

# Act on the Support for Strengthening Agricultural Competitiveness

(Act No. 35 of May 19, 2017)

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## Chapter I General Provisions

(Purpose)

Article 1 By taking into account the importance of promoting structural reforms of our country's agricultural industry in response to changes in the economy and social circumstances as well as realizing the supply of high quality and

affordable agricultural materials and the rationalization of agricultural product distribution, etc. for its sustainable development in the future, the purpose of this Act is to support efforts made by farmers, to enhance agricultural competitiveness by setting forth the responsibilities of and policies to be implemented by the national government in relation to these things and taking measures for promoting business restructuring or entry into a business as part of such policies, and thereby contribute to the sound development of the agricultural industry and agricultural production-related business.

(Definitions)

Article 2 (1) The term "agricultural material business" as used in this Act means the business of producing or selling agricultural materials by persons other than farmers.

(2) The term "agricultural product distribution, etc." as used in this Act means the wholesale or retail of agricultural products (including those which are manufactured or processed from agricultural products as raw materials; hereinafter the same applies) or manufacturing or processing of any items using agricultural products as raw materials.

(3) The term "business of agricultural product distribution, etc." as used in this Act means the business of agricultural product distribution, etc. that is carried on by any person other than farmers.

(4) The term "agricultural production-related business" as used in this Act means the agricultural material business or business of agricultural product distribution, etc., and the term "agricultural production-related enterprise" means the enterprise carrying on agricultural production-related business.

(5) The term "business restructuring" as used in this Act means a business activity carried out by an agricultural production-related enterprise for the purpose of contributing to the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., which falls under both of the following items:

(i) Business activities that carry out a merger or split, assignment or acquisition of an agricultural production-related business, or take other measures specified by order of the competent ministries; and

(ii) Business activities that make changes in the method of conducting agricultural production-related business, in whole or in part, pertaining to the measures set forth in the preceding item, which are to improve efficiency in the production or sale of agricultural materials or agricultural products by introducing a new production or sales method pertaining to agricultural materials or agricultural products, or using facilities, etc. (meaning facilities, equipment, devices, apparatus, or programs provided for in Article 2, paragraph (2) of the Act on Promotion of Information Processing (Act No. 90

of 1970); the same applies in Article 18, paragraph (5)) or other management resources in an advanced manner.

- (6) The term "entry into a business" as used in this Act means to start a new agricultural production-related business for the purpose of contributing to the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc.
- (7) The term "business in a field where restructuring is promoted" as used in this Act means an agricultural production-related business belonging to the business field for which promoting business restructuring is found to be especially necessary as specified by order of the competent ministries due to low productivity in enterprises in charge of a considerable part of the relevant business field or other circumstances, and the term "enterprise involved in business in a field where restructuring is promoted" means an enterprise carrying on business in a field where restructuring is promoted.
- (8) The term "business in a field into which entry is promoted" as used in this Act means agricultural production-related business belonging to the business field for which the promotion of entering into a particular field of business is found to be especially necessary as specified by order of the competent ministries due to a small number of enterprises in the relevant business field or other circumstances, and the term "enterprise entering business in a field into which entry is promoted" means an enterprise intending to newly carry on business in a field into which entry is promoted.

(Responsibility of the National Government)

Article 3 The national government is responsible for comprehensively formulating policies to realize the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc. based on the domestic and international conditions of the supply of agricultural materials and agricultural product distribution, etc., as well as steadily implementing the relevant policies, in order to support efforts made by farmers to strengthen agricultural competitiveness.

(Efforts by Agricultural Production-Related Enterprises)

Article 4 (1) Based on the fact that the sustainable development of the agricultural industry in Japan in the future leads to the development of agricultural production-related business, agricultural production-related enterprises are to make efforts to contribute to the realization of the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc., and endeavor to make the relevant efforts in a sustainable manner.

(2) Government-affiliated financial institutions and Agriculture, Forestry and

Fisheries Fund Corporation for Innovation, Value-chain and Expansion Japan (hereinafter referred to as "A-FIVE"), from the perspective of promoting efforts under the preceding paragraph, are to endeavor to provide funds for an agricultural production-related enterprise.

- (3) Government-affiliated financial institutions and the A-FIVE, when providing funds under the preceding paragraph, are to endeavor to collaborate with private financial institutions.

(Efforts of Farmers)

Article 5 (1) On the occasion of procuring agricultural materials or the occasion of shipping or selling agricultural products, farmers are to endeavor to make efforts for the improvement of agricultural management by transacting with an agricultural production-related enterprise that present favorable terms and conditions.

- (2) Bodies organized by farmers that support the improvement of agricultural management are to endeavor to do so from the perspective of promoting the efforts set forth in the preceding paragraph.
- (3) The body organized by farmers carrying on agricultural production-related business (hereinafter referred to as the "farmers' body"), in making efforts under paragraph (1) of the preceding Article, is to endeavor to pay the utmost attention to increases in the farming income of farmers.

(Coordination and Cooperation among Relevant Administrative Organs)

Article 6 The competent ministers and the head of the relevant administrative organs (if any of the administrative organs are council organizations, those administrative organs; the same applies in Article 17, paragraph 4) are to coordinate and cooperate with each other so that policies to realize the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc. are implemented in a smooth and effective manner.

(Points to Note)

Article 7 When implementing policies to realize the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., the national government is to, by supporting independent endeavors of agricultural production-related enterprises, promote the demonstration of the private sector's vitality and give consideration that agricultural production-related business is developed in a sound manner under proper competition.

## **Chapter II Policies to Be Implemented by the National Government**

## **Section 1 Policies for Realizing the Supply of High Quality and Affordable Agricultural Materials**

(Development of Business Environment pertaining to Agricultural Material Business)

Article 8 The national government is to take the measures listed in the following items and other measures for the development of the necessary business environment to realize the supply of high quality and affordable agricultural materials:

- (i) With respect to the registration of pesticides and other regulations on agricultural materials, carrying out a review to ensure the safety of agricultural materials, a review to balance such regulations with international standards, and other reviews to make the relevant regulations reasonable based on the latest scientific knowledge;
- (ii) With respect to the development of agricultural machines and other agricultural materials, setting development targets for realizing the supply of high quality and affordable agricultural materials, as well as promoting collaboration among incorporated administrative research and development agencies, universities, and private businesses;
- (iii) With respect to agricultural materials if there are a significantly large number of brands, thus the production scale of each brand is small and the productivity of the enterprise engaging in the relevant production is low, promoting efforts of a local government or the farmers' body to review the standards related to the increase of the number of brands of the relevant agricultural materials or other efforts to promote the aggregation of the brands of the relevant agricultural materials; and
- (iv) With respect to seeds and seedlings, promoting technological development, the breeding of new varieties, and other production or the supply of seeds and seedlings by private businesses, as well as the provision to private enterprises of knowledge of production of seeds and seedlings that is held by incorporated administrative research and development agencies and prefectures.

(Promotion of Business Restructuring or Entry into the Business pertaining to Agricultural Material Business)

Article 9 In order to realize the supply of high quality and affordable agricultural materials, the national government is to promote business restructuring or entry into a business, or take other necessary measures against agricultural material business so that high productivity is ensured under proper competition.

(Facilitation of Obtaining Necessary Information for Procurement of Agricultural Materials)

Article 10 In order to realize the supply of high quality and affordable agricultural materials, the national government is to, while making use of knowledge of private enterprises, take measures to enable farmers or farmers' bodies to readily obtain information that contributes to the selection of the agricultural production-related enterprise that presents favorable terms and conditions on the occasion of the relevant farmers' procurement of agricultural materials or the farmers' bodies' procurement of agricultural materials to be supplied to farmers.

## **Section 2 Policies for Realizing Rationalization of Agricultural Product Distribution, etc.**

(Improvement of Business Environment pertaining to Business of Agricultural Product Distribution)

Article 11 The national government is to take the measures listed in the following items and other measures for the necessary improvement of the business environment to realize the rationalization of agricultural product distribution, etc.:

- (i) To review regulations concerning agricultural product distribution, etc., based on changes in the economic and social conditions;
- (ii) With respect to the standards pertaining to agricultural product distribution, etc., reviewing such standards specified by the national government, as well as promoting efforts to carry out a review of such standards specified by private enterprises to contribute to fair and smooth transactions of agricultural products in a prompt response to the existing status of agricultural product distribution, etc. and consumer demand; and
- (iii) With respect to agricultural product distribution, etc., promoting utilization of information communication technology and other technologies to contribute to the efficiency in operations.

(Promotion of Business Restructuring or Entry into Business pertaining to Business of Agricultural Product Distribution)

Article 12 (1) In order to realize the rationalization of agricultural product distribution, etc., the national government is to take the measures listed in the following items and other measures for business of agricultural product distribution, etc.:

- (i) With respect to the wholesale or retail business of agricultural products, promoting business restructuring or entry into a business so that agricultural products are distributed in an efficient manner under proper

- competition; and
- (ii) With respect to manufacturing or processing business using agricultural products as raw materials, promoting business restructuring or entry into a business so that high productivity is ensured under proper competition.
- (2) In order to contribute to the sound development of the agricultural industry, when taking measures listed in items of the preceding paragraph, the national government is to pay attention so that stability in transactions of agricultural products is ensured.

(Direct Sales Promotion of Agricultural Products)

Article 13 In order to realize the rationalization of agricultural product distribution, etc., the national government is to take measures to promote direct sales of agricultural products to consumers by farmers or the farmers' body.

(Facilitation of Obtaining Necessary Information for Shipment of Agricultural Products)

Article 14 In order to realize the rationalization of agricultural product distribution, etc., the national government is to, while making use of knowledge of private enterprises, take measures to enable farmers or farmers' bodies to readily obtain information that contributes to the selection of an agricultural production-related enterprise that presents favorable terms and conditions on the occasion of shipping or selling agricultural products.

(Appropriate Evaluation of Quality of Agricultural Products)

Article 15 In order to realize the rationalization of agricultural product distribution, etc., when agricultural products are transacted or consumed, the national government is to take measures to have the quality, production or distribution method, or any other characteristic of the relevant agricultural products appropriately evaluated.

### **Section 3 Examination of Policies**

- Article 16 (1) The government is to conduct a survey concerning the circumstances of the supply of agricultural materials and agricultural product distribution, etc. both in Japan and abroad approximately every five years, and make the result of the survey public.
- (2) From the perspective of supporting farmers' efforts to strengthen agricultural competitiveness, the government is to examine the policies to realize the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc. including the policies

set forth in the preceding two sections approximately every five years, and take necessary measures based on the result of the examination.

### **Chapter III Measures for Promoting Business Restructuring or Entry into Business**

#### **Section 1 Guidelines concerning Implementation of Promotion of Business Restructuring or Entry into a Business**

Article 17 (1) The competent ministers are to establish guidelines concerning the implementation of promotion of business restructuring or entry into a business (hereinafter referred to as the "implementation guidelines").

(2) In the implementation guidelines, matters listed in the following items are to be specified:

(i) Matters listed in the following sub-items concerning the implementation of promotion of business restructuring:

- (a) The future of a business in a field where restructuring is promoted;
- (b) Matters concerning the target setting for supplying the high quality and affordable agricultural materials or rationalizing the agricultural product distribution, etc., improvements in productivity by business restructuring, and other targets of business restructuring by an enterprise involved in business in a field where restructuring is promoted;
- (c) Matters concerning the implementation method of business restructuring by an enterprise involved in business in a field where restructuring is promoted; and
- (d) Other important matters concerning business restructuring.

(ii) Matters listed in the following sub-items concerning the implementation of promotion of entry into a business:

- (a) The future of a business in a field into which entry is promoted;
- (b) Matters concerning the target setting for supplying the high quality and affordable agricultural materials or rationalizing the agricultural product distribution, etc., and other targets of entry into a business by an enterprise entering business in a field into which entry is promoted;
- (c) Matters concerning the implementation method of entry into a business by an enterprise entering business in a field into which entry is promoted; and
- (d) Other important matters concerning entry into a business.

(3) When it becomes necessary due to changes in the economic situation, the competent ministers are to make changes in the implementation guidelines.

(4) When intending to establish or make changes in the implementation guidelines, the competent ministers are to consult with the heads of the relevant administrative organs in advance.



- (5) When establishing or making changes in the implementation guidelines, the competent ministers are to make the fact public without delay.

## **Section 2 Plans for Business Restructuring**

(Certification for Business Restructuring Plan)

Article 18 (1) A enterprise involved in business in a field where restructuring is promoted may prepare a plan for business restructuring that the enterprise intends to carry out (hereinafter referred to as the "business restructuring plan"), and submit the same to the competent ministers as specified by order of the competent ministries to obtain certification therefor.

(2) When more than one enterprise involved in business in a field where restructuring is promoted jointly carries out business restructuring, the relevant more than one enterprise involved in business in a field where restructuring is promoted may jointly prepare the business restructuring plan and obtain certification under the preceding paragraph.

(3) In the business restructuring plan, matters listed in the following items are to be stated:

(i) The target for supplying the high quality and affordable agricultural materials or rationalizing the agricultural product distribution, etc., the target for increasing productivity by business restructuring, and other targets of the business restructuring;

(ii) The details to supply high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., and other details as well as the period of carrying out the business restructuring;

(iii) The amount of funds required to carry out the business restructuring and the method of procuring; and

(iv) Matters concerning labor associated with the business restructuring.

(4) For matters listed in item (ii) of the preceding paragraph, the type of facilities or equipment if the relevant facilities or equipment will be removed or disposed of upon carrying out business restructuring, or the type of equipment promoting business restructuring, etc. if the relevant equipment or the like is introduced thereupon may be stated.

(5) The term "equipment promoting business restructuring, etc." as used in the preceding paragraph means equipment or the like used for the purpose of production or sale of agricultural materials or agricultural products as specified by order of the competent ministries to be the relevant equipment or the like particularly contributing to the promotion of business restructuring.

(6) When finding that an application for certification submitted under paragraph (1) falls under all of the following items, the competent ministers are to grant certification therefor:

- (i) The relevant business restructuring plan is appropriate in light of the implementation guidelines;
  - (ii) Business restructuring pertaining to the relevant business restructuring plan is expected to contribute to the realization of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc.;
  - (iii) Business restructuring pertaining to the relevant business restructuring plan is expected to be carried out in a smooth and reliable manner;
  - (iv) Business restructuring pertaining to the relevant business restructuring plan will not cause unreasonable damage to the status of employees;
  - (v) Business restructuring pertaining to the relevant business restructuring plan will not impede proper competition between an enterprise involved in business in a field where restructuring is promoted submitting the relevant application and another enterprise involved in business in a field where restructuring is promoted which carries on business in a field where restructuring is promoted that belongs to the same business field as the business in a field where restructuring is promoted which the applying enterprise conducts, in light of market conditions both in Japan and abroad; and
  - (vi) Business restructuring pertaining to the relevant business restructuring plan will not cause unreasonable damage to the interests of general consumers and other enterprises.
- (7) When granting certification under paragraph (1), the competent ministers are to make the details of the business restructuring plan public, as specified in order of the competent ministries.

(Changes in Business Restructuring Plan)

Article 19 (1) An enterprise involved in business in a field where restructuring is promoted that has obtained certification under paragraph (1) of the preceding Article (including an enterprise incorporated in accordance with the business restructuring plan so certified; hereinafter referred to as "certified enterprises carrying out business restructuring"), when intending to change the business restructuring plan so certified, is to obtain the certification of the competent ministers as specified by order of the competent ministries.

- (2) When finding that a certified enterprise carrying out business restructuring fails to carry out business restructuring in accordance with the business restructuring plan so certified (or when the certification for changes has been granted as provided for in the preceding paragraph, the business restructuring plan so changed; hereinafter referred to as the "certified business restructuring plan"), the competent ministers may rescind certification for the relevant plan.
- (3) When finding that the certified business restructuring plan ceases to fall

under any of items of paragraph (6) of the preceding Article, the competent ministers may instruct the certified enterprise carrying out business restructuring to change the relevant certified business restructuring plan or rescind certification for the relevant plan.

- (4) When rescinding the certification under the provisions of the preceding two paragraphs, the competent ministers are to make the fact public.
- (5) The provisions of paragraphs (6) and (7) of the preceding Article apply mutatis mutandis to certification for changes as provided for in paragraph (1).

(Relationship with Fair Trade Commission)

Article 20 (1) When intending to grant the certification under Article 18, paragraph (1) (including certification for changes as provided for in paragraph (1) of the preceding Article; the same applies in paragraph (3)), if business restructuring by the enterprise involved in business in a field where restructuring is promoted submitting an application for the relevant certification falls under any of the items specified by Cabinet Order to be likely to impede proper competition in the business area to which a business in a field where restructuring is promoted carried on by the relevant enterprise belongs, the competent ministers are to send a copy of the application for the relevant certification to and consult with the Fair Trade Commission in advance.

- (2) The competent ministers and the Fair Trade Commission in consulting with each other as provided for in the preceding paragraph, are to maintain close liaison with each other to carry out procedures in a prompt and accurate manner.
- (3) The competent ministers and the Fair Trade Commission are to maintain close liaison with each other so that any act performed in accordance with the business restructuring plan relevant to the sending of documents under paragraph (1), which has been certified under Article 18, paragraph (1) by the competent ministers will not impede proper competition among enterprises involved in business in a field where restructuring is promoted due to changes in the economic situation after the grant of the relevant certification, nor will it cause unreasonable damage to the interests of general consumers and other enterprises.

### **Section 3 Plans for Entry into a Business**

(Certification for the Plan for Entry into Business)

Article 21 (1) An enterprise entering business in a field into which entry is promoted may prepare a plan for entry into a business that the enterprise intends to carry out (hereinafter referred to as the "the plan for entry into a

business"), and submit the same to the competent ministers as specified by order of the competent ministries to obtain certification therefor.

- (2) When more than one enterprise entering business in a field into which entry is promoted jointly carries out an entry into a business, the relevant more than one enterprise entering business in a field into which entry is promoted may jointly prepare the plan for entry into a business and obtain certification under the preceding paragraph.
- (3) In the plan for entry into a business, matters listed in the following items are to be stated:
  - (i) The target for supplying the high quality and affordable agricultural materials or rationalizing of agricultural product distribution, etc. and other targets of an entry into a business;
  - (ii) The details to supply high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc. and other details as well as the period of carrying out the entry into a business; and
  - (iii) The amount of funds required to carry out the entry into a business and the means of procuring them.
- (4) When finding that an application for certification submitted under paragraph (1) falls under all of the following items, the competent ministers are to grant certification therefor:
  - (i) The plan for entry into a business is appropriate in light of the implementation guidelines;
  - (ii) Entry into a business pertaining to the relevant plan for entry into a business is expected to contribute to the realization of the supply of the high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc.; and
  - (iii) Entry into a business pertaining to the relevant plan for entry into a business is expected to be carried out in a smooth and reliable manner.
- (5) The competent ministers, when granting certification under paragraph (1), are to make the details of the relevant plan for entry into a business public, as specified in order of the competent ministries.

(Changes in the Plan for Entry into a Business)

Article 22 (1) An enterprise entering business in a field into which entry is promoted that has obtained certification under paragraph (1) of the preceding Article (including a corporation incorporated in accordance with the plan for entry into a business so certified; hereinafter referred to as "certified enterprises carrying out entry into a business"), when intending to change the plan for entry into a business so certified, is to obtain the certification of the competent ministers as specified by order of the competent ministries.

- (2) When finding that a certified enterprise carrying out entry into a business

fails to carry out entry into a business in accordance with the plan for entry into a business so certified (or when certification for changes has been granted as provided for in the preceding paragraph, the business restructuring plan so changed; hereinafter referred to as the "certified plan for entry into a business"), the competent ministers may rescind certification for the relevant plan.

- (3) When finding that the certified plan for entry into a business ceases to fall under any of items of paragraph (4) of the preceding Article, the competent ministers may instruct the certified enterprise carrying out an entry into a business to change the relevant certified plan for entry into a business or rescind the certification for the relevant plan.
- (4) When rescinding the certification as provided for in the preceding two paragraphs, the competent ministers are to make the fact public.
- (5) The provisions of paragraphs (4) and (5) of the preceding Article apply mutatis mutandis to certification for changes as provided for in paragraph (1).

#### **Section 4 Supporting Measures**

##### **Subsection 1 Demands for Objections by Creditors in Cases of Assignment of Business**

Article 23 (1) When a resolution at a shareholders meeting or a board of directors meeting or a decision by executive officers is made with respect to whole or partial assignment of business carried on in accordance with the certified business restructuring plan, an agricultural production-related enterprise that is a stock company (hereinafter referred to as the "company" in this paragraph and paragraph (4)) may separately notify, within two weeks from the date of the resolution or decision, every specified creditor (meaning, from among persons holding claims against the company, those who will hold claims against those persons taking over the business in whole or in part, and who will not hold the claims against the relevant company through the relevant whole or partial assignment of the business; hereinafter the same applies in paragraphs (3) and (4)) of the outline of the relevant whole or partial assignment of the business, and demand that a specified creditor who has an objection to the relevant whole or partial assignment of the business should state the objection within a certain period of time.

- (2) The period set forth in the preceding paragraph is not to be less than one month.
- (3) When a specified creditor who has received a demand as provided for in paragraph (1) does not state any objection within the period set forth in the same paragraph, the specified creditor is to be deemed to have approved the relevant whole or partial assignment of the business.

- (4) When a specified creditor states an objection within the period set forth in paragraph (1), the company must make payment or provide reasonable security to the specified creditor, or deposit reasonable property in trust with a trust company or a financial institution engaging in trust business for the purpose of having the specified creditor receive payment; provided, however, that this does not apply to the case where the relevant whole or partial assignment of the business is unlikely to harm the relevant specified creditor.

**Subsection 2 Business Operations to Promote Business Restructuring,  
etc. by the Organization for Small & Medium Enterprises and  
Regional Innovation, JAPAN**

Article 24 The Organization for Small & Medium Enterprises and Regional Innovation, JAPAN will undertake operations to guarantee bonds (excluding short term corporate bonds provided for in Article 66, item (i) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001); the same applies in Article 27, item (vii)) issued by the persons listed in either of the following items to raise funds set forth in the applicable item, and obligations pertaining to the borrowing of the relevant funds:

- (i) Certified enterprises carrying out business restructuring: Necessary funds to carry out business restructuring in accordance with the certified business restructuring plan; or
- (ii) Certified enterprises carrying out entry into a business: Necessary funds to carry out an entry into a business in accordance with the certified plan for entry into a business.

**Subsection 3 Business to Promote Business Restructuring, etc. by the  
Japan Finance Corporation**

(Loan of Funds)

Article 25 (1) The Japan Finance Corporation (hereinafter referred to as the "Finance Corporation"), beyond the business provided for in Article 11 of the Japan Finance Corporation Act (Act No. 57 of 2007; hereinafter referred to as the "Finance Corporation Act"), may undertake business to loan the persons listed in either of the following items a long-term fund with low interest set forth in the applicable item which contributes to the sound development of the agricultural industry (limited to such funds other financial institutions have difficulty in financing) as designated by the Minister of Agriculture, Forestry and Fisheries and the Minister of Finance:

- (i) Certified enterprises carrying out business restructuring (limited to small and medium-sized enterprises (meaning the small and medium-sized

- enterprises provided for in Article 2, item (iii) of the Finance Corporation Act; the same applies in the following item and paragraph (1) of the following Article)): Necessary funds to carry out business restructuring in accordance with the certified business restructuring plan (limited to such funds with a reimbursement period of more than ten years); or
- (ii) Certified enterprises carrying out entry into a business (limited to small and medium-sized enterprises): Necessary funds to carry out entry into a business in accordance with the certified plan for entry into a business (limited to such funds with a reimbursement period of more than ten years).
- (2) The interest rate, due date for reimbursement, and grace period for funds provided for in the preceding paragraph will be set by the Finance Corporation to the extent specified by Cabinet Order.
- (3) With respect to the application of the provisions of Article 11, paragraph (1), item (vi), Article 12, paragraph (1), Article 31, paragraph (2), item (i), (b), Article 41, item (ii), Article 53, Article 58, Article 59, paragraph (1), Article 64, paragraph (1), item (iv), Article 73, item (iii), and Appended Table 2, item (ix) of the Finance Corporation Act for the loan of funds provided for in paragraph (1) of this Act made by the Finance Corporation as provided for in the same paragraph, the terms listed in the middle column of the following table in the provisions of the Finance Corporation Act as listed in the left-hand column of the same table is replaced with the terms listed in the right-hand column of the same table:

Article 11, paragraph (1), item (vi)	operations listed in the preceding items	operations listed in the preceding items and operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness (Act No. 35 of 2017)
Article 12, paragraph (1)	operations listed in items of paragraph (1) of the preceding Article	operations listed in items of paragraph (1) of the preceding Article and operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness

Article 31, paragraph (2), item (i), (b) and Article 41, item (ii)	or operations listed in Appended Table 2, item (ii)	, operations listed in Appended Table 2, item (ii) or operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness
	item (v) of the same paragraph	operations provided for in Article 25, paragraph (1) of the same Act and Article 11, paragraph (1), item (v)
Article 53	item (v) of the same paragraph	business operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness Enhancement Support Act and Article 11, paragraph (1), item (v)
Article 58 and Article 59, paragraph (1)	this Act	this Act, the Act on the Support for Strengthening the Agricultural Competitiveness
Article 64, paragraph (1), item (iv)	or operations listed in Appended Table 2, item (ii)	, operations listed in Appended Table 2, item (ii), or operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness
	item (v) of the same paragraph	operations provided for in Article 25, paragraph (1) of the same Act and Article 11, paragraph (1), item (v)
Article 73, item (iii)	Article 11	Article 11 and Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness
Appended Table 2, item (ix)	or operations to loan funds listed in the right-hand column of Appended Table 1, items (i) to (xiv)	, operations to loan funds listed in the right-hand column of Appended Table 1, items (i) to (xiv) or operations provided for in Article 25, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness

(Guarantee of Obligations)



Article 26 (1) Notwithstanding the provisions of Article 11 of the Finance Corporation Act, the Finance Corporation may undertake the business listed in the following items:

- (i) Providing the guarantee of obligations (including an act to assume obligations that is equivalent to the guarantee of obligations; the same applies in the same item) pertaining to the borrowing (limited to borrowing from foreign banks and other financial institutions as specified by Order of the Ministry of Agriculture, Forestry and Fisheries, Order of the Ministry of Economy, Trade and Industry, or Order of the Ministry of Finance; the same applies in the following item) of the necessary long-term funds for certified enterprises carrying out business restructuring (limited to small and medium-sized enterprises and those specified by Order of the Ministry of Agriculture, Forestry and Fisheries, Order of the Ministry of Economy, Trade and Industry, or Order of the Ministry of Finance as the overseas equivalent thereof) to carry out business restructuring in foreign countries in accordance with the certified business restructuring plan, as designated by the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, or the Minister of Finance; and
  - (ii) Providing the guarantee of obligations pertaining to the borrowing of the necessary long-term funds for certified enterprises carrying out entry into a business (limited to small and medium sized enterprises and anything as specified by Order of the Ministry of Agriculture, Forestry and Fisheries, Order of the Ministry of Economy, Trade and Industry, or Order of the Ministry of Finance as the overseas equivalent thereof) to carry out entry into a business in foreign countries in accordance with the certified plan for entry into a business, as designated by the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, or the Minister of Finance.
- (2) The guarantee of obligations as provided for in the preceding paragraph, with respect to the application of the Finance Corporation Act, is deemed to be the business listed in the right-hand column of Appended Table 2, item (iv) of the Finance Corporation Act pursuant to the provisions of Article 11, paragraph (1), item (ii) of the Finance Corporation Act.

**Subsection 4 Business to Promote Business Restructuring, etc. by  
Agriculture, Forestry and Fisheries Fund Corporation for Innovation,  
Value-chain and Expansion Japan**

(Capital Investments)

Article 27 The A-FIVE, beyond the business listed in Article 21, paragraph (1), items (i) to (xv) of the Agriculture, Forestry and Fisheries Fund Corporation for

Innovation, Value-chain and Expansion Japan Act (Act No. 83 of 2012; referred to as the "A-FIVE Act" in Article 30), may engage in the business listed in the following items:

- (i) Making capital investments in enterprises carrying out supported business restructuring, etc. (meaning, from among certified enterprises carrying out business restructuring and certified enterprises carrying out entry into a business (hereinafter referred to as "certified enterprises carrying out business restructuring, etc."), certified enterprises carrying out business restructuring, etc. that have become subject to support pursuant to the provisions of Article 29, paragraph (1); hereinafter the same applies);
- (ii) Making capital investments in supporting organizations for supported business restructuring, etc. (meaning, from among organizations that provide funds and other support for certified enterprises carrying out business restructuring, etc. (hereinafter referred to as "supporting organizations for business restructuring, etc."), supporting organizations for business restructuring, etc. that have become subject to support pursuant to the provisions of Article 29, paragraph (1); the same applies in the following item and item (viii));
- (iii) Contributing funds (meaning funds provided for in Article 131 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)) to supporting organizations for supported business restructuring, etc.;
- (iv) Loaning funds to enterprises carrying out supported business restructuring, etc.;
- (v) Acquiring securities (securities provided for in Article 2, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) and the rights deemed to be securities as provided for in paragraph (2) of the same Article; hereinafter the same applies in this item) issued by enterprises carrying out supported business restructuring, etc., and securities held by enterprises carrying out supported business restructuring, etc.
- (vi) Acquiring monetary claims against enterprises carrying out supported business restructuring, etc. and monetary claims held by enterprises carrying out supported business restructuring, etc.;
- (vii) Providing guarantee of obligations pertaining to bonds issued and funds borrowed by enterprises carrying out supported business restructuring, etc.;
- (viii) Providing guidance and recommendations on and taking other measures for funds and other support provided by supporting organizations for supported business restructuring, etc. under item (ii);
- (ix) Dispatching experts to enterprises carrying out or intending to carry out business restructuring or entry into a business;
- (x) Providing advice for enterprises carrying out or intending to carry out

- business restructuring or entry into a business;
- (xi) Conducting necessary negotiations and surveys in connection with the business operations listed in the preceding items;
  - (xii) Conducting the necessary surveys and providing the necessary information to promote business activities in which funds and other support will be provided for business restructuring, entry into a business, and certified enterprises carrying out business restructuring, etc. (referred to as "business activities for business restructuring, etc." in paragraph (1) of the following Article); and
  - (xiii) Conducting business incidental to the business listed in the preceding items.

(Standards for the Support of Business Restructuring, etc.)

- Article 28 (1) The Minister of Agriculture, Forestry and Fisheries is to set the standards to be complied with by the A-FIVE in deciding certified enterprises carrying out business restructuring, etc. or supporting organizations for business restructuring, etc. that are subject to support for business activities for business restructuring, etc. (limited to such support provided through the business operations listed in items (i) to (vii) of the preceding Article; hereinafter referred to as "support for business restructuring, etc.") and the details of the relevant support for business restructuring, etc. (hereinafter referred to as the "standards for the support of business restructuring, etc.").
- (2) The standards for the support of business restructuring, etc. are to be set in accordance with the principle of contributing to the realization of the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc.
- (3) When intending to set the standards for support of business restructuring, etc., the Minister of Agriculture, Forestry and Fisheries is to hear the opinion of the minister with jurisdiction over the business pertaining to activities subject to support for business restructuring, etc. (referred to as the "competent minister for the business" in paragraphs (3) and (4) of the following Article) in advance.
- (4) When setting the standards for the support of business restructuring, etc., the Minister of Agriculture, Forestry and Fisheries is to make the relevant standards public.

(Decision to Provide Support)

- Article 29 (1) When intending to provide the support for business restructuring, etc., the A-FIVE is to decide the certified enterprises carrying out business restructuring, etc. or supporting organizations for business restructuring, etc. subject thereto and the details of the relevant support for business

restructuring, etc. in accordance with the standards for the support of business restructuring, etc.

- (2) When intending to decide whether or not to provide support for business restructuring, etc., the A-FIVE is to obtain the authorization of the Minister of Agriculture, Forestry and Fisheries in advance.
- (3) When an application for authorization is submitted under the preceding paragraph, the Minister of Agriculture, Forestry and Fisheries is to notify the competent minister for the business of the details of the application without delay.
- (4) The competent minister for the business may state any opinion to the Minister of Agriculture, Forestry and Fisheries in cases of receipt of a notice pursuant to the provisions of the preceding paragraph, when finding it necessary taking into account the actual conditions of the business area to which the relevant certified enterprise carrying out business restructuring, etc. or supporting organization for business restructuring, etc. belongs.

(Application of the A-FIVE Act)

Article 30 With respect to the application of Article 6, paragraph (1), item (vi), Article 15, paragraph (1), items (i) and (ii) and paragraph (3), Article 21, paragraph (1), item (xvi), Article 24, Article 25, paragraphs (1) and (2), Article 26, Article 27, Article 34, Article 37, Article 39, paragraphs (1), (2), and (5), Article 40, Article 46, Article 47, and Article 48, item (ix) of the A-FIVE Act for the business listed in items of Article 27 and undertaken by the A-FIVE as provided for in the same Article, the terms listed in the middle column of the following table in the provisions of the A-FIVE Act as listed in the left-hand column of the same table are replaced with the terms listed in the right-hand column of the same table, and the provisions of Article 15, paragraph (2) of the A-FIVE Act do not apply:

Article 6, paragraph (1), item (vi)	operations listed in items of Article 21, paragraph (1)	operations listed in items of Article 21, paragraph (1) of this Act and operations listed in items of Article 27 of the Act on the Support for Strengthening Agricultural Competitiveness (Act No. 35 of 2017)
Article 15, paragraph (1), item (i)	Article 21, paragraph (1), item (viii)	Article 21, paragraph (1), item (viii) of this Act and Article 27, item (viii) of the Act on the Support for Strengthening Agricultural Competitiveness

<p>Article 15, paragraph (1), item (ii)</p>	<p>the details</p>	<p>the details, and the details of support for business restructuring, etc. (meaning support for business restructuring, etc. provided for in Article 28, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness; hereinafter the same applies in this item and Article 27) and certified enterprises carrying out business restructuring, etc. (meaning certified enterprises carrying out business restructuring, etc. provided for in Article 27, item (i) of the same Act; the same applies in Article 24, paragraph (1), item (ii) and Article 40) or supporting organizations for business restructuring, etc. (meaning supporting organizations for business restructuring, etc. provided for in Article 27, item (ii) of the same Act; the same applies in Article 40) that are subject to the relevant support for business restructuring, etc.</p>
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Article 15, paragraph (3)	supporting organizations for supported business activities provided for in item (ii) of the same item	supporting organizations for supported business activities provided for in item (ii) of the same item, and enterprises carrying out supported business restructuring, etc. provided for in Article 27, item (i) of the Act on the Support for Strengthening Agricultural Competitiveness (hereinafter referred to as "enterprises carrying out supported business restructuring, etc.") and supporting organizations for supported business restructuring, etc. provided for in item (ii) of the same Article (hereinafter referred to as "supporting organizations for supported business restructuring, etc.")
Article 21, paragraph (1), item (xvi)	preceding items	preceding items and items of Article 27 of the Act on the Support for Strengthening Agricultural Competitiveness
Article 24, paragraph (1)	paragraph (1) of the preceding Article	paragraph (1) of the preceding Article or Article 29, paragraph (1) of the Act on the Support for Strengthening Agricultural Competitiveness
Article 24, paragraph (1), item (i)	When	When, or when enterprises carrying out supported business restructuring, etc. fail to carry out business restructuring (meaning business restructuring provided for in Article 2, item (v) of the Act on the Support for Strengthening Agricultural Competitiveness; the same applies in Article 27 and Article 40) or entry into a business (meaning business entry provided for in Article 2, paragraph (6) of the same Act; the same applies in Article 27 and Article 40);

Article 24, paragraph (1), item (ii)	When	When, or when supporting organizations for supported business restructuring, etc. fail to provide funds or other support for certified enterprises carrying out business restructuring, etc.;
Article 24, paragraph (1), item (iii) and paragraph (2), and Article 25, paragraphs (1) and (2)	or supporting organizations for supported business activities	, supporting organizations for supported business activities, enterprises carrying out supported business restructuring, etc. or supporting organizations for supported business restructuring, etc.
Article 26	supporting organizations for supported business activities	, supporting organizations for supported business activities, enterprises carrying out supported business restructuring, etc. and supporting organizations for supported business restructuring, etc.
Article 27	business that contributes to	business that contributes to, and business that contributes to support for business restructuring, etc. and otherwise to carrying out business restructuring and entry into a business in a smooth and reliable manner
Article 34	this Act	this Act or the Act on the Support for Strengthening Agricultural Competitiveness
Article 37	operations listed in items of Article 21, paragraph (1)	operations listed in items of Article 27, paragraph (1) of this Act and operations listed in items of Article 27 of the Act on the Support for Strengthening Agricultural Competitiveness
Article 39, paragraph (1)	this Act	this Act or the Act on the Support for Strengthening Agricultural Competitiveness
Article 39, paragraph (2)	this Act	this Act or the Act on the Support for Strengthening Agricultural Competitiveness

	supporting organizations for supported business activities	supporting organizations for supported business activities or supporting organizations for supported business restructuring, etc.
Article 39, paragraph (5)	supporting organizations for supported business activities	supporting organizations for supported business activities or supporting organizations for supported business restructuring, etc.
Article 40	supported business activities	supported business activities, business restructuring, and entry into a business
	supporting organizations for target business activities	supporting organizations for target business activities, certified enterprises carrying out business restructuring, etc. and supporting organizations for business restructuring, etc.
Article 46	Article 39, paragraph (1)	Article 39, paragraph (1) as applied by replacing certain terms pursuant to the provisions of Article 30 of the Act on the Support for Strengthening Agricultural Competitiveness
Article 47	Article 39, paragraph (2)	Article 39, paragraph (2) as applied by replacing certain terms pursuant to the provisions of Article 30 of the Act on the Support for Strengthening Agricultural Competitiveness
Article 48, item (ix)	Article 34, paragraph (2)	Article 34, paragraph (2) as applied by replacing certain terms pursuant to the provisions of Article 30 of the Act on the Support for Strengthening Agricultural Competitiveness

## Section 5 Miscellaneous Provisions

(Collection, Arrangement, and Provision of Information)

Article 31 The national government is to collect, arrange, and provide information on efforts for business restructuring or entry into a business in



order to promote them.

(Stability of Employment, etc.)

Article 32 (1) When carrying out business restructuring in accordance with the certified business restructuring plan, certified enterprises carrying out business restructuring are to gain the understanding and cooperation of workers under their employment, as well as to endeavor to take the necessary measures to prevent the relevant workers' unemployment and other measures to promote employment security.

(2) The national government is to endeavor to take the necessary measures to prevent unemployment and other measures to secure the employment of workers under the employment of certified enterprises carrying out business restructuring.

(3) The national government is to endeavor to take the necessary measures to provide job placement for and otherwise contribute to the securing of jobs and lives of workers who had been employed by certified enterprises carrying out business restructuring.

(4) The national government is to endeavor to take the necessary measures to provide vocational training and other measures to develop and improve the abilities of workers set forth in the preceding two paragraphs.

(5) The national government is to endeavor to take the necessary measures to contribute to the facilitation of adaptation to the new economic environment by small and medium-sized enterprises affiliated with certified enterprises carrying out business restructuring.

(Guidance and Advice)

Article 33 The national government is to provide certified enterprises carrying out business restructuring or certified enterprises carrying out entry into a business with the necessary guidance and advice to properly carry out business restructuring or entry into a business.

(Collection of Reports)

Article 34 The competent ministers may request that a certified enterprise carrying out business restructuring or a certified enterprise carrying out entry into a business, report the status of implementation of the certified business restructuring plan or the certified plan for entry into a business.

## **Chapter IV Miscellaneous Provisions**

(Competent Ministers, etc.)

Article 35 (1) The competent ministers referred to in this Act are to be the

ministers set forth in either of the following items according to the category of matters listed in the applicable item; provided, however, that the competent ministers provided for in Article 6 and Article 17 are to be the Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over agricultural production-related business:

- (i) Matters concerning the business restructuring plan: The Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over agricultural production-related business pertaining to the business restructuring plan; or
  - (ii) Matters concerning the entry into a business plan: The Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over agricultural production-related business pertaining to the plan for entry into a business.
- (2) Order of the competent ministries referred to in this Act is to be an order jointly issued by the Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over agricultural production related business.

(Delegation of Authority)

Article 36 The authority of the competent ministers provided for in this Act may be delegated to the heads of local branch offices as specified by order of the competent ministries.

## **Chapter V Penal Provisions**

Article 37 (1) When a person has failed to make a report or has made a false report under the provisions of Article 34, the person who has committed the violation is to be punished by a fine of not more than 300,000 yen.

(2) When a representative person of a corporation, or an agent, employee, or other workers of a corporation or an individual has committed an act of violation under the preceding paragraph with regard to the business of the relevant corporation or individual, not only the offender is to be punished but also the corporation or individual is to be punished by the penalty prescribed in the same paragraph.

Article 38 In the event of a failure in obtaining the authorization of the Minister of Agriculture, Forestry and Fisheries in violation of the provisions of Article 29, paragraph (2), the director, accounting advisor, member who is to carry out such duties, or company auditor of the A-FIVE who has committed such violation is to be punished by a civil fine of not more than 1,000,000 yen.

## **Supplementary Provisions [Extract]**

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions of Article 3 of the Supplementary Provisions are to come into effect as of the date of promulgation.

(Transitional Measures)

Article 2 (1) The first survey as provided for in Article 16, paragraph (1) is to be conducted within approximately one year from the date of enforcement of this Act.

(2) The first examination as provided for in Article 16, paragraph (2) is to be made within approximately two years from the date of enforcement of this Act.

(Delegation to Cabinet Order)

Article 3 Beyond what is provided for in the preceding Article, transitional measures necessary for the enforcement of this Act are to be specified by Cabinet Order.