of the Supplementary Provisions- the day of enforcement of the provisions set forth in Article 1, item (iii) of the Supplementary Provisions of the Act for Partial Revision of the Act on Regulation of Loan Business (Act No. 115 of 2006) or the day of enforcement of this Act, whichever is later.

(Transitional Measures in Connection with the Partial Revision of the Act on Specified Commercial Transactions)

Article 3 (1) A request that has already been received from an advertising target or consent that has already been obtained from an advertising target as of the time of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions with regard to sending said advertising target the equivalent of E-mail That Advertises Mail Order Sales prescribed in Article 12-3, paragraph (1), item (i) of the Act on Specified Commercial Transactions as revised by the provisions of Article 1 (hereinafter referred to as the "Item (ii) New Specified Commercial Transactions Act" in this Article), E-mail That Advertises Multilevel Marketing Transactions prescribed in Article 36-3, paragraph (1), item (i) of the Item (ii) New Specified Commercial Transactions Act, or E-mail That Advertises Business Opportunity Sales Transactions prescribed in Article 54-3, paragraph (1), item (i) of the Item (ii) New Specified Commercial Transactions Act (hereinafter collectively referred to as "E-mail That Advertises Mail Order Sales, etc." in this Article), shall be deemed to be a request that was received from an advertising target or consent that was obtained from an advertising target with regard to sending said advertising target E-mail That Advertises Mail Order Sales, etc.

(2) A manifestation of intention through which a person has already indicated his/her unwillingness to receive the equivalent of E-mail That Advertises Mail Order Sales, etc. as of the time of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions shall be deemed to be the manifestation of intention prescribed in Article 12-3, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis pursuant to Article 12-4, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act), Article 36-3, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis pursuant to Article 36-4, paragraph (2) of the Item (ii) New

Specified Commercial Transactions Act), or Article 54-3, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis pursuant to Article 54-4, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act).

- (3) The provisions of Article 12-3, paragraph (3) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 12-4, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act), Article 36-3, paragraph (3) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 36-4, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act), or Article 54-3, paragraph (3) of the Item (ii) New Specified Commercial Transactions Act (including where it is applied mutatis mutandis pursuant to Article 54-4, paragraph (2) of the Item (ii) New Specified Commercial Transactions Act) shall not apply to E-mail That Advertises Mail Order Sales, etc. that is sent based on a request that was received from an advertising target or consent that was obtained from an advertising target prior to the day of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions with regard to sending said advertising target the equivalent of E-mail That Advertises Mail Order Sales, etc. .

Article 4 (1) The provisions of Articles 4 and 18 of the Act on Specified Commercial Transactions as revised by the provisions of Article 2 (hereinafter referred to as the "New Specified Commercial Transactions Act" in this Article) shall apply to an offer for a sales contract or Service Contract that a seller or Service Provider receives after the enforcement of this Act, but with regard to an offer for a sales contract or Service Contract for any Designated Goods, Designated Rights, or Designated Services (hereinafter referred to as "Specified Designated Goods, etc.") prescribed in Article 2, paragraph (4) of the Act on Specified Commercial Transactions before its revision by the provisions of Article 2, that a seller or Service Provider has received prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(2) The provisions of Articles 5 and 19 of the New Specified Commercial Transactions Act shall apply to a sales contract or Service Contract that is concluded after the enforcement of this Act, but with regard to a sales contract or Service Contract for Specified Designated Goods, etc. that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(3) The provisions of Articles 9 and 24 of the New Specified Commercial Transactions Act shall apply to an offer for a sales contract or Service Contract that a seller or Service Provider receives after the enforcement of this Act and

to a sales contract or Service Contract that is concluded after the enforcement of this Act (excluding any contract for which the seller or Service Provider received an offer prior to the enforcement of this Act), but with regard to an offer for a sales contract or Service Contract that a seller or Service Provider received prior to the enforcement of this Act, a sales contract or Service Contract arising from such an offer and that was concluded after the enforcement of this Act, or a sales contract or Service Contract that was concluded prior to the enforcement of this Act, the provisions then in force shall remain applicable.

- (4) The provisions of Article 9-2 of the New Specified Commercial Transactions Act shall not apply to an offer for a sales contract or Service Contract that a seller or Service Provider received prior to the enforcement of this Act, any sales contract or Service Contract arising from such an offer that is concluded after the enforcement of this Act, or a sales contract or Service Contract that was concluded prior to the enforcement of this Act.
- (5) The provisions of Articles 10 and 25 of the New Specified Commercial Transactions Act shall not apply to a sales contract or Service Contract (excluding one for Specified Designated Goods, etc.) that was concluded prior to the enforcement of this Act.
- (6) A request that has already been received from an advertising target or consent that has already been obtained from an advertising target as of the time of enforcement of this Act with regard to sending said advertising target E-mail That Advertises Mail Order Sales prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act (excluding e-mail that advertises Specified Designated Goods, etc.) shall be deemed to be a request that was received from an advertising target or consent that was obtained from an advertising target with regard to sending said advertising target E-mail That Advertises Mail Order Sales.
- (7) A person's intention not to receive E-mail That Advertises Mail Order Sales prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act (excluding that pertaining to Specified Designated Goods, etc.) that he/she has already manifested at the time of enforcement of this Act shall be deemed to be an intention that he/she manifested pursuant to paragraph (2) of the same Article (including where it is applied mutatis mutandis pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act).
- (8) The provisions of Article 12-3, paragraph (3) of the New Specified Commercial Transactions Act (including where it is applied mutatis mutandis by replacing the terms pursuant to Article 12-4, paragraph (2) of the New Specified Commercial Transactions Act) shall not apply to E-mail That Advertises Mail Order Sales that is sent based on a request that was received from an

advertising target or consent that was obtained from an advertising target with regard to sending said advertising target E-mail That Advertises Mail Order Sales (excluding e-mail advertising related to Specified Designated Goods, etc.) prescribed in Article 12-3, paragraph (1), item (i) of the New Specified Commercial Transactions Act prior to the day of enforcement of this Act.

- (9) The provisions of Articles 13 and 20 of the New Specified Commercial Transactions Act shall not apply to an offer for a sales contract or Service Contract (excluding one for Specified Designated Goods, etc.) that a seller or Service Provider received prior to the enforcement of this Act.
- (10) The provisions of Article 15-2 of the New Specified Commercial Transactions Act shall not apply to an offer for a sales contract that a seller received prior to the enforcement of this Act, to a sales contract arising from such an offer that was concluded after the enforcement of this Act, or to a sales contract that was concluded prior to the enforcement of this Act.
- (11) The competent minister specified in Article 67, paragraph (1), item (v) of the New Specified Commercial Transactions Act may, even prior to the day of enforcement of this Act, consult with the Consumer Affairs Council for the purpose of planning the enactment of the Cabinet Order set forth in Article 26, paragraph (1), item (viii)(d) of the New Specified Commercial Transactions Act, paragraph (2) of the same Article, the items of paragraph (3) of the same Article, paragraph (4), item (i) or (ii) of the same Article, paragraph (5), item (ii) of the same Article, or paragraph (6), item (ii) of the same Article.
- (12) The Minister of Economy, Trade and Industry may, even prior to the day of enforcement of this Act, consult with the Consumer Affairs Council for the purpose of planning the enactment of the Cabinet Order set forth in Article 26, paragraph (4), item (iii) of the New Specified Commercial Transactions Act or paragraph (6), item (i) of the same Article.
- (13) With regard to a person who already uses words in his/her name or trade name that will likely cause him/her to be mistaken for a Door-to-Door Sales Association or Door-to-Door Sales Association member or for a Mail Order Sales Association or Mail Order Sales Association member, the provisions of Articles 28 and 31 of the New Specified Commercial Transactions Act shall not apply for six months after the enforcement of this Act.

(Transitional Measures Concerning Penal Provisions)

Article 6 With regard to the application of the penal provisions to conduct engaged in prior to the enforcement of this Act and to conduct engaged in after the enforcement of this Act where the provisions before the enforcement of this Act are to remain applicable pursuant to the provisions of the preceding two Articles, the provisions before the enforcement of this Act shall remain

applicable.

(Delegation to Cabinet Order)

Article 7 In addition to what is provided for from Article 3 of the Supplementary Provisions to the preceding Article, any transitional measures (including those concerning penal provisions) necessary for enforcement of this Act shall be provided for by Cabinet Order.

(Review)

Article 8 The government shall, when five years have passed since the enforcement of this Act, review the status of enforcement of the provisions of the Act on Specified Commercial Transactions and the Installment Sales Act as revised by this Act, and if it finds it to be necessary, take required measures based on the results of its review.

Supplementary Provisions [Act No. 49 of June 5, 2009] [Extract]

(Effective Date)

Article 1 This Act shall come into effect as of the day of enforcement of the Act for Establishment of the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009); provided, however, that the provisions listed in the following items shall come into effect as of the dates specified respectively in those items:

- (i) the provisions of Article 9 of the Supplementary Provisions: the day of the promulgation of this Act;

(Transitional Measures Concerning the Application of Penal Provision)

Article 8 With regard to the application of the penal provisions to conduct engaged in prior to the enforcement of this Act and to conduct engaged in after the enforcement of this Act where the provisions before the enforcement of this Act are to remain applicable pursuant to the provisions of the Supplementary Provisions of this Act, the provisions before the enforcement of this Act shall remain applicable.

(Delegation to Cabinet Order)

Article 9 In addition to what is provided for from Article 2 of the Supplementary Provisions to the preceding Article, any transitional measures (including those concerning penal provisions) necessary for the enforcement of this Act shall be specified by Cabinet Order.