

Cabinet Order on Inward Direct Investment (Tentative translation)

(Cabinet Order No. 261 of October 11, 1980)

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Chapter I General Provisions

(Purpose)

Article 1 This Cabinet Order is to provide for necessary matters with regard to the management, coordination, or report of matters concerning inward direct investment, etc., specified acquisition, and the conclusion, etc. of a technology introduction contract provided for in Chapter V of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Act").

Chapter II Inward Direct Investment, etc.

(Matters Concerning the Definition of Inward Direct Investment, etc.)

Article 2 (1) The number of voting rights in a company specified by Cabinet Order as those indirectly held via another company, as prescribed in Article 26, paragraph (1), item (iii) of the Act, is the number of voting rights (meaning the voting rights prescribed in Article 26, paragraph (1), item (iii) of the Act; the same applies hereinafter) in the company directly held by another company that is the company's shareholder or equity investor (limited to a company in which the investment ratio of the person set forth in item (i) or (ii) of that paragraph (referred to as a "foreign corporation, etc." in the following paragraph and paragraph (4), item (i)) is 50 percent or more; the same applies in paragraph (4), item (i)) or by the company's subsidiary company (meaning the subsidiary company prescribed in Article 2, item (iii) of the Companies Act (Act No. 86 of 2005), and excluding a corporation or any other organization established based on laws and regulations of a foreign country, and a corporation or any other organization which has its principal office in a foreign country; the same applies hereinafter).

- (2) The term "investment ratio" referred to in the preceding paragraph means the ratio of the number of voting rights in a company directly held by a foreign corporation, etc. to the number of voting rights held by all shareholders or all members of the company.
- (3) The person specified by Cabinet Order as prescribed in Article 26, paragraph (1), item (iv) of the Act with regard to the total of the amounts of capital contributions prescribed in that item is any of the following:
- (i) a corporation or any other organization established based on laws and regulations of a foreign country, or a corporation or any other organization which has its principal office in a foreign country;
 - (ii) a company set forth in Article 26, paragraph (1), item (iii) of the Act (excluding a specified listed company, etc.);
 - (iii) a corporation or any other organization in which the persons set forth in Article 26, paragraph (1), item (i) of the Act account for the majority of its officers (meaning the officer prescribed in item (v) of that paragraph; the same applies hereinafter) or the majority of its officers having the authority to represent (excluding those set forth in the preceding two items); and
 - (iv) a partnership, etc. (meaning the partnership, etc. prescribed in Article 26, paragraph (1), item (iv) of the Act; the same applies hereinafter) in which the persons set forth in item (i) of that paragraph and those set forth in the preceding three items account for the majority of executive partners (meaning the executive partner prescribed in item (iv) of that paragraph; the same applies hereinafter) of the partnership, etc. (excluding those set forth in the preceding three items);
- (4) The term "specified listed company, etc." prescribed in item (ii) of the preceding paragraph means a company set forth in Article 26, paragraph (1), item (iii) of the Act, which is a listed company, etc. (meaning the listed company, etc. prescribed in paragraph (2), item (i) of that Article; the same applies hereinafter), and in which all of the ratios of the number of shares or number of voting rights set forth in the following to the total number of issued shares of, or the total voting rights (meaning the total voting rights prescribed in paragraph (1), item (iii) of that Article; the same applies hereinafter) in the listed company, etc. is less than 10 percent:
- (i) the net number of shares obtained by aggregating the number of substantial shares (meaning shares other than the shares for which the authority for exercise, etc. of voting rights, etc. (meaning the authority to exercise voting rights or any other rights as a shareholder of a share or the authority to give instructions regarding the exercise of voting rights or any other rights; hereinafter the same applies in this Article and paragraph (1), item (viii) of the following Article) is delegated to a person other than the owners of shares, and, as a result of this delegation, the owners of the shares cannot

exercise the voting rights or any other rights as the shareholders of those shares; the same applies hereinafter) in a listed company, etc. owned by each shareholder of the listed company, etc. (limited to a foreign corporation, etc. or another company or its subsidiary company; the same applies in the following item), the number of substantial shares of the listed company, etc. owned by an individual or a corporation or any other organization (limited to one that falls within any of the categories set forth in Article 26, paragraph (1), item (ii), (iii), or (v): the same applies in the following item) that is a non-resident and that would fall under any of the items of paragraph (19) if the shareholder is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph (hereinafter referred to as the "person closely related to the shareholder" in this item), and the number of shares of the listed company, etc. that are subject to the investment in shares (including giving instructions to do so, and limited to investment in shares that satisfies the requirements prescribed in paragraph (7)) if the shareholder and the person closely related to the shareholder make investment in shares as entrusted by another person based on a contract such as a discretionary investment contract (meaning the discretionary investment contract prescribed in Article 2, paragraph (8), item (xii), (b) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); hereinafter the same applies in this Article) (on the basis of the net total calculated by deducting the number of duplicate shares, if any; the same applies hereinafter); or

(ii) the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract (meaning voting rights held or otherwise exercisable under contract other than the voting rights held or otherwise exercisable under contract for which the authority for exercise, etc. of voting rights (meaning the authority to exercise voting rights as a shareholder of a share or the authority to give instructions regarding the exercise of voting rights; the same applies hereinafter) is delegated to a person other than the holders of voting rights held or otherwise exercisable under contract (meaning the voting rights held or otherwise exercisable under contract prescribed in Article 26, paragraph (2), item (iv) of the Act; hereinafter the same applies in this item), and, as a result of this delegation, the holders of the voting rights held or otherwise exercisable under contract cannot exercise the voting rights held or otherwise exercisable under contract; the same applies hereinafter) in a listed company, etc. that are held by each shareholder of the listed company, etc. (excluding voting rights subject to the undertaking of delegation of voting prescribed in paragraph (18); hereinafter the same applies in this item), and the number of voting rights substantially held or otherwise exercisable under contract in the listed company, etc. that are held by an

- individual or a corporation or any other organization that is a non-resident and that would fall under any of the items of paragraph (19) if the shareholder is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph (on the basis of the net total calculated by deducting the number of duplicate voting rights, if any; the same applies hereinafter).
- (5) The person specified by Cabinet Order as prescribed in Article 26, paragraph (1), item (iv) of the Act with regard to managing partners of the partnership, etc. prescribed in that item is any of the following:
- (i) the persons set forth in the items of paragraph (3);
 - (ii) a partnership, etc., in which the ratio of the total of the amounts of capital contributions by the persons set forth in Article 26, paragraph (1), item (i) of the Act and the persons set forth in the items of paragraph (3), to the total amount of capital contributions by all partners (meaning all partners prescribed in paragraph (1), item (iv) of that Article) is 50 percent or more (excluding those set forth in the preceding item);
 - (iii) a limited liability partnership prescribed in Article 2 of the Limited Liability Partnership Act (Act No. 40 of 2005) (hereinafter referred to as a "limited liability partnership" in this item), in which the persons set forth in the following account for the majority of partners of the limited liability partnership (excluding those set forth in item (i)):
 - (a) the person set forth in Article 26, paragraph (1), item (i) of the Act;
 - (b) the persons set forth in the preceding two items; and
 - (c) officers of the persons set forth in the preceding two items (limited to cases where the persons set forth in the preceding two items are managing partners of the partnership, etc. or partners of the limited liability partnership).
- (6) The shares specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (i) of the Act are shares registered or designated as those for which trading prices in over-the-counter trading are announced pursuant to the provisions of the rules of an authorized financial instruments firms association (meaning the authorized financial instruments firms association prescribed in Article 2, paragraph (13) of the Financial Instruments and Exchange Act).
- (7) The requirements specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (iii) of the Act are that the relevant persons have been delegated the authority necessary for investing in shares of a listed company, etc. and the authority for exercise, etc. of voting rights, etc., and that, as a result of this delegation, the delegating parties cannot exercise the voting rights or any other rights as the shareholder of those shares.
- (8) The ratio specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (iii) of the Act is 1 percent.
- (9) The voting rights specified by Cabinet Order as those exercisable based on a

discretionary investment contract or any other contract, as prescribed in Article 26, paragraph (2), item (iv) of the Act, are the following:

- (i) voting rights attached to shares that are subject to discretionary investment management targeting shares prescribed in paragraph (17) (limited to one that satisfies the requirements set forth in paragraph (16), item (iii), (a));
 - (ii) voting rights subject to the undertaking of delegation of voting prescribed in paragraph (18); and
 - (iii) voting rights subject to the authority for exercise, etc. of voting rights with regard to shares owned by another person (excluding the voting rights set forth in the preceding two items).
- (10) The ratio specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (iv) of the Act is 1 percent.
- (11) The matters specified by Cabinet Order as those having a material influence on the management of a company as prescribed in Article 26, paragraph (2), item (v) of the Act are matters relevant to the following proposals:
- (i) a proposal on the election of a director or auditor (limited to a proposal by a foreign investor (meaning the foreign investor prescribed in Article 26, paragraph (1) of the Act; the same applies hereinafter) on election of the foreign investor itself or the election of a person specified by order of the competent ministry as a person related to the foreign investor);
 - (ii) a proposal on the transfer of the entire business set forth in Article 467, paragraph (1), item (i) of the Companies Act;
 - (iii) a proposal on an absorption-type merger prescribed in Article 2, item (xxvii) of the Companies Act (limited to the case where the company becomes a company absorbed in absorption-type merger set forth in Article 749, paragraph (1), item (i) of that Act; the same applies in Article 7, item (i));
 - (iv) a proposal on the dissolution of the company; and
 - (v) a proposal specified by order of the competent ministry as being equivalent to any of those set forth in the preceding items.
- (12) The ratio specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (v) of the Act is the ratio specified in each of the following items according to the categories of consent set forth in these items:
- (i) consent given with regard to a substantial change of the business purpose of a company: one-third; or
 - (ii) consent given with regard to any of the matters relevant to the proposals set forth in the items of the preceding paragraph: 1 percent.
- (13) The establishment or change specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (vi) of the Act is the establishment of a branch office, factory, or any other place of business (hereinafter referred to as a "branch office, etc." in this paragraph and Article 7, item (ii)) in Japan or a substantial change of the type or business purpose of a branch office, etc. in

Japan, other than the establishment of a branch office, etc. or the substantial change with regard to any of the following business categories:

- (i) banking business prescribed in Article 2, paragraph (2) of the Banking Act (Act No. 59 of 1981) (including the business deemed to be banking business pursuant to the provisions of Article 3 of that Act);
 - (ii) the business of a foreign insurance company, etc. prescribed in Article 2, paragraph (7) of the Insurance Business Act (Act No. 105 of 1995);
 - (iii) general gas pipeline service business prescribed in Article 2, paragraph (5) of the Gas Business Act (Act No. 51 of 1954);
 - (iv) general electricity transmission and distribution prescribed in Article 2, paragraph (1), item (viii) of the Electricity Business Act (Act No. 170 of 1964) and electricity transmission prescribed in item (x) of that paragraph;
 - (v) the business conducted by a financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act that engages in the Type-I financial instruments business prescribed in Article 28, paragraph (1) of that Act or the investment management business prescribed in paragraph (4) of that Article;
 - (vi) the business of a foreign trust company prescribed in Article 2, paragraph (6) of the Trust Business Act (Act No. 154 of 2004); or
 - (vii) funds transfer service prescribed in Article 2, paragraph (2) of the Payment Services Act (Act No. 59 of 2009).
- (14) The amount specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (vii) of the Act is the amount specified in each of the following items according to the categories of cases set forth in these items:
- (i) if the amount of outstanding loans to a corporation having its principal office in Japan after the making of a loan prescribed in Article 26, paragraph (2), item (vii) of the Act (hereinafter referred to as "making of a loan" in this Article and Article 7, item (iii)) to that corporation is not less than 100 million yen and not more than the amount specified by order of the competent ministry: the amount specified by order of the competent ministry; or
 - (ii) if the amount of outstanding loans to a corporation having its principal office in Japan after the making of a loan to that corporation exceeds the amount specified by order of the competent ministry referred to in the preceding item: the amount calculated by deducting the total of the amount of the outstanding loan and the amount of the outstanding bonds issued by the corporation (limited to a company) and offered to specific persons as prescribed in paragraph (16), item (i) (hereinafter referred to as "bonds" in this item) which are owned by the person that made the loan (including the total of the amount of the outstanding loan made and the amount of the outstanding bonds acquired by an individual or a corporation or any other

- organization (limited to one that falls within any of the categories set forth in Article 26, paragraph (1), items (ii) through (v) of the Act: hereinafter referred to as a "corporation, etc.") that is a non-resident and that would fall under any of the items of paragraph (19) if the person that has made the loan is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, and excluding the amount of the loan), from an amount equivalent to 50 percent of the amount specified by order of the competent ministry as the amount of liabilities of the corporation after the making of the loan (or zero, if the amount thus calculated is less than zero).
- (15) The financial institution specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (vii) of the Act is any of the following financial institutions:
- (i) a person engaging in the trust business, insurance business, or financial instruments business;
 - (ii) the International Bank for Reconstruction and Development and the Export-Import Bank of the United States;
 - (iii) beyond what is set forth in the preceding two items, a person mainly engaging in making loans (excluding the making of loans by a person engaging in the business of purchase and sale, transportation, storage, or intermediation of purchase and sale of goods, in association with these transactions) in the course of trade; or
 - (iv) a person specified by order of the competent ministry as being equivalent to any of those set forth in the preceding three items.
- (16) The act specified by Cabinet Order as prescribed in Article 26, paragraph (2), item (ix) of the Act is any of the following:
- (i) the acquisition of bonds issued by a company which are offered to specific persons among those set forth in the items of Article 26, paragraph (1) of the Act; provided, however, that the acquisition of bonds that falls under any of the following is excluded:
 - (a) the acquisition of bonds which is conducted in the course of trade by a person engaging in banking business or a person set forth in item (i) or (iii) of the preceding paragraph;
 - (b) the acquisition of bonds denominated in Japanese currency which is conducted by a person set forth in Article 26, paragraph (1), items (iii) through (v) of the Act;
 - (c) the acquisition of bonds for which the period from the day of acquisition to the day of redemption of principal is not more than one year;
 - (d) the acquisition of bonds the amount of which is not more than the amount specified in 1. or 2. below according to the categories of cases set forth in 1. or 2.:
1. if the amount of the outstanding bonds of the company to be owned after

- the acquisition is not less than 100 million yen and not more than the amount specified by order of the competent ministry; the amount specified by order of the competent ministry; or
2. if the amount of outstanding bonds of the company to be owned after the acquisition exceeds the amount specified by order of the competent ministry referred to in 1.: the amount calculated by deducting the total of the amount of the outstanding bonds and the amount of the outstanding loans to the company made by the person that acquired the bonds (including the total of the amount of the outstanding bonds acquired and the amount of the outstanding loans made by an individual or a corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) if the person that has acquired the bonds is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, and excluding the amount of the acquisition), from an amount equivalent to 50 percent of the amount specified by order of the competent ministry as the amount of liabilities of the company after the acquisition (or zero, if the amount thus calculated is less than zero); or
 - (e) any other acquisition of bonds specified by order of the competent ministry;
 - (ii) the acquisition of investment securities issued by a corporation established under a special law;
 - (iii) discretionary investment management targeting shares of a listed company, etc., which satisfies the following requirements:
 - (a) the authority necessary for investing in shares of the listed company, etc. and the authority for exercise, etc. of voting rights, etc. have been delegated to any of the persons set forth in the items of Article 26, paragraph (1) of the Act, and, as a result of this delegation, the delegating parties cannot exercise the voting rights or any other rights as the shareholder of those shares; or
 - (b) the discretionary investment management falls under either of the following:
 1. the ratio of the net number of shares obtained by aggregating the number of shares in the listed company, etc. that are subject to the discretionary investment management targeting shares, the number of shares of the listed company, etc. that are subject to the discretionary investment management targeting shares (limited to one that satisfies the requirements set forth in (a)) conducted by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) if the person that conducts the discretionary investment management targeting shares (hereinafter

- referred to as the "investment manager" in this item) is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph (that individual or corporation, etc. is hereinafter referred to as a "person closely related to the investment manager" in this item), and the number of substantial shares of the listed company, etc. owned by the investment manager and the person closely related to the investment manager, to the total number of issued shares of the listed company, etc. comes to 1 percent or more; or
2. the ratio of the net number of voting rights obtained by aggregating, among voting rights attached to shares of the listed company, etc. that are subject to the discretionary investment management targeting shares, the number of voting rights substantially held or otherwise exercisable under contract by the investment manager and the number of voting rights substantially held or otherwise exercisable under contract by a person closely related to the investment manager after the discretionary investment management targeting shares, to the total voting rights in the listed company, etc., comes to 1 percent or more;
- (iv) undertaking of delegation of voting, which falls under any of the following:
- (a) undertaking of delegation of voting regarding the voting rights in a company other than a listed company, etc. (hereinafter referred to as a "non-listed company") (excluding the case regarding voting rights in a non-listed company directly held by a person set forth in any of the items of Article 26, paragraph (1) of the Act); or
- (b) undertaking of delegation of voting regarding the voting rights in a listed company, etc., as a result of which the ratio of the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract by a person undertaking delegation of voting (hereinafter referred to as the "delegatee" in this item) after the undertaking of delegation of voting and the number of voting rights substantially held or otherwise exercisable under contract by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) if the delegatee is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total voting rights in the listed company, etc., comes to 10 percent or more;
- (v) the acquisition of the authority for exercise, etc. of voting rights (referred to as "acquisition of the authority for exercise, etc. of voting rights, etc." in paragraph (1), item (v) of the following Article and Article 7, item (i)) with regard to shares of a listed company, etc. owned by another person, as a result of which the ratio of the net number of voting rights obtained by aggregating, after the acquisition, the number of voting rights substantially

- held or otherwise exercisable under contract by the person that has acquired the authority (hereinafter referred to as the "acquirer of authority" in this item) and the number of voting rights substantially held or otherwise exercisable under contract by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) if the acquirer of authority is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total voting rights in the listed company, etc., comes to 1 percent or more (excluding the cases that constitute the acts set forth in the preceding two items);
- (vi) delegation of the authority to act as proxy in the exercise of the voting rights in a non-listed company which have continued to be directly held by a person since before the person becomes a non-resident (limited to delegation by a non-resident individual to any of the persons set forth in the items of Article 26, paragraph (1) of the Act, which falls under both of the following; referred to as "delegation of voting" in Article 7, item (i)):
 - (a) the person undertaking the delegation is a person that is not the non-listed company or its officer; or
 - (b) the delegation is relevant to a proposal regarding matters specified by order of the competent ministry as matters through which the person undertaking the delegation is likely to have substantial control of the management of the non-listed company or is likely to have a material influence on the management of the non-listed company; or
 - (vii) the acquisition of consent for jointly exercising voting rights substantially held or otherwise exercisable under contract in a listed company, etc., from an individual or corporation, etc. that is another non-resident holding voting rights substantially held or otherwise exercisable under contract in the listed company, etc. (referred to as "acquisition of consent for joint exercise of voting rights" in Article 7, item (i)), as a result of which the ratio of the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract by the person that has acquired the consent (hereinafter referred to as the "consent acquirer" in this item and Article 3-2, paragraph (2), item (ii)), the number of voting rights substantially held or otherwise exercisable under contract by the person that has given the consent (hereinafter referred to as the "consenter" in this item), and the number of substantially held or otherwise exercisable under contract by an individual or a corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) if the consent acquirer is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, or fall under any of the items of items (i) to (xiv), (xvii), and (xviii) of that paragraph if the consenter is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total voting rights

- in the listed company, etc., comes to 10 percent or more.
- (17) The term "discretionary investment management targeting shares" prescribed in item (iii) of the preceding paragraph means making investment in shares as entrusted by another person based on a contract such as a discretionary investment contract (including giving instructions to do so).
- (18) The term "undertaking of delegation of voting" prescribed in paragraph (16), item (iv) means undertaking the delegation of the authority to act as proxy for another person in the exercise of the voting rights in a company directly held by the other person, which falls under all of the following (the same applies in paragraph (1), item (iv) of the following Article and Article 7, item (i)):
- (i) the person undertaking the delegation is a person that is not the company or its officer;
 - (ii) the delegation is relevant to a proposal regarding matters specified by order of the competent ministry as matters through which the person undertaking the delegation is likely to have substantial control of the management of the company or is likely to have a material influence on the management of the company; and
 - (iii) the delegation is accompanied by solicitation of another to have that person act as a proxy in the exercise of voting rights.
- (19) The person specified by Cabinet Order as prescribed in Article 26, paragraph (4) of the Act is any of the following:
- (i) a corporation, etc. in which voting rights in the number equivalent to 50 percent or more of the total voting rights are directly held by the acquirer of shares, etc. (meaning the acquirer of shares prescribed in Article 26, paragraph (2), item (iii) of the Act, the acquirer of voting rights prescribed in item (iv) of that paragraph, or the consenter prescribed in item (v) of that paragraph; hereinafter the same applies in this paragraph);
 - (ii) a corporation, etc. (excluding one set forth in the preceding item) in which voting rights in the number equivalent to 50 percent or more of the total voting rights are directly held by the acquirer of shares, etc. and the corporation, etc. set forth in that item;
 - (iii) if the acquirer of shares, etc. is a corporation, etc.: a corporation, etc. (excluding those set forth in the preceding two items) that directly holds voting rights in the number equivalent to 50 percent or more of the total voting rights in the acquirer of shares, etc.;
 - (iv) if the acquirer of shares, etc. is a corporation, etc.: a corporation, etc. (excluding those set forth in items (i) and (ii)) that directly holds voting rights in the number equivalent to less than 50 percent of the total voting rights in the acquirer of shares, etc., when the total of the number of voting rights in the acquirer of shares, etc. directly held by the corporation, etc. that directly holds voting rights in a number equivalent to less than 50 percent of

- the total voting rights in the acquirer of shares, etc., and the number of voting rights in the acquirer of shares, etc. directly held by another corporation, etc. that directly holds voting rights in a number equivalent to 50 percent or more of the total voting rights in that corporation, etc., comes to 50 percent or more of the total voting rights in the acquirer of shares, etc.;
- (v) a corporation, etc. (excluding those set forth in the preceding items) that directly holds voting rights in a number equivalent to 50 percent or more of the total voting rights in any corporation, etc. set forth in the preceding two items;
 - (vi) a corporation, etc. (excluding those set forth in the preceding items) in which voting rights in a number equivalent to 50 percent or more of the total voting rights are directly held by the corporation, etc. set forth in the preceding item;
 - (vii) a corporation, etc. (excluding those set forth in the preceding items) in which voting rights in a number equivalent to 50 percent or more of the total voting rights are directly held by the corporations, etc. set forth in the preceding two items;
 - (viii) a corporation, etc. (excluding those set forth in the preceding items) in which voting rights in a number equivalent to 50 percent or more of the total voting rights are directly held by the corporations, etc. set forth in item (iii);
 - (ix) a corporation, etc. (excluding those set forth in the preceding items) in which voting rights in a number equivalent to 50 percent or more of the total voting rights are directly held by the corporation, etc. set forth in item (iii) and the corporation, etc. set forth in the preceding item;
 - (x) an officer of the acquirer of shares, etc. (limited to a corporation, etc.) and an officer of the corporation, etc. set forth in each of the preceding items;
 - (xi) a corporation, etc. (excluding those set forth in items (i) through (ix)) in which the persons set forth in the preceding item account for the majority of officers;
 - (xii) the spouse of the acquirer of shares, etc. (limited to an individual);
 - (xiii) a lineal relative of the acquirer of shares, etc. (limited to an individual);
 - (xiv) if the acquirer of shares, etc. is a governmental organization or public entity or any entity equivalent thereto that is located in a country or region outside Japan: any other governmental organization or public entity or any entity equivalent thereto in that country or region (excluding those set forth in items (i) through (ix) and (xi));
 - (xv) if the acquirer of shares, etc. has agreed to exercise voting rights or any other rights as a shareholder of a listed company, etc. jointly with another non-resident individual or corporation, etc. that holds substantial shares of the listed company, etc., or if the acquirer of shares, etc. has agreed to exercise voting rights or any other rights as a shareholder of a listed

- company, etc. jointly with another non-resident individual or corporation, etc. that holds the authority for exercise, etc. of voting rights, etc. attached to the shares of the listed company, etc. owned by another person: the other non-resident individual or corporation, etc. (excluding those set forth in the preceding items);
- (xvi) an individual or corporation, etc. (excluding the acquirer of shares, etc. and those set forth in the preceding items) that is a non-resident and that would fall under any of the categories set forth in items (i) through (xiv) if the person set forth in the preceding item is deemed to be the acquirer of shares, etc.;
- (xvii) if the acquirer of shares, etc. is a partner of a specified partnership, etc. (meaning the specified partnership, etc. prescribed in Article 26, paragraph (1), item (iv) of the Act; hereinafter the same applies in this item) (or a member of an organization similar to a specified partnership (meaning the organization similar to a specified partnership prescribed in item (iv) of that paragraph; the same applies in paragraph (4) of the following Article); the same applies hereinafter) (limited to the case where a partner of a specified partnership, etc. becomes the acquirer of shares, etc. along with an act equivalent to inward direct investment, etc. (meaning the inward direct investment, etc. prescribed in Article 26, paragraph (2) of the Act; the same applies hereinafter) conducted by the specified partnership, etc.): a managing partner of the specified partnership, etc. (excluding the acquirer of shares, etc. and those set forth in the preceding items); or
- (xviii) an individual or corporation, etc. (excluding the acquirer of shares, etc. and those set forth in the preceding items) that is a non-resident and that would fall under any of the categories set forth in items (i) through (xv) if the person set forth in the preceding item is deemed to be the acquirer of shares, etc.

(Notification and Service of Recommendation of Modification Regarding Inward Direct Investment, etc.)

- Article 3 (1) Inward direct investment, etc. specified by Cabinet Order in consideration of inheritance, bequest, merger of a corporation, or any other circumstances as prescribed in Article 27, paragraph (1) of the Act is inward direct investment, etc. that falls within any of the following categories of acts:
- (i) the acquisition of shares or equity in a company or voting rights attached to the shares or equity through inheritance or bequest;
 - (ii) if, as a result of a merger of a corporation that owns shares or equity in a non-listed company (excluding one that operates a business of any of the business types specified by order of the competent ministry as business types involving inward direct investment, etc. that is highly likely to undermine

- national security; referred to as a "specified non-listed company" in the following item), a corporation that survives or a corporation newly established after the merger acquires the shares or equity or voting rights attached to the shares or equity: the acquisition of the shares or equity or the voting rights;
- (iii) if, as a result of a split of a corporation that owns shares or equity in a specified non-listed company, a corporation newly established or a corporation succeeding to business after the split acquires the shares or equity or voting rights attached to the shares or equity: the acquisition of the shares or equity or the voting rights;
- (iv) the acquisition of shares, equity, or voting rights in a non-listed company (excluding acquisition as a result of which the ratio of the number of shares, the amount of capital contributions, or the net number of voting rights obtained by aggregating the shares, etc. under ownership, etc. of the person that has acquired the shares, equity, or voting rights (hereinafter referred to as the "acquirer of shares, equity, or voting rights" in this item) after the acquisition ("shares, etc. under ownership, etc." means the number of shares of a non-listed company directly owned, the amount invested in a non-listed company, or the net number of voting rights obtained by aggregating the number of voting rights in a non-listed company directly held and the number of voting rights involved in the undertaking of delegation of voting (limited to those that fall under paragraph (16), item (iv), (a) of the preceding Article); hereinafter the same applies in this item), and the shares, etc. under ownership, etc. of an individual or corporation that is a non-resident and that would fall under any of the items of paragraph (19) of the preceding Article if the acquirer of shares, equity, or voting rights is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total number of issued shares, the total amount of capital contributions, or the total voting rights in the non-listed company, comes to 10 percent or more), other than the acquisition of shares, equity, or voting rights in a non-listed company that falls within the category of inward direct investment, etc. set forth in any of the items of the following paragraph;
- (v) the acquisition of new shares issued as a result of a share split or consolidation of shares or of voting rights attached to the new shares, discretionary investment management targeting the new shares (meaning discretionary investment management targeting shares prescribed in paragraph (17) of the preceding Article (limited to one that satisfies the requirements set forth in paragraph (16), item (iii), (a) of that Article): the same applies hereinafter), or acquisition of the authority for exercise, etc. of voting rights attached to the new shares;
- (vi) an act set forth in Article 26, paragraph (2), item (i), (iii) through (v), (vii),

- or (viii) of the Act or an act set forth in paragraph (16), item (i) through (v), or (vii) of the preceding Article, which is conducted by a specified listed company, etc. (meaning the specified listed company, etc. prescribed in paragraph (4) of the preceding Article; the same applies through to Article 4, paragraph (1), item (ii));
- (vii) an act set forth in Article 26, paragraph (2), item (i), (iii) through (v), or (vii) of the Act or an act set forth in paragraph (16), item (i), through (v), or (vii) of the preceding Article, which is conducted by a partner in a partnership, etc. along with an act equivalent to inward direct investment, etc. conducted by the partnership, etc.;
- (viii) if the authority for exercise, etc. of voting rights, etc. (excluding the authority to only exercise rights other than voting rights as a shareholder, and the authority to only give instructions regarding the exercise of the rights other than voting rights) has been delegated to a person other than the person that has acquired shares, and, as a result of this delegation, the person that has acquired the shares cannot exercise the voting rights or any other rights as the shareholder of those shares: an act set forth in Article 26, paragraph (2), item (iii) or (iv) of the Act conducted by the person that has acquired the shares;
- (ix) the acquisition of shares of a listed company, etc. set forth in Article 26, paragraph (2), item (iii) of the Act, as a result of which the ratio of the net number of shares obtained by aggregating the number of substantial shares of the listed company, etc. that the person that has acquired the shares (hereinafter referred to as the "acquirer of shares" in this item) is to own after the acquisition, the number of substantial shares of the listed company, etc. owned by the acquirer of shares and an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) of the preceding Article if the acquirer of shares is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph (hereinafter referred to as the "person closely related to the shareholder" in this item), and the number of shares of the listed company, etc. that are subject to the discretionary investment management targeting shares by the acquirer of shares and the person closely related to the acquirer of shares, to the total number of issued shares of the listed company, etc., is less than 1 percent;
- (x) the acquisition of voting rights in a listed company, etc. set forth in Article 26, paragraph (2), item (iv) of the Act, as a result of which the ratio of the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract that the person that has acquired the voting rights (hereinafter referred to as the "acquirer of voting rights" in this item) is to hold in the listed company, etc. after the

- acquisition, and the number of voting rights substantially held or otherwise exercisable under contract in the listed company, etc. to be held by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) of the preceding Article if the acquirer of voting rights is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total voting rights in the listed company, etc., is less than 1 percent;
- (xi) the consent set forth in Article 26, paragraph (2), item (v) of the Act, as a result of which the ratio of the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract in a listed company, etc. that are held by the person that gives the consent (hereinafter referred to as the "consenter" in this item), and the number of voting rights substantially held or otherwise exercisable under contract in the listed company, etc. that are held by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of paragraph (19) of the preceding Article if the consenter is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph, to the total voting rights in the listed company, etc., is less than the ratio specified in each of the items of paragraph (12) of the preceding Article according to the categories of consent set forth in these items; or
- (xii) beyond what is set forth in the preceding items, an act specified by order of the competent ministry.
- (2) Inward direct investment, etc. specified by Cabinet Order as being likely to constitute inward direct investment, etc. that requires the examination as prescribed in Article 27, paragraph (1) of the Act is inward direct investment, etc. that falls under any of the following items:
- (i) inward direct investment, etc. involved in a business type specified by order of the competent ministry as a business type that falls under either (a) or (b) (with regard to inward direct investment, etc. set forth in Article 26, paragraph (2), items (i) through (v) of the Act and paragraph (16), items (i) and (iii) through (vii) of the preceding Article: including the case where a subsidiary company of a listed company, etc. or any other company prescribed in these provisions, and a company specified by order of the competent ministry as another company on which the relevant company has a material influence in terms of decisions on its financial and operational or business policies (excluding a subsidiary company) operate a business of any of the business types specified by order of the competent ministry):
- (a) a business type involving inward direct investment, etc. that is likely to undermine national security, disturb the maintenance of public order, or interfere with the protection of public safety; or

- (b) a business type involving inward direct investment, etc. for which Japan has lodged a reservation pursuant to Article 2-b of the Code of Liberalisation of Capital Movements of the Organization for Economic Cooperation and Development;
 - (ii) inward direct investment, etc. specified by order of the competent ministry as being likely to constitute inward direct investment, etc. set forth in Article 27, paragraph (3), item (ii) of the Act; or
 - (iii) inward direct investment, etc. specified by order of the competent ministry as being likely to constitute a capital transaction subject to the designation by the Minister of Finance under the provisions of Article 11, paragraph (1) of the Foreign Exchange Order (Cabinet Order No. 260 of 1980).
- (3) The notification under the provisions of Article 27, paragraph (1) of the Act must be made by the procedure specified by order of the competent ministry, within six months prior to the day on which inward direct investment, etc. is intended to be conducted.
- (4) If a foreign investor that must make a notification under the provisions of Article 27, paragraph (1) of the Act falls within the category of person set forth in Article 26, paragraph (1), item (i), (ii), or (iv) of the Act (if the foreign investor falls within the category of person set forth in Article 26, paragraph (1), item (iv) of the Act, limited to the case where the foreign investor falls within the category of organization similar to a specified partnership; the same applies in Article 4, paragraph (4) and Article 6-3, paragraph (2)), the foreign investor must make the notification via an agent that is a resident (limited to an agent having the authority to receive documents served under the provisions of paragraphs (7) and (12)).
- (5) The matters specified by Cabinet Order as prescribed in Article 27, paragraph (1) of the Act are the following matters:
- (i) the name, domicile or residence, nationality, and occupation of the person making the notification (if the person is a corporation or any other organization, its name, the location of its principal office, the content of the business it operates, its stated capital, and the name of its representative);
 - (ii) the business purpose regarding inward direct investment, etc.;
 - (iii) the amount and time of execution of inward direct investment, etc.;
 - (iv) the reason for conducting inward direct investment, etc.; and
 - (v) other matters specified by order of the competent ministry.
- (6) The international agreement specified by Cabinet Order as prescribed in Article 27, paragraph (3), item (i) of the Act is the Convention on the Organisation for Economic Co-operation and Development (limited to the part concerning the Code of Liberalisation of Capital Movements decided based on the provisions of Article 5 (a) of the Convention), and Annex 1B, General Agreement on Trade in Services and Annexes to the Marrakesh Agreement

Establishing the World Trade Organization.

- (7) The extension under the provisions of Article 27, paragraph (3) or (6) of the Act regarding the period during which inward direct investment, etc. must not be conducted is granted by serving a document stating the extended period at the address, residence, or business office of the person to be served with the document, through service by mail or by the correspondence delivery prescribed in Article 2, paragraph (2) of the Act on Correspondence Delivery by Private Business Operators (Act No. 99 of 2002) conducted by a general correspondence delivery service provider prescribed in paragraph (6) of that Article or specified correspondence delivery service provider prescribed in paragraph (9) of that Article (hereinafter referred to as "mail, etc."), or through personal service; provided, however, that if a foreign investor has made a notification of the inward direct investment, etc. via an agent that is a resident, the document is served at the address, residence, or business office of the agent.
- (8) If the document prescribed in the preceding paragraph has been dispatched by mail, etc. subject to ordinary handling, the postal item or the correspondence item prescribed in Article 2, paragraph (3) of the Act on Correspondence Delivery by Private Business Operators is presumed to have been serviced at the time it should have normally arrived.
- (9) If the Minister of Finance and the competent minister for the business dispatch the document prescribed in paragraph (7) by mail, etc. subject to ordinary handling, they must prepare in advance a record that is sufficient for confirming the name of the person to be served with the document (or an agent thereof in the case referred to in the proviso to that paragraph: the same applies in the following paragraph and paragraph (11)), the destination, and the date of the dispatch.
- (10) The personal service referred to in paragraph (7) is conducted by an employee of the relevant administrative organ (including an employee of the Bank of Japan who engages in the functions set forth in Article 10, item (iii) based on the provisions of Article 69, paragraph (1) of the Act) at the place where the document is to be served as prescribed in paragraph (7); provided, however, that the document may be delivered at any other place if the person to be served with the document has no objection.
- (11) In the cases set forth in the following items, the personal service referred to in paragraph (7) may be made by way of the act specified in the relevant item, in lieu of the delivery under the provisions of the preceding paragraph:
- (i) if a person delivering the document is unable to meet the person to be served with the document prescribed in paragraph (7) at the place where the document is to be served: by delivering the document to an employee or any other worker of, or a person cohabiting with, the person to be served, who has reasonable discretion concerning the receipt of the document (referred to

- as an "employee, etc." in the following item); or
- (ii) if the person to be served with the document prescribed in paragraph (7) or an employee, etc. thereof is not present at the place where the document is to be served, or these persons refuse to receive the document without reasonable grounds: by leaving the document at the place where the document is to be served.
- (12) The recommendation or order under the provisions of Article 27, paragraph (5) or (10) of the Act is issued by serving a document stating the content of the recommendation or order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service; provided, however, that if a foreign investor has made a notification of the inward direct investment, etc. via an agent that is a resident, the document is served at the address, residence, or business office of the agent.
- (13) The provisions of paragraphs (8) through (11) apply mutatis mutandis to the document stating the content of the recommendation or order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) and the term "paragraph (7)" in paragraph (9) are deemed to be replaced with "paragraph (12)"; in paragraph (10), the term "paragraph (7)" is deemed to be replaced with "paragraph (12)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (iv) or (vi)"; and the term "paragraph (7)" in paragraph (11) is deemed to be replaced with "the following paragraph."
- (14) The notice under the provisions of Article 27, paragraph (7) of the Act must be given by the procedure specified by order of the competent ministry.

(Matters Concerning Special Provisions for Notification of Inward Direct Investment, etc.)

- Article 3-2 (1) A foreign investor specified by Cabinet Order as one highly requiring the examination under the provisions of Article 27, paragraph (3) of the Act as prescribed in Article 27-2, paragraph (1) of the Act is any of the following (in the case of those set forth in items (iii) and (iv), excluding those found by the Minister of Finance as not falling within the category of foreign investor that is highly likely to conduct inward direct investment, etc. involving national security, etc. (meaning the inward direct investment, etc. involving national security, etc. prescribed in Article 27, paragraph (3) of the Act; hereinafter the same applies in this Article)):
- (i) a person that has been sentenced to a punishment under the provisions of the Act, if five years have not yet passed since the day on which the person finished serving the sentence or ceased to be subject to its execution or the day on which the person has violated a disposition under the provisions of the Act or an order based on the Act (excluding the one set forth in the

- following item);
- (ii) a person that has been issued an order under the provisions of Article 27-2, paragraph (4) of the Act or Article 28-2, paragraph (4) of the Act;
 - (iii) the government of a foreign country, a governmental organization of a foreign country, a local public entity of a foreign country, the central bank of a foreign country, or a political party or any other political group of a foreign country (referred to as a "foreign government, etc." in the following item and Article 4-3, paragraph (1));
 - (iv) a corporation or any other organization, which falls under any of the following:
 - (a) a corporation or any other organization in which the ratio of the number of voting rights obtained by aggregating the number of voting rights directly held by a foreign government, etc. affiliated with the same country or region and the number of voting rights specified by order of the competent ministry as those indirectly held by them via another corporation or any other organization, to the total voting rights, is equivalent to 50 percent or more;
 - (b) a corporation or any other organization (excluding one set forth in (a)) in which a foreign government, etc. owns the class of shares subject to provisions concerning the matters set forth in Article 108, paragraph (1), item (viii) of the Companies Act or shares equivalent thereto;
 - (c) a corporation or any other organization (excluding those set forth in (a) and (b)) in which the ratio of the number of shares or the amount of capital contributions owned by a foreign government, etc. affiliated with the same country or region or the one set forth in (a), to the total amount of issued shares or the total amount of capital contributions in the corporation or any other organization, is 50 percent or more;
 - (d) a corporation or any other organization (excluding those set forth in (a) to (c)) in which, among its officers or officers having the authority to represent, the total of the number of those appointed or nominated by a foreign government, etc. affiliated with the same country or region, and the number of officers or employees and other workers of the foreign government, etc., accounts for one-third or more of the total number of officers of the corporation or any other organization or the total number of its officers having the authority to represent; or
 - (e) a corporation or any other organization (excluding those set forth in (a) to (d)) in which a foreign government, etc. has the authority to give instructions on the inward direct investment, etc. conducted by the corporation or any other organization or the exercise of voting rights involved in the inward direct investment, etc.; and
 - (v) officers of the corporation or any other organization set forth in the

preceding two items.

- (2) Inward direct investment, etc. specified by Cabinet Order as being highly likely to constitute inward direct investment, etc. involving national security, etc. prescribed in Article 27-2, paragraph (1) of the Act is any of the following:
- (i) inward direct investment, etc. as set forth in paragraph (2), item (ii) or (iii) of the preceding Article;
 - (ii) inward direct investment, etc. as set forth in Article 2, paragraph (16), items (ii), (iv), and (vi), and item (vii) (limited to inward direct investment, etc. relevant to a proposal regarding matters specified by order of the competent ministry as matters through which the consent acquirer is likely to have substantial control of the management of a company or is likely to have a material influence on the management of the company) (excluding that set forth in the preceding item);
 - (iii) inward direct investment, etc. involved in any of the business types specified by order of the competent ministry as business types involving inward direct investment, etc. that is highly likely to constitute inward direct investment, etc. involving national security, etc. among the business types specified by order of the competent ministry as prescribed in paragraph (2), item (i) of the preceding Article (including cases where a subsidiary company of a listed company, etc. or any other company involved in the inward direct investment, etc., and a company specified by order of the competent ministry as another company on which the company involved in the inward direct investment, etc. has a material influence in terms of decisions on its financial and operational or business policies (excluding a subsidiary company) operate a business of any of the business types specified by order of the competent ministry), other than those set forth in the following (excluding those set forth in the preceding two items):
 - (a) any of the acts set forth in Article 26, paragraph (2), items (iii) and (iv) of the Act and the acts set forth in Article 2, paragraph (16), items (iii) and (v) which are conducted in the course of trade by a financial instruments business operator (meaning the financial instruments business operator prescribed in Article 2, paragraph (9) of the Financial Instruments and Exchange Act) that engages in the Type-I financial instruments business prescribed in Article 28, paragraph (1) of that Act (limited to such business in which the securities services prescribed in paragraph (8) of that Article are conducted, and excluding such business in which only the Type-I small amount electronic public offering service prescribed in Article 29-4-2, paragraph (10) of that Act is conducted), or any other person specified by order of the competent ministry as being similar thereto;
 - (b) any of the acts set forth in Article 26, paragraph (2), items (iii) and (iv) of the Act and the acts set forth in Article 2, paragraph (16), items (iii) and

- (v), as a result of which the ratio of the net number of shares obtained by aggregating the number of substantial shares of a listed company, etc. that the person that has conducted the act is to own after the act, the number of substantial shares of the listed company, etc. that are owned by an individual or corporation, etc. that is a non-resident and that would fall under any of the items of Article 2, paragraph (19) if the person that has conducted the act is deemed to be the acquirer of shares, etc. prescribed in item (i) of that paragraph (that individual or corporation, etc. is hereinafter referred to as a "person closely related to the person that has conducted the act" in this item), and the number of shares of the listed company, etc. subject to discretionary investment management targeting shares if the person that has conducted the act and the person closely related to the person that has conducted the act make discretionary investment management targeting shares, to the total number of issued shares of the listed company, etc., comes to less than 10 percent, and any of those acts as a result of which the ratio of the net number of voting rights obtained by aggregating the number of voting rights substantially held or otherwise exercisable under contract by the person that has conducted the act and the number of voting rights substantially held or otherwise exercisable under contract by the person closely related to the person that has conducted the act, to the total voting rights in the listed company, etc., comes to less than 10 percent (excluding those set forth in (a));
- (iv) inward direct investment, etc. intended for conducting an act that makes it difficult to implement a business of any of the business types specified by order of the competent ministry prescribed in paragraph (2), item (i) of the preceding Article in a continuous and stable manner (excluding those set forth in the preceding three items); or
- (v) inward direct investment, etc. specified by order of the competent ministry as being equivalent to any of those set forth in the preceding items.
- (3) The recommendation or order under the provisions of Article 27-2, paragraph (3) or (4) of the Act is issued by serving a document stating the content of the recommendation or order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service; provided, however, that if a foreign investor has made a report based on the provisions of Article 55-5 of the Act regarding the inward direct investment, etc. via an agent that is a resident, the document is served at the address, residence, or business office of the agent.
- (4) The provisions of paragraphs (8) through (11) of the preceding Article apply mutatis mutandis to a document that states the content of the recommendation or order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph

(7)" in paragraph (9) of that Article are deemed to be replaced with "Article 3-2, paragraph (3)"; in paragraph (10) of that Article, the term "paragraph (7)" is deemed to be replaced with "Article 3-2, paragraph (3)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (iv) or (vi)"; and the term "paragraph (7)" in paragraph (11) of that Article is deemed to be replaced with "Article 3-2, paragraph (3)."

(Notification and Service of Recommendation of Modification Regarding Specified Acquisition)

Article 4 (1) Specified acquisition specified by Cabinet Order in consideration of inheritance, bequest, merger of a corporation, or any other circumstances as prescribed in Article 28, paragraph (1) of the Act is specified acquisition (meaning the specified acquisition prescribed in Article 26, paragraph (3) of the Act; the same applies hereinafter) that falls within any of the following categories of acts:

- (i) specified acquisition through inheritance or bequest;
 - (ii) specified acquisition conducted by a specified listed company, etc.;
 - (iii) specified acquisition conducted by a partner in a partnership, etc. along with an act equivalent to specified acquisition conducted by the partnership, etc.;
 - (iv) beyond what it set forth in the preceding three items, an act specified by order of the competent ministry.
- (2) Specified acquisition specified by Cabinet Order as being likely to constitute specified acquisition that requires the examination prescribed in Article 28, paragraph (1) of the Act is specified acquisition involved in any of the business types specified by order of the competent ministry as business types involving specified acquisition that is highly likely to undermine national security (including cases where a subsidiary company of a non-listed company, etc. involved in the specified acquisition, and a company specified by order of the competent ministry as another company on which the non-listed company has a material influence in terms of decisions on its financial and operational or business policies (excluding a subsidiary company) operate a business of any of the business types specified by order of the competent ministry).
- (3) The notification under the provisions of Article 28, paragraph (1) of the Act must be made by the procedure specified by order of the competent ministry, within six months prior to the day on which specified acquisition is intended to be conducted.
- (4) If a foreign investor that must make a notification under the provisions of Article 28, paragraph (1) of the Act falls within the category of person set forth in Article 26, paragraph (1), item (i), (ii), or (iv) of the Act, the foreign investor must make the notification via an agent that is a resident (limited to an agent

having the authority to receive documents served under the provisions of paragraphs (7) and (9)).

(5) The matters specified by Cabinet Order as prescribed in Article 28, paragraph (1) of the Act are the following matters:

- (i) the name, domicile or residence, nationality, and occupation of the person making the notification (if the person is a corporation or any other organization, its name, the location of its principal office, the content of the business it operates, its stated capital, and the name of its representative);
- (ii) the business purpose regarding specified acquisition;
- (iii) the amount and time of execution of specified acquisition;
- (iv) the reason for conducting specified acquisition; and
- (v) other matters specified by order of the competent ministry.

(6) The international agreement specified by Cabinet Order as prescribed in Article 28, paragraph (3) of the Act is the Convention on the Organization for Economic Co-operation and Development (limited to the part concerning the Code of Liberalization of Capital Movements decided based on the provisions of Article 5 (a) of the Convention), and Annex 1B, General Agreement on Trade in Services and Annexes to the Marrakesh Agreement Establishing the World Trade Organization.

(7) The extension under the provisions of Article 28, paragraph (3) or (6) of the Act regarding the period during which specified acquisition must not be conducted is granted by serving a document stating the extended period at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service; provided, however, that if a foreign investor has made a notification of the specified acquisition via an agent that is a resident, the document is served at the address, residence, or business office of the agent.

(8) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to the document stating the extended period prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraphs (9) through (11) of that Article are deemed to be replaced with "Article 4, paragraph (7)."

(9) The recommendation or order under the provisions of Article 28, paragraph (5) of the Act or the provisions of Article 27, paragraph (10) of the Act as applied mutatis mutandis pursuant to Article 28, paragraph (7) of the Act is issued by serving a document stating the content of the recommendation or order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service; provided, however, that if a foreign investor has made a notification of the specified acquisition via an agent that is a resident, the document is served at

the address, residence, or business office of the agent.

- (10) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to a document that states the content of the recommendation or order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraph (9) of that Article are deemed to be replaced with "Article 4, paragraph (9)"; in paragraph (10) of that Article, the term "paragraph (7)" is deemed to be replaced with "Article 4, paragraph (9)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (iv) or (vi)"; and the term "paragraph (7)" in paragraph (11) of that Article is deemed to be replaced with "Article 4, paragraph (9)."
- (11) The notice under the provisions of Article 27, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 28, paragraph (7) of the Act must be given by the procedure specified by order of the competent ministry.

(Technical Replacement of Terms under Article 27 of the Act)

Article 4-2 The technical replacement of terms under the provisions of Article 28, paragraph (7) of the Act is as set forth in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 27, paragraph (7)	paragraph (5)	Article 28, paragraph (5)
Article 27, paragraph (8)	inward direct investment, etc.	specified acquisition
Article 27, paragraph (9)	paragraph (3) or (6)	Article 28, paragraph (3) or (6)
	inward direct investment, etc.	specified acquisition
	paragraph (5)	Article 28, paragraph (5)
Article 27, paragraph (10)	inward direct investment, etc.	specified acquisition
	paragraph (3) or (6)	paragraph (3) or (6) of that Article
Article 27, paragraph (11)	the inward direct investment, etc. stated in the notification made under the provisions of paragraph (1)... inward direct investment, etc. involving national security, etc.	the specified acquisition stated in the notification made under the provisions of Article 28, paragraph (1)... specified acquisition involving national security, etc. prescribed in paragraph (3) of that Article

	of the inward direct investment, etc.	of the specified acquisition
Article 27, paragraph (12)	Beyond what is provided for in paragraph (5) through the preceding paragraph, Cabinet Order prescribes...of inward direct investment, etc.	Beyond what is provided for in paragraph (7) through the preceding paragraph, and Article 28, paragraphs (5) and (6), Cabinet Order prescribes...of specified acquisition

(Matters Concerning Special Provisions for Notification of Specified Acquisition)

Article 4-3 (1) A person specified by Cabinet Order as one highly requiring the examination under the provisions of Article 28, paragraph (3) of the Act as prescribed in Article 28-2, paragraph (1) of the Act is any of the following:

- (i) a person that has been sentenced to a punishment under the provisions of the Act, if five years have not yet passed since the day on which the person finished serving the sentence or ceased to be subject to its execution or the day on which the person has violated a disposition under the provisions of the Act or an order based on the Act (excluding the one set forth in the following item);
- (ii) a person that has been issued an order under the provisions of Article 27-2, paragraph (4) of the Act or Article 28-2, paragraph (4) of the Act;
- (iii) a foreign government, etc.;
- (iv) a corporation or any other organization, which falls under any of the following:
 - (a) a corporation or any other organization in which the ratio of the number of voting rights obtained by aggregating the number of voting rights directly held by a foreign government, etc. affiliated with the same country or region and the number of voting rights specified by order of the competent ministry as those indirectly held by them via another corporation or any other organization, to the total voting rights, is equivalent to 50 percent or more;
 - (b) a corporation or any other organization (excluding one set forth in (a)) in which a foreign government, etc. owns the class of shares subject to provisions concerning the matters set forth in Article 108, paragraph (1), item (viii) of the Companies Act or anything equivalent thereto;
 - (c) a corporation or any other organization (excluding those set forth in (a) and (b)) in which the ratio of the number of shares or the amount of capital contributions owned by a foreign government, etc. affiliated with the same country or region or the one set forth in (a), to the total amount of issued

- shares or the total amount of capital contributions in the corporation or any other organization, is 50 percent or more;
- (d) a corporation or any other organization (excluding those set forth in (a) to (c)) in which, among its officers or officers having the authority to represent, the total of the number of those appointed or nominated by a foreign government, etc. affiliated with the same country or region, and the number of officers or employees and other workers of the foreign government, etc., accounts for one-third or more of the total number of officers of the corporation or any other organization or the total number of its officers having the authority to represent; or
 - (e) a corporation or any other organization (excluding those set forth in (a) to (d)) in which a foreign government, etc. has the authority to give instructions on the specified acquisition conducted by the corporation or any other organization or the exercise of voting rights involved in the specified acquisition; and
 - (v) officers of the corporation or any other organization set forth in the preceding two items.
- (2) Specified acquisition specified by Cabinet Order as being highly likely to constitute specified acquisition involving national security, etc. prescribed in Article 28-2, paragraph (1) of the Act is any of the following:
- (i) specified acquisition involved in any of the business types specified by order of the competent ministry as business types involving specified acquisition that is highly likely to constitute specified acquisition involving national security among the business types specified by order of the competent ministry as prescribed in Article 4, paragraph (2) (including cases where a subsidiary company of a non-listed company, etc. involved in the specified acquisition, and a company specified by order of the competent ministry as another company on which the non-listed company has a material influence in terms of decisions on its financial and operational or business policies (excluding a subsidiary company) operate a business of any of the business types specified by order of the competent ministry);
 - (ii) specified acquisition intended for conducting an act that makes it difficult to implement a business of any of the business types specified by order of the competent ministry prescribed in Article 4, paragraph (2) in a continuous and stable manner (excluding the one set forth in the preceding item); or
 - (iii) specified acquisition specified by order of the competent ministry as being equivalent to any of those set forth in the preceding two items.
- (3) The recommendation or order under the provisions of Article 28-2, paragraph (3) or (4) of the Act is issued by serving a document stating the content of the recommendation or order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through

personal service; provided, however, that if a foreign investor has made a report based on the provisions of Article 55-5 of the Act regarding the specified acquisition via an agent that is a resident, the document is served at the address, residence, or business office of the agent.

- (4) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to a document that states the content of the recommendation or order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraph (9) of that Article are deemed to be replaced with "Article 4-3, paragraph (3)"; in paragraph (10) of that Article, the term "paragraph (7)" is deemed to be replaced with "Article 4-3, paragraph (3)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (iv) or (vi)"; and the term "paragraph (7)" in paragraph (11) of that Article is deemed to be replaced with "Article 4-3, paragraph (3)."

(Service of Order for Measures)

- Article 4-4 (1) The order under the provisions of Article 29, paragraphs (1) through (5) of the Act is issued by serving a document stating the content of the order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service.
- (2) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to a document that states the content of the order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraph (9) of that Article are deemed to be replaced with "Article 4-4, paragraph (1)"; in paragraph (10) of that Article, the term "paragraph (7)" is deemed to be replaced with "Article 4-4, paragraph (1)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (vi)"; and the term "paragraph (7)" in paragraph (11) of that Article is deemed to be replaced with "Article 4-4, paragraph (1)."
- (3) Service to be made in a foreign country is made as commissioned by the Minister of Finance and the competent minister for the business to the competent government agency in that country or the Japanese ambassador, minister, or consul stationed in that country.
- (4) In the following cases, the Minister of Finance and the competent minister for the business may make service by publication:
- (i) if the address and residence or any other place of service of the person to be served are unknown; and
 - (ii) if, with regard to service to be made in a foreign country, it is impossible to make service pursuant to the provisions of the preceding paragraph, or it is found to be impossible to make service even by such means;

- (5) Service by publication is made by posting, on the notice board of the Ministry of Finance, notice to the effect that the document prescribed in paragraph (1) will be delivered to the person to be served at any time.
- (6) Service by publication becomes effective when two weeks have passed from the day on which the posting under the provisions of the preceding paragraph was made.
- (7) For service by publication made with regard to service to be made in a foreign country, the period referred to in the preceding paragraph is six weeks.

Chapter III Conclusion, etc. of Technology Introduction Contract

(Notification and Service of Recommendation of Modification Regarding Conclusion, etc. of Technology Introduction Contract)

Article 5 (1) The conclusion, etc. of a technology introduction contract prescribed in Article 30, paragraph (1) of the Act (hereinafter referred to as the "conclusion, etc. of a technology introduction contract") specified by Cabinet Order as prescribed in that paragraph is the conclusion, etc. of a technology introduction contract that falls under any of the following items:

- (i) the conclusion of a contract involved in the conclusion, etc. of a technology introduction contract set forth in (a) through (d) (excluding the conclusion of a contract due to the change of one party to a contract involved in the conclusion, etc. of a technology introduction contract), which is related to designated technology (meaning technology specified by order of the competent ministry as technology involved in the conclusion, etc. of a technology introduction contract that is likely to undermine national security, disturb the maintenance of public order, or interfere with the protection of public safety; hereinafter the same applies in this paragraph and Article 6-4, paragraph (2), item (ii));
- (a) the conclusion, etc. of a technology introduction contract for which the amount of consideration to be paid based on the conclusion, etc. of a technology introduction contract (excluding travel expenses and expenses for staying in Japan; hereinafter referred to as "consideration for a technology introduction contract" in this paragraph) to a non-resident (including a non-resident's branch office, etc. in Japan; hereinafter the same applies in this item) that is the other party to the contract exceeds an amount equivalent to 100 million yen;
- (b) the conclusion, etc. of a technology introduction contract for which the amount of consideration for a technology introduction contract has not been determined;
- (c) the conclusion, etc. of a technology introduction contract through which a resident intends to transfer industrial property rights or any other rights

- related to technology, establish rights to use these rights, or provide guidance on technology for business management, as consideration for the technology introduction contract; or
- (d) the conclusion, etc. of a technology introduction contract that a resident intends to conduct with a non-resident if the resident is a company in which 50 percent or more of the total voting rights are directly held by the non-resident that is the other party to the conclusion, etc. of the technology introduction contract;
- (ii) the modification of terms of a contract involved in the conclusion, etc. of a technology introduction contract set forth in (a) through (d) of the preceding item (limited to a change to add designated technology); or
- (iii) the conclusion, etc. of a technology introduction contract (excluding those set forth in item (i), (b) through (d)) for which the amount of consideration for a technology introduction contract is to exceed an amount equivalent to 100 million yen as a result of the modification of terms of the contract and which pertains to designated technology.
- (2) The notification under the provisions of Article 30, paragraph (1) of the Act must be made by the procedure specified by order of the competent ministry, within three months prior to the day on which the conclusion, etc. of a technology introduction contract is intended to be conducted.
- (3) The matters specified by Cabinet Order as prescribed in Article 30, paragraph (1) of the Act are the following matters:
 - (i) the name, domicile or residence, and occupation of the person making the notification (if the person is a corporation, its name, the location of its principal office, the content of the business it operates, its stated capital, and the name of its representative);
 - (ii) the type of technology and consideration for the conclusion, etc. of a technology introduction contract;
 - (iii) the time of execution of the conclusion, etc. of a technology introduction contract;
 - (iv) the reason for conducting the conclusion, etc. of a technology introduction contract; and
 - (v) beyond what is set forth in the preceding items, the terms of a contract involved in the conclusion, etc. of a technology introduction contract, and other matters specified by order of the competent ministry.
- (4) The international agreement specified by Cabinet Order as prescribed in Article 30, paragraph (3) of the Act is the Convention on the Organization for Economic Co-operation and Development (limited to the part concerning the Code of Liberalization of Capital Movements decided based on the provisions of Article 5 (a) of the Convention).
- (5) The extension under the provisions of Article 30, paragraph (3) or (6) of the

Act regarding the period during which the conclusion, etc. of a technology introduction contract must not be conducted is granted by serving a document stating the extended period at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service.

- (6) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to the document stating the extended period prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraphs (9) through (11) of that Article are deemed to be replaced with "Article 5, paragraph (5)."
- (7) The recommendation or order under the provisions of Article 30, paragraph (5) of the Act or the provisions of Article 27, paragraph (10) of the Act as applied mutatis mutandis pursuant to Article 30, paragraph (7) of the Act is issued by serving a document stating the content of the recommendation or order at the address, residence, or business office of the person to be served with the document, through service by mail, etc. or through personal service.
- (8) The provisions of Article 3, paragraphs (8) through (11) apply mutatis mutandis to a document that states the content of the recommendation or order prescribed in the preceding paragraph. In this case: the term "the preceding paragraph" in paragraph (8) of that Article and the term "paragraph (7)" in paragraph (9) of that Article are deemed to be replaced with "Article 5, paragraph (7)"; in paragraph (10) of that Article, the term "paragraph (7)" is deemed to be replaced with "Article 5, paragraph (7)," and the term "Article 10, item (iii)" is deemed to be replaced with "Article 10, item (iv) or (vi)"; and the term "paragraph (7)" in paragraph (11) of that Article is deemed to be replaced with "Article 5, paragraph (7)."
- (9) The notice under the provisions of Article 27, paragraph (7) of the Act as applied mutatis mutandis pursuant to Article 30, paragraph (7) of the Act must be given by the procedure specified by order of the competent ministry.

(Technical Replacement of Terms under Article 27 of the Act)

Article 6 The technical replacement of terms under the provisions of Article 30, paragraph (7) of the Act is as set forth in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 27, paragraph (7)	paragraph (5)	Article 30, paragraph (5)

Article 27, paragraph (8)	must conduct the inward direct investment, etc.	must conduct the conclusion, etc. of a technology introduction contract
	paragraph (3) or (6)	Article 30, paragraph (3) or (6)
Article 27, paragraph (9)	the inward direct investment, etc.	the conclusion, etc. of a technology introduction contract
	conduct the inward direct investment, etc.	conduct the conclusion, etc. of a technology introduction contract
	paragraph (5)	Article 30, paragraph (5)
Article 27, paragraph (10)	the substance of...the inward direct investment, etc.	all or part of the terms of the contract involved in the conclusion, etc. of a technology introduction contract
	paragraph (3) or (6)	paragraph (3) or (6) of that Article
Article 27, paragraph (11)	the inward direct investment, etc. stated in the notification made under the provisions of paragraph (1)... inward direct investment, etc. involving national security, etc.	the conclusion, etc. of a technology introduction contract stated in the notification made under the provisions of Article 30, paragraph (1)... the conclusion, etc. of a technology introduction contract involving national security, etc. prescribed in paragraph (3) of that Article
	the substance of...the inward direct investment, etc.	all or part of the terms of the contract involved in the conclusion, etc. of a technology introduction contract
Article 27, paragraph (12)	Beyond what is provided for in paragraph (5) through the preceding paragraph, Cabinet Order prescribes...the substance of... inward direct investment, etc.	Beyond what is provided for in paragraph (7) through the preceding paragraph, and Article 30, paragraphs (5) and (6), Cabinet Order prescribes...all or part of the terms of the contract involved in the conclusion, etc. of a technology introduction contract

(Exclusion from Application)

Article 6-2 The conclusion, etc. of a technology introduction contract specified by Cabinet Order as prescribed in Article 30, paragraph (8) of the Act is the

conclusion, etc. of a technology introduction contract concerning guidance on technology for business management.

Chapter III-2 Reports

(Report of Inward Direct Investment, etc. and Specified Acquisition)

- Article 6-3 (1) The report under the provisions of Article 55-5, paragraph (1) of the Act must be made by the procedure specified by order of the competent ministry, within the period specified by order of the competent ministry.
- (2) If a foreign investor that must make a report under the provisions of Article 55-5, paragraph (1) of the Act falls within the category of person set forth in Article 26, paragraph (1), item (i), (ii), or (iv) of the Act, the foreign investor must make the report via an agent that is a resident (in the case of a foreign investor that has conducted inward direct investment, etc. or specified acquisition without making a notification under the provisions of Article 27, paragraph (1) of the Act or Article 28, paragraph (1) of the Act pursuant to the provisions of Article 27-2, paragraph (1) of the Act or Article 28-2, paragraph (1) of the Act: limited to an agent having the authority to receive documents served under the provisions of Article 3-2, paragraph (3) or Article 4-3, paragraph (3)).
- (3) The matters specified by Cabinet Order as prescribed in Article 55-5, paragraph (1) of the Act are the following matters:
- (i) the name, domicile or residence, nationality, and occupation of the person making the report (if the person is a corporation or any other organization, its name, the location of its principal office, the content of the business it operates, its stated capital, and the name of its representative);
 - (ii) the business purpose regarding inward direct investment, etc. or specified acquisition;
 - (iii) the amount and day of execution of inward direct investment, etc. or specified acquisition; and
 - (iv) other matters specified by order of the competent ministry.

(Report of Conclusion, etc. of a Technology Introduction Contract)

- Article 6-4 (1) The report under the provisions of Article 55-6, paragraph (1) of the Act must be made by the procedure specified by order of the competent ministry, within 45 days from the day on which the conclusion, etc. of a technology introduction contract is conducted.
- (2) The conclusion, etc. of a technology introduction contract specified by Cabinet Order as prescribed in Article 55-6, paragraph (2) of the Act is the conclusion, etc. of a technology introduction contract set forth in the following:
- (i) the conclusion, etc. of a technology introduction contract concerning

- guidance on technology for business management; or
- (ii) the conclusion, etc. of a technology introduction contract concerning technology other than designated technology.

(Reports based on the Provisions of Article 55-8 of the Act)

- Article 6-5 (1) If the Minister of Finance requests, or the Minister of Finance and the competent minister for the business request, based on the provisions of Article 55-8 of the Act and to the extent necessary for the enforcement of the provisions of Articles 26 through 30 of the Act, Article 55-5 of the Act, or Article 55-6 of the Act and this Cabinet Order, that a person that has conducted a transaction or act to which these provisions apply or any relevant person should report the details of the transaction or act, the time of execution, and other matters related to the transaction or act, the ministers are to designate the matters for which the report is requested, pursuant to the provisions of Ministry of Finance Order or order of the competent ministry.
- (2) A person that is requested to report the matters designated pursuant to the provisions of the preceding paragraph must make the report by the procedure specified by Ministry of Finance Order or order of the competent ministry.

Chapter IV Miscellaneous Provisions

(Competent Minister for the Business)

Article 7 The competent minister for the business under the Act and this Cabinet Order is the minister specified in each of the following items according to the categories of matters set forth in these items:

- (i) matters concerning the acquisition or transfer of shares or equity in a company (including a corporation established under a special law), acquisition of voting rights, discretionary investment management targeting shares, undertaking of delegation of voting, acquisition of the authority for exercise, etc. of voting rights, delegation of voting, acquisition of consent for joint exercise of voting rights, substantial change of the business purpose, appointment of a director or auditor, an absorption-type merger, or dissolution of a company: the competent minister for the business operated by the company (if the company's subsidiary company or a company specified by order of the competent ministry as prescribed in Article 3, paragraph (2), item (i) operates a business of any of the business types specified by order of the competent ministry as prescribed in that item, or the company's subsidiary company or a company specified by order of the competent ministry as prescribed in Article 4, paragraph (2) operates a business of any of the business types specified by order of the competent ministry as prescribed in that paragraph: including the competent minister for the

- relevant business; the same applies in item (vi));
- (ii) matters concerning the establishment of a branch office, etc. in Japan, or a substantial change of the type or business purpose of a branch office, etc. in Japan: the competent minister for the business operated by the branch office, etc.;
 - (iii) matters concerning the making of a loan to a corporation having its principal office in Japan: the competent minister for the business operated by the corporation;
 - (iv) matters concerning the transfer or acquisition of, or succession to a business: the competent minister for the business;
 - (v) matters concerning the conclusion, etc. of a technology introduction contract: the competent minister for the business for which the technology involved in the conclusion, etc. of the technology introduction contract is to be introduced; or
 - (vi) matters concerning the acquisition of bonds issued by a company: the competent minister for the business operated by the company.

(Order of the Competent Ministry)

Article 7-2 Order of the competent ministry under this Cabinet Order is an order issued by the Minister of Finance and the competent minister for the business.

(Method of Public Notice)

Article 8 Public notice based on the provisions of this Cabinet Order is made in an official gazette.

(Method of Conversion)

Article 9 If the provisions of the Act (limited to Chapter V, Article 55-5, Article 55-6, and Article 55-8 (limited to the part concerning Article 6-5 of this Cabinet Order; the same applies in the following Article)) and this Cabinet Order, and orders based on these apply, the conversion of a foreign currency to Japanese currency is to be made by using the reference foreign exchange rate or arbitrated foreign exchange rates prescribed in Article 7, paragraph (1) of the Act as of the day on which the transaction or act subject to the conversion of the amount under the relevant provisions is conducted, except when the conversion is made by using the method specified by order of the competent ministry according to the categories specified by order of the competent ministry.

(Delegation of Functions)

Article 10 The functions concerning the enforcement of the Act (limited to Chapter V, Article 55-5, Article 55-6, and Article 55-8) that the Minister of

Finance has or the Minister of Finance and the competent minister for the business have the Bank of Japan handle pursuant to the provisions of Article 69, paragraph (1) of the Act are the following functions; provided, however, that this does not preclude the Minister of Finance or the Minister of Finance and the competent minister for the business from handling the functions themselves pursuant to the provisions of Ministry of Finance Order or order of the competent ministry if they find it to be necessary:

- (i) receiving a notification based on the provisions of Article 27, paragraph (1) of the Act, Article 28, paragraph (1) of the Act, and Article 30, paragraph (1) of the Act;
- (ii) giving notice of the shortening of a period based on the provisions of Article 27, paragraphs (2) and (4) of the Act, Article 28, paragraphs (2) and (4) of the Act, and Article 30, paragraphs (2) and (4) of the Act and other functions concerning the shortening of the period, which are specified by the Minister of Finance and the competent minister for the business;
- (iii) sending a document stating the extended period based on the provisions of Article 27, paragraphs (3) and (6) of the Act, Article 28, paragraphs (3) and (6) of the Act, and Article 30, paragraphs (3) and (6) of the Act;
- (iv) sending a document stating the content of a recommendation based on the provisions of Article 27, paragraph (5) of the Act, Article 27-2, paragraph (3) of the Act, Article 28, paragraph (5) of the Act, Article 28-2, paragraph (3) of the Act, and Article 30, paragraph (5) of the Act;
- (v) receiving notice concerning the acceptance of a recommendation based on the provisions of Article 27, paragraph (7) of the Act (including as applied mutatis mutandis pursuant to Article 28, paragraph (7) of the Act and Article 30, paragraph (7) of the Act);
- (vi) sending a document stating the content of an order based on the provisions of Article 27, paragraph (10) of the Act (including as applied mutatis mutandis pursuant to Article 28, paragraph (7) of the Act and Article 30, paragraph (7) of the Act), Article 27-2, paragraph (4) of the Act, Article 28-2, paragraph (4) of the Act, and Article 29, paragraphs (1) through (5) of the Act;
- (vii) giving notice of rescission based on the provisions of Article 27, paragraph (11) of the Act (including as applied mutatis mutandis pursuant to Article 28, paragraph (7) of the Act and Article 30, paragraph (7) of the Act);
- (viii) receiving a report based on the provisions of Article 55-5, paragraph (1) of the Act and Article 55-6, paragraph (1) of the Act;
- (ix) preparing a record based on the provisions of Article 3, paragraph (9) (including as applied mutatis mutandis pursuant to paragraph (13) of that Article, Article 3-2, paragraph (4), Article 4, paragraphs (8) and (10), Article 4-3, paragraph (4), Article 4-4, paragraph (2), and Article 5, paragraphs (6)

- and (8));
- (x) receiving a report based on the provisions of Article 6-5; and
- (xi) functions incidental to the functions set forth in the preceding items.