

Social Welfare Act

(Act No. 45 of March 29, 1951)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to specify fundamental particulars in all fields of services aimed at social welfare and, in conjunction with other laws that aim at improving social welfare, to protect the interests of welfare service users and further social welfare in local communities (hereinafter referred to as "Community Welfare "), as well as ensuring fair and appropriate implementation of social welfare services and facilitating the sound development of services aimed at social welfare, and to thereby contribute to increased social welfare.

(Definitions)

Article 2 (1) The term "social welfare services" as used in this Act means Type 1 social welfare services and Type 2 social welfare services.

(2) The services listed below are Type 1 social welfare services:

- (i) operation of a relief facility, rehabilitation facility, or any other facility for the purpose of admitting the needy, free of charge or at a low cost and supporting them by providing livelihood assistance, and operation of providing funeral services for the needy, provided for in the Public Assistance Act (Act No. 144 of 1950);
- (ii) operation of a home for infants, maternal and child living support facility, child protective institution, facility for children with intellectual disabilities, daycare facility for children with intellectual disabilities, facility for blind or deaf children, facility for orthopedically impaired children, facility for children with severe physical and intellectual disabilities, short-term therapeutic facility for emotionally disturbed children, or a self-reliance support facility for children as provided in the Child Welfare Act (Act No. 164 of 1947);
- (iii) operation of a nursing home for the elderly, intensive nursing home for the elderly, or a low-cost nursing home for the elderly as provided in the Act on Social Welfare for the Elderly (Act No. 133 of 1963);
- (iii)-2 operation of a support facility for persons with disabilities as provided for in the Services and Supports for Persons with Disabilities Act (Act No. 123 of 2005);
- (iv) operation of a facility for supporting the rehabilitation of persons with physical disabilities as prescribed in Article 41, paragraph (1) of the Supplementary Provisions of the Services and Supports for Persons with Disabilities Act, which is allowed to be operated in accordance with the provisions previously in force, pursuant to the provisions of the same paragraph;
- (v) operation of a residential care facility for persons with intellectual disabilities prescribed in Article 58, paragraph (1) of the Supplementary Provisions of the Services and Supports for Persons with Disabilities Act,

- which is allowed to be operated in accordance with the provisions previously in force, pursuant to the provisions of the same paragraph;
- (vi) operation of a women's shelter as provided for in the Anti-Prostitution Act (Act No. 118 of 1956);
 - (vii) operation of a vocational facility and a service that advances funds to the needy with zero or low interest.
- (3) The services listed below are Type 2 social welfare services:
- (i) services that provide the needy with food and clothing and other daily necessities at their residences, or that provides them with the money for acquiring such necessities, or that provides them with consultations on daily life;
 - (ii) services that support children's efforts at self-reliant living, after-school services for children's sound upbringing, short-term child care support services, house-call services for all households with babies, house-call services to support childrearing, local childrearing support center services, temporary custody services, small-scale foster home services as provided for in the Child Welfare Act, and the business of operating midwifery homes, nursery centers, children's recreational facility, or child and family support center provided for in the same Act, or the business of providing consultation on improving child welfare;
 - (iii) services that provide support for daily life to fatherless families or services that provide support for daily life to widows as provided for in the Act on Welfare of Mothers with Dependents and Widows (Act No. 129 of 1964), and operation of a mother and child welfare facility as provided for in the same Act;
 - (iv) in-home care services for the elderly, daycare services for the elderly, short in-patient services for the elderly, multifunctional long-term care services in small group homes, or communal daily long-term care services for dementia patients as provided for in the Act on Social Welfare for the Elderly, and operation of a long-term care day service center for the elderly, short-term in-patient facility for the elderly, welfare center for the elderly, or long-term care support center for the elderly as provided for in the same Act;
 - (iv)-2 welfare services for persons with disabilities, consultation support services, or transportation support services as provided for in the Services and Supports for Persons with Disabilities Act, and operation of a local activity support center or welfare home as provided for in the same Act;
 - (v) daily life training services for persons with physical disabilities, sign language interpretation services, service dog training services, or hearing dog training services as provided for in the Act on Welfare of Physically Disabled Persons (Act No. 283 of 1949), and operation of a welfare center for persons with physical disabilities, facility for producing prosthetic devices,

- guide dog training facility, or facility for providing information to persons with a visual or hearing impairment as provided for in the same Act, and services that provide consultation about rehabilitation for persons with physical disabilities;
- (vi) services that provide consultation about rehabilitation for persons with intellectual disabilities as provided for in the Act on Welfare of Mentally Retarded Persons (Act No. 37 of 1960);
 - (vii) operation of a social reintegration facility for persons with psychiatric disorders prescribed in Article 48 of the Supplementary Provisions of the Services and Supports for Persons with Disabilities Act, which is allowed to be operated in accordance with the provisions previously in force, pursuant to the provisions of the same Article;
 - (viii) services through which the needy are rented simple, prefabricated houses or given the use of lodging facilities or other facilities, free of charge or at low cost;
 - (ix) services through which the needy are provided with medical care, free of charge or at low cost;
 - (x) services through which the needy are given the use of long-term care health facilities for the elderly as provided for in the Long-Term Care Insurance Act (Act No. 123 of 1997), free of charge or at low cost;
 - (xi) settlement work (meaning establishing facilities such as settlement houses and allowing them to be used, free of charge or at low cost, or otherwise running services that improve the lives of local residents in the neighboring areas);
 - (xii) services to assist with the utilization of welfare services (meaning services through which persons who have difficulties in performing daily activities for psychological reasons are provided with consultation and advice about utilizing welfare services (limited to welfare services provided in connection with the services set forth in the items of the preceding paragraph and the preceding items of this paragraph; hereinafter the same applies in this item), or are provided with logistical assistance with regard to the procedures that are necessary for receiving welfare services or with regard to payment of the costs for the utilization of welfare services, or any other services through which such persons are provided with comprehensive assistance through a set of steps to enable the appropriate use of welfare services, free of charge or at low cost);
 - (xiii) liaising with or providing subsidies for services set forth in the items of the preceding paragraph and the preceding items of this paragraph.
- (4) The term "social welfare services" as used in this Act does not include the following services:
- (i) offenders rehabilitation services provided for in the Offenders

Rehabilitation Services Act (Act No. 86 of 1995) (hereinafter referred to as "offenders rehabilitation services");

- (ii) services whose implementation period does not exceed six months (or three months for the services listed in item (xiii) of the preceding paragraph);
- (iii) services provided by an association or partnership for its members;
- (iv) services listed in the items of paragraph (2) and item (i) to item (ix) of the preceding paragraph, for which the total number of persons who are admitted to the facility and receive regular assistance is less than five or for which the total number of other persons who receive regular assistance is less than 20 (or 10 for the persons specified by Cabinet Order);
- (v) services listed in item (xiii) of the preceding paragraph through which a total amount of less than five million yen in subsidies is given to social welfare services each fiscal year or to a total of less than 50 social welfare services each fiscal year.

(Fundamental Principles of Welfare Services)

Article 3 Welfare services must take preserving the dignity of the individual as their principle, and must be of a high-quality, appropriate substance for supporting welfare service users in healthful mental and physical betterment or in living their daily lives independently and in accordance with their own abilities.

(Furtherance of Community Welfare)

Article 4 Local residents, persons managing services aimed at social welfare, and persons engaged in activities related to social welfare cooperate with each other to endeavor to further community welfare, so that each local resident needing welfare services can live their daily life as a member of the local community and have the opportunity to participate in social, economic, cultural, or other various activities in all fields.

(Principle of Providing Welfare Services)

Article 5 Persons managing services aimed at social welfare endeavor to ensure the provision of their various welfare services comprehensively, using their originality and ingenuity to maintain an organic linkage with health and medical services and other related services, while sufficiently respecting users' preferences.

(Responsibility of the National and Local Governments to Ensure the Presence of Systems That Provide Welfare Services)

Article 6 The national and local governments must, in cooperation with persons managing services aimed at social welfare, formulate policies that ensure the

presence of systems through which welfare services are provided, formulate policies that promote the appropriate utilization of welfare services, and take other necessary measures, so that services aimed at social welfare can be implemented broadly and systematically.

Chapter II Local Social Welfare Councils

(Local Social Welfare Councils)

- Article 7 (1) In order to investigate and deliberate subject matters involving social welfare (excluding subject matters involving child welfare and the welfare of persons with psychological disorders), councils and other organizations for consensual decision-making with regard to social welfare (hereinafter referred to as a "local social welfare council") must be established in the prefectures, in the designated cities set forth in Article 252-19, paragraph (1) of the Local Autonomy Act (Act No. 67 of 1947) (hereinafter referred to as a "designated city"), and in the core cities set forth in Article 252-22, paragraph (1) of the same Act (hereinafter referred to as a "core city").
- (2) A local social welfare council must be under the supervision of the prefectural governor or the mayor of the designated city or core city, and must give advice in response to consultations by the governor or the mayor and state its opinions to the relevant administrative agencies.

(Organization)

- Article 8 (1) A local social welfare council consists of no more than 35 members.
- (2) When it is necessary for investigating and deliberating special subject matters, ad-hoc members may be appointed to a local social welfare council.

(Members)

- Article 9 Regular and ad-hoc members of a local social welfare council are appointed by the prefectural governor or the mayor of the designated city or core city from among members of the legislative assembly of the prefecture, designated city, or core city, persons engaged in social welfare services, and persons with relevant academic experience.

(Chairperson)

- Article 10 A local social welfare council has one chairperson, who is elected by and from among the council members. The chairperson presides over the business of the council.

(Special Branch Council)

- Article 11 (1) A local social welfare council has in place a commissioned welfare

volunteer screening committee to investigate and deliberate subject matters involved in screening people for suitability as commissioned welfare volunteers, and has in place a committee on the welfare of persons with physical disabilities to investigate and deliberate subject matters involving the welfare of persons with physical disabilities.

- (2) A local social welfare council may have a committee on the welfare of the elderly and other special committees, as needed, to investigate and deliberate subject matters other than those set forth in the preceding paragraph.

(Special Provisions on Local Social Welfare Councils)

Article 12 (1) Notwithstanding the provisions of Article 7, paragraph (1), a prefecture, designated city, or core city may have its local social welfare council investigate and deliberate subject matters that involve child welfare, pursuant to the provisions of a Prefectural or City Ordinance.

- (2) If a local social welfare council is made to investigate and deliberate subject matters that involve child welfare pursuant to the provisions of the preceding paragraph, the phrase "no more than 35" in Article 8, paragraph (1) is deemed to be replaced with "no more than 50," and the phrase "has in place a committee on the welfare of persons with physical disabilities to investigate and deliberate subject matters involving the welfare of persons with physical disabilities." in paragraph (1) of the preceding Article shall be deemed to be replaced with "has in place a committee on the welfare of persons with physical disabilities to investigate and deliberate subject matters involving the welfare of persons with physical disabilities, and has in place a child welfare committee to investigate and deliberate subject matters involving child welfare."

(Delegation to Cabinet Order)

Article 13 Other necessary particulars with regard to local social welfare councils, beyond what is prescribed in this Act, are specified by Cabinet Order.

Chapter III Welfare Offices

(Establishment)

Article 14 (1) Prefectures and cities (including special wards; the same applies hereinafter) must establish welfare offices, pursuant to the provisions of Prefectural or City Ordinance.

- (2) A prefecture or city must place its areas (for a prefecture, excluding the areas of the cities and the areas of towns or villages that have established their own welfare offices) under the administrative jurisdiction of a welfare office.
- (3) A town or village may establish welfare offices under whose administrative

jurisdiction it places its areas, pursuant to a Town/Village Ordinance.

- (4) A town or village may establish an office set forth in the preceding paragraph, as needed, by setting up an administrative association or cross-regional federation, pursuant to the provisions of the Local Autonomy Act. When this occurs, the town/village areas within the administrative association or cross-regional federation constitute the jurisdictional area of the office.
- (5) The welfare offices established by a prefecture are the bodies that take charge of the administrative functions given to the prefecture to handle in connection with measures for aid or upbringing, as provided for in the Public Assistance Act, the Child Welfare Act, and the Act on Mothers with Dependents and Widows.
- (6) The welfare offices established by a municipality (including special wards; the same applies hereinafter) are the bodies that take charge of the administrative functions given to the municipality to handle in connection with measures for aid, upbringing, or rehabilitation, as provided for in the Public Assistance Act, the Child Welfare Act, the Act on Mothers with Dependents and Widows, the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, and the Act on Welfare of Mentally Retarded Persons (except for those provided under Cabinet Orders).
- (7) The establishment or abolition of town/village welfare offices must take place at the beginning or end of the fiscal year.
- (8) When a town or village seeks to establish or abolish welfare offices, it must consult with the prefectural governor and obtain their consent no later than six months prior to the establishment or abolition.

(Organization)

- Article 15 (1) A welfare office must have a head of office and at least the following staff members; provided, however, that if it does not hinder the head of office from performing their own duties and the head themselves provide guidance and supervision for operational work, the welfare office is not required to have the staff members set forth in item (i):
- (i) staff members who provide guidance and supervision;
 - (ii) staff members engaged in operational work;
 - (iii) staff members engaged in clerical work.
- (2) The head of office administers the affairs of the office, under the direction and supervision of the prefectural governor or the municipal mayor (including mayors of special wards; the same applies hereinafter).
 - (3) Staff members who provide guidance/supervision take charge of guiding and supervising operational work, under the direction and supervision of the head of office.
 - (4) Staff members engaged in operational work take charge of interviewing

persons who need aid, upbringing, or rehabilitation, by visiting their homes or without doing so, and examining their assets and environments, judging the necessity of assistance and other measures, specifying appropriate types of measures, and providing them with daily life guidance, under the direction and supervision of the head of office.

- (5) Staff members engaged in clerical work take charge of the administrative affairs of the office, under the direction and supervision of the head of office.
- (6) Staff members set forth in paragraph (1), item (i) and item (ii) must be social welfare officers.

(Fixed Numbers of Staff Members)

Article 16 The fixed numbers of staff members are specified by Prefectural and Municipal Order; provided, however, that the number of staff members engaged in operational work is specified for each office, with the relevant numbers listed in the following items as the standard:

- (i) for offices established by a prefecture, the fixed number is six if there are no more than 390 households receiving public assistance to which the Public Assistance Act applies (hereinafter referred to as "households receiving public assistance"), and this number increases by one for every 65 households receiving public assistance beyond those 390;
- (ii) for offices established by a city, the fixed number is three if there are no more than 240 households receiving public assistance, and this number increases by one for every 80 households receiving public assistance beyond those 240;
- (iii) for offices established by a town or village, the fixed number is two if there are no more than 160 households receiving public assistance, and this number increases by one for every 80 households receiving public assistance beyond those 160.

(Service Discipline)

Article 17 Staff members set forth in Article 15, paragraph (1), item (i) and item (ii) must engage solely in duties prescribed in paragraph (3) or paragraph (4) of the same Article, respectively; provided, however, that this does not preclude these staff members from carrying out other administrative functions involving social welfare or health and medical care if those functions do not interfere with the performance of their own duties.

Chapter IV Social Welfare Officers

(Appointment)

Article 18 (1) Social welfare officers are appointed for a prefecture, city, or town

or village that has established welfare offices.

- (2) A town or village other than one prescribed in the preceding paragraph may appoint social welfare officers.
- (3) The duty of a prefecture's social welfare officers is to engage in administrative functions involved in aid or upbringing measures provided for in the Public Assistance Act, the Child Welfare Act, and the Act on Welfare of Mothers with Dependents and Widows at the welfare offices established by the prefecture.
- (4) The duty of a city's social welfare officers and the social welfare officers of a town or village prescribed in paragraph (1) is to engage in administrative functions involved in aid, upbringing, or rehabilitation measures provided for in the Public Assistance Act, the Child Welfare Act, the Act on Mothers with Dependents and Widows, the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, and the Act on Welfare of Mentally Retarded Persons at the welfare offices established by the city or the town or village prescribed in the same paragraph.
- (5) The duty of social welfare officers appointed under the provisions of paragraph (2) are to engage in administrative functions involved in aid or rehabilitation provided for in the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, and the Act on Welfare of Mentally Retarded Persons.

(Qualification)

- Article 19 (1) Social welfare officers are officials positioned as a support mechanism to the prefectural governor or the municipal mayor, and must be appointed from among persons who are 20 years of age or older and of honorable character, who have a developed sense of discretion, are enthusiastic about increasing social welfare, and who fall under any of the following items:
- (i) a person who has graduated from a university under the School Education Act (Act No. 26 of 1947), a university under the old University Order (Imperial Order No. 388 of 1918), an upper secondary school under the old Upper Secondary School Order (Imperial Order No. 389 of 1918), or a professional training college under the old Professional Training College Order (Imperial Order No. 61 of 1903), having studied a subject connected with social welfare which is designated by the Minister of Health, Labour and Welfare;
 - (ii) a person who has completed a course at a training organization or a training class designated by the Minister of Health, Labour and Welfare;
 - (iii) a certified social worker;
 - (iv) a person who has passed a qualifying examination for social welfare workers which is designated by the Minister of Health, Labour and Welfare;
 - (v) a person who is specified by Order of the Ministry of Health, Labour and

Welfare as having abilities that are equivalent or superior to the persons listed in the preceding items.

- (2) The necessary particulars involved in the designation of a training organization set forth in item (ii) of the preceding paragraph are specified by Cabinet Order.

Chapter V Guidance and Supervision, and Training

(Guidance and Supervision)

Article 20 Upon the enforcement of this Act, the Public Assistance Act, the Child Welfare Act, the Act on Welfare of Mothers with Dependents and Widows, the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, and the Act on Welfare of Mentally Retarded Persons, the prefectural governor, the mayor of a designated city, and the mayor of a core city must establish and implement the necessary plans for providing guidance and supervision for the administrative functions fulfilled by the staff members of the relevant departments.

(Training)

Article 21 In order to enhance the aptitude of officials engaged in administrative functions related to the enforcement of this Act, the Public Assistance Act, the Child Welfare Act, the Act on Welfare of Mothers with Dependents and Widows, the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, and the Act on Welfare of Mentally Retarded Persons, the prefectural governor must provide the necessary training for officials of the relevant prefectural departments and municipal officials, and the mayor of a designated city and the mayor of a core city must provide the necessary training for officials in the relevant departments.

Chapter VI Social Welfare Corporations

Section 1 General Rules

(Definition)

Article 22 The term "social welfare corporation" as used in this Act means a juridical person established pursuant to this Act for the purpose of running social welfare services.

(Name)

Article 23 No person other than a social welfare corporation may use in its name the words "social welfare corporation" or any other words misleadingly similar thereto.

(Management Principles)

Article 24 In order to provide services appropriate as a major actor in social welfare services in a sure, effective, and proper manner, a social welfare corporation must endeavor of its own accord to strengthen its management base, enhance the quality of the welfare services it provides, and ensure transparency in its business management.

(Requirements)

Article 25 A social welfare corporation must have the assets necessary for running social welfare services.

(Public Benefit Services and For-Profit Business Activities)

Article 26 (1) A social welfare corporation may conduct business in order to benefit the public (hereinafter referred to as "public benefit services") or may conduct business in order to allocate its profit to social welfare services or a public benefit services (limited to business listed in Article 2, paragraph (4), item (iv) or other business specified by Cabinet Order; the same applies to Article 57, item (ii)) (hereinafter such business is referred to as a "for-profit business"), insofar as the business does not hinder its social welfare services.
(2) The account for a public benefit service or a for-profit business must be kept separate from the account for the social welfare services that a social welfare corporation provides, and managed as a special account.

(Address)

Article 27 The address of a social welfare corporation is that of the location of its principal office.

(Registration)

Article 28 (1) A social welfare corporation must make a registration upon its establishment, upon the opening of a new secondary office, upon the relocation of an office or at the time of changes made to other previously registered information, upon its dissolution, upon a merger, upon the assumption of office or a change of liquidators, and upon the conclusion of its liquidation, as specified by Cabinet Order.
(2) A subject matter that must be registered pursuant to the provisions of the preceding paragraph may not be duly asserted against a third party until after its registration.

(Application, Mutatis Mutandis)

Article 29 The provisions of Article 78 (Liability for Damages Caused by the

Actions of a Director) of the Act on General Incorporated Associations and General Incorporated Foundations (Act No.48 of 2006) apply mutatis mutandis to a social welfare corporation.

(Competent Government Agency)

Article 30 (1) A social welfare corporation is under the jurisdiction of the prefectural governor; provided, however, that a social welfare corporation listed in one of the following items is under the jurisdiction of the person prescribed in the relevant item:

(i) a social welfare corporation whose principal office is located within the area of a designated city and whose business does not extend beyond the area of that designated city, or a social welfare corporation that is part of a district council of social welfare prescribed in Article 109, paragraph (2): the mayor of the designated city;

(ii) a social welfare corporation whose principal office is located within the area of a core city and whose business does not extend beyond the area of that core city: the mayor of the core city.

(2) Notwithstanding the provisions of the main clause of the preceding paragraph, a social welfare corporation whose business spans areas in two or more prefectures is under the jurisdiction of the Minister of Health, Labour and Welfare.

Section 2 Establishment

(Application)

Article 31 (1) A person seeking to establish a social welfare corporation must set forth at least the following information in its articles of incorporation, follow the procedures specified by Order of the Ministry of Health, Labour and Welfare, and have its articles of incorporation approved by the competent government agency, in order to do so:

(i) its purpose;

(ii) its name;

(iii) the type of social welfare services;

(iv) the location of its offices;

(v) information about its officers;

(vi) information about its meetings;

(vii) information about its assets;

(viii) information about its accounting;

(ix) if it will set in place a board of councilors, information about the board;

(x) if it will run a public benefit service, the type of public benefit service;

(xi) if it will run a for-profit business, the type of for-profit business;

- (xii) information about dissolution;
 - (xiii) information about changes to the articles of incorporation;
 - (xiv) its means of public notice.
- (2) Officers at the time of establishment must be specified in the articles of incorporation.
- (3) If provisions on the person in whom residual assets are to be vested are included in the information prescribed in paragraph (1), item (xii), they must be arranged so that the person is selected from among social welfare corporations or other persons running social welfare services.
- (4) A social welfare corporation set forth in paragraph (2) of the preceding Article must apply for the approval under paragraph (1) via the governor of the prefecture where its principal office is located. When this occurs, the prefectural governor must carry out the necessary examination and attach their opinion.

(Approval)

Article 32 When the competent government agency has received an application for approval under paragraph (1) of the preceding Article, it must determine whether to grant approval for the articles of incorporation after having investigated the subject matters as whether the assets of the social welfare corporation that filed the application meet the requirements set forth in Article 25 and whether the contents of its articles of incorporation and procedures for its establishment violate any laws or regulations.

(Supplement to the Articles of Incorporation)

Article 33 If a person seeking to establish a social welfare corporation dies without having specified the information prescribed in Article 31, paragraph (1), item (ii) to item (xiv), the Minister of Health, Labour and Welfare must specify this information, at the request of an interested person or by their authority.

(Time of Establishment)

Article 34 A social welfare corporation is established through the registration of its establishment at the location of its principal office.

(Preparation and Retention of an Inventory of Assets)

Article 34-2 A social welfare corporation must prepare an inventory of assets at the time of its establishment and retain it at its principal office at all times.

(Application, Mutatis Mutandis)

Article 35 The provisions of Article 158 (Mutatis Mutandis Application of

Provisions on Gifts and Bequests) and Article 164 (Timing of the Vesting of Assets) of the Act on General Incorporated Associations and General Incorporated Foundations apply mutatis mutandis to the establishment of a social welfare corporation.

Section 3 Management

(Fixed Number of Officers, Terms of Office, Appointment of Officers and Disqualification as an Officer)

Article 36 (1) A social welfare corporation must have three or more directors and one or more auditors as its officers.

(2) The term of office of an officer may not exceed two years; provided, however, that this does not preclude reappointment.

(3) No more than half of all of the officers may be made up of a single officer, their spouse, and their relatives within the third degree of kinship.

(4) A person falling under any of the following items may not become the officer of a social welfare corporation:

(i) an adult ward or a person under curatorship;

(ii) a person who has been sentenced to punishment for violating the Public Assistance Act, the Child Welfare Act, the Act on Social Welfare for the Elderly, the Act on Welfare of Physically Disabled Persons, or this Act, and who has not yet finished serving the sentence or ceased to be subject to its enforcement;

(iii) except for a person who falls under the preceding item, a person who has been sentenced to imprisonment without work or a severer punishment, and who has not yet finished serving the sentence or ceased to be subject to its enforcement;

(iv) a person who was the officer of a social welfare corporation that was ordered to dissolve through a dissolution order issued by the competent government agency under Article 56, paragraph (4), at the time of its dissolution.

(Filling an Officer Vacancy)

Article 37 Vacant positions must be filled without delay when the positions exceeding one third of the fixed number of directors or auditors have become vacant.

(Directors' Right to Represent)

Article 38 The directors represent the social welfare corporation with respect to any and all of its business; provided, however, that their right to represent may be restricted by the articles of incorporation.

(Business Decisions)

Article 39 The business of a social welfare corporation is decided by a majority vote of its directors, unless otherwise specified in the articles of incorporation.

(Delegation of a Director's Authority to an Agent)

Article 39-2 A director may delegate their authority for a specific action to another person as an agent, but only if such delegation is not prohibited by the articles of incorporation.

(Provisional Directors)

Article 39-3 If there is a vacancy among the directors and damage is likely to occur due to an administrative delay, the competent government agency must appoint a provisional director, at the request of an interested person or by their authority.

(Actions in Conflict of Interest)

Article 39-4 A director does not have the authority to represent in a subject matter that involves a conflict of interest between that director and the social welfare corporation. When this occurs, the competent government agency must appoint a special agent, at the request of an interested person or by their authority.

(Duties of Auditors)

Article 40 An auditor performs the following duties:

- (i) inspecting the directors' execution of business;
- (ii) auditing the status of the social welfare corporation's assets;
- (iii) reporting any irregularity detected as a result of an inspection of the directors' execution of business or an audit of the status of the social welfare corporation's assets to the board of councilors (or to the competent government agency, if there is no board of councilors);
- (iv) requesting the directors to convene the board of councilors, if it is necessary to make a report as set forth in the preceding item;
- (v) stating an opinion on the directors' execution of business or the status of the social welfare corporation's assets to the directors.

(Prohibition Against Auditors Concurrently Holding Other Positions)

Article 41 An auditor may not concurrently hold the position of director, councilor, or official of the social welfare corporation.

(Board of Councilors)

- Article 42 (1) A social welfare corporation may have in place a board of councilors.
- (2) A board of councilors is comprised of a number of councilors that exceeds twice the fixed number of directors.
- (3) Important subject matters that involve the business of a social welfare corporation may be designated in the articles of incorporation as subject matters requiring a board of councilors' resolution.

(Changes to the Articles of Incorporation)

- Article 43 (1) A change to the articles of incorporation (excluding a change in connection with a subject matter specified by Order of the Ministry of Health, Labour and Welfare) does not take effect unless approved by the competent government agency.
- (2) The provisions of Article 31, paragraph (4) apply mutatis mutandis to an application for approval of a change to the articles of incorporation, and the provision of Article 32 applies mutatis mutandis to approval for a change to the articles of incorporation.
- (3) If a social welfare corporation has made a change to its articles of incorporation in connection with a subject matter specified by Order of the Ministry of Health, Labour and Welfare that is referred to in paragraph (1), it must notify the competent government agency of this without delay.
- (4) A social welfare corporation set forth in Article 30, paragraph (2) must submit the notification under the preceding paragraph via the governor of the prefecture where the principal office of the social welfare corporation is located.

(Accounting)

- Article 44 (1) The fiscal year of a social welfare corporation begins on April 1 each year and ends on March 31 of the following year.
- (2) A social welfare corporation must prepare a business report, inventory of assets, balance sheet, and income and expenditure statements within two months after the end of each fiscal year.
- (3) A director must submit the documents set forth in the preceding paragraph to an auditor.
- (4) A social welfare corporation must retain the documents set forth in paragraph (2) and written statements of auditors' opinions thereon at its offices, and must make them available for inspection, at the request of a person who seeks to utilize the welfare services provided by the social welfare corporation and other interested persons, except when there are legitimate grounds for not doing so.

Article 45 Deleted.

Section 4 Dissolution and Merger

(Causes of Dissolution)

Article 46 (1) A social welfare corporation is dissolved due to the following causes:

- (i) by the consent of at least two thirds of the directors, and by a board of councilors' resolution if the articles of incorporation require such a resolution;
 - (ii) the occurrence of a cause for dissolution specified in the articles of incorporation;
 - (iii) the impossibility of achieving the social welfare corporation's business purpose;
 - (iv) a merger;
 - (v) a decision to commence bankruptcy proceedings;
 - (vi) a dissolution order issued by the competent government agency.
- (2) A dissolution due to a cause listed in item (i) or item (iii) of the preceding paragraph does not take effect unless approved or authorized by the competent government agency.
- (3) If a social welfare corporation has dissolved due to a cause listed in paragraph (1), item (ii) or item (v), the liquidator must notify the competent government agency of this without delay.
- (4) The provisions of Article 31, paragraph (4) apply mutatis mutandis to an application for approval or authorization under paragraph (2).

(Commencement of Bankruptcy Proceedings for a Social Welfare Corporation)

Article 46-2 (1) If a social welfare corporation has become unable to pay its debts in full out of its assets, the court, at the petition of the directors or creditors or by its authority, renders a decision to commence bankruptcy proceedings.

- (2) In a case prescribed in the preceding paragraph, the directors must immediately file a petition to commence bankruptcy proceedings.

(Capacity of a Social Welfare Corporation under Liquidation)

Article 46-3 A dissolved social welfare corporation is deemed to exist, for the purpose of the liquidation, until the conclusion of the liquidation.

(Liquidators)

Article 46-4 Except when dissolution is due to a decision to commence bankruptcy proceedings, if a social welfare corporation has dissolved, its directors become its liquidators; provided, however, that this does not apply when otherwise specified by the articles of incorporation.

(Appointment of Liquidators by the Court)

Article 46-5 If there are no persons to become liquidators pursuant to the preceding Article or if damage is likely to occur due to a vacancy among the liquidators, the court may appoint liquidators at the request of an interested person or the public prosecutor or by its authority.

(Dismissal of Liquidators)

Article 46-6 If there are material grounds for doing so, the court may dismiss a liquidator at the request of an interested person or the public prosecutor or by its authority.

(Notification by Liquidators)

Article 46-7 A liquidator who has assumed the position of liquidator during the course of the liquidation must notify the competent government agency of their name and domicile.

(Duties and Authority of Liquidators)

Article 46-8 (1) Liquidators' duties are as follows:

- (i) the conclusion of current business;
- (ii) the collection of claims and the performance of obligations;
- (iii) the delivery of residual assets.

(2) A liquidator may take any action that is necessary for the performance of the duties listed in the items of the preceding paragraph.

(Request for Filing of Claims)

Article 46-9 (1) Within two months from the day on which a liquidator begins in the position of liquidator, the liquidator must issue a public notice on at least three occasions in which they formally demand creditors to file their claims within a fixed period. In this case, the fixed period may not be less than two months.

(2) A public notice referred to in the preceding paragraph must mention that creditors' claims will be excluded from the liquidation unless submitted within the stated period; provided, however, that a liquidator may not exclude any known creditor.

(3) A liquidator must formally demand each known creditor to file a claim.

(4) A public notice referred to in paragraph (1) is issued by publication in the Official Gazette.

(Filing of a Claim after Expiration of the Period)

Article 46-10 A creditor who submits a claim after the expiration of the period referred to in paragraph (1) of the preceding Article may make a claim only

against assets not yet delivered to persons with vested rights after all debts of the social welfare corporation have been fully paid.

(Commencement of Bankruptcy Proceedings for a Social Welfare Corporation under Liquidation)

Article 46-11 (1) If it becomes apparent during liquidation that the assets of the relevant social welfare corporation are not sufficient to fully pay its debts, a liquidator must immediately file a petition to commence bankruptcy proceedings and issue a public notice of this.

(2) If a social welfare corporation under liquidation becomes subject to a decision to commence bankruptcy proceedings, the liquidator is deemed to have completed their duties when the administrative function for this has been transferred to the bankruptcy trustee.

(3) In a case prescribed in the preceding paragraph, if the social welfare corporation under liquidation has already paid money to its creditors, or has delivered any assets to persons with vested rights, the bankruptcy trustee may retrieve such money or assets.

(4) The public notice set forth in paragraph (1) is issued by publication in the Official Gazette.

(Vesting of Residual Assets)

Article 47 (1) Except for cases of merger and dissolution due to a decision to commence bankruptcy proceedings, the residual assets of a dissolved social welfare corporation are vested in a person with vested rights as of the time that the competent government agency is notified of the completion of liquidation, as specified by the articles of incorporation.

(2) An asset that cannot be disposed of pursuant to the provisions of the preceding paragraph is vested in the national treasury.

(Supervision by the Court)

Article 47-2 (1) The dissolution and liquidation of a social welfare corporation is subject to court supervision.

(2) The court may, by its authority, conduct an inspection that is necessary for the supervision referred to in the preceding paragraph, at any time.

(3) The court supervising the dissolution and liquidation of a social welfare corporation may seek the opinion of the government agency that supervises the social welfare corporation's business or commission it to conduct an investigation.

(4) The government agency prescribed in the preceding paragraph may offer its opinion to the court prescribed in the same paragraph.

(Notification of the Completion of Liquidation)

Article 47-3 When liquidation has been completed, the liquidator must notify the competent government agency of this.

(Jurisdiction over a Case Connected with the Supervision of Dissolution and Liquidation)

Article 47-4 A case connected with the supervision of a social welfare corporation's dissolution and liquidation or involving a liquidator is subject to the jurisdiction of the district court with jurisdiction over the location of the social welfare corporation's principal office.

(Restriction on Appeals)

Article 47-5 No appeal may be entered against a judicial decision on the appointment of liquidators.

(Remuneration for Court-Appointed Liquidators)

Article 47-6 If the court appoints a liquidator pursuant to the provisions of Article 46-5, it may set the amount of remuneration that the social welfare corporation will pay the liquidator. In this case, the court must hear the statements of the relevant liquidator and the auditors.

(Immediate Appeal against a Ruling)

Article 47-7 An immediate appeal may be filed against a ruling to dismiss a liquidator and against a ruling under the provisions of the preceding Article.

(Appointment of Inspectors)

Article 47-8 (1) The court may appoint an inspector in order to have the inspector conduct the necessary investigations for supervising the dissolution and liquidation of a social welfare corporation.
(2) The provisions of the preceding three Articles apply mutatis mutandis when the court has appointed an inspector pursuant to the provisions of the preceding paragraph. In this case, the term "liquidators and auditors" in Article 47-6 is deemed to be replaced with "social welfare corporation and inspectors."

(Merger)

Article 48 A social welfare corporation may merge with another social welfare corporation.

(Merger Procedures)

Article 49 (1) A merger between social welfare corporations must have the

consent of at least two thirds of the directors, and must be effected by a board of councilors' resolution if such a resolution is required by the articles of incorporation.

- (2) A merger does not take effect unless approved by the competent government agency.
- (3) The provisions of Article 31, paragraph (4) apply mutatis mutandis to an application for approval for a merger and the provisions of Article 32 apply mutatis mutandis to approval for a merger.

Article 50 (1) When a social welfare corporation has been granted approval by the competent government agency as prescribed in paragraph (2) of the preceding Article, the social welfare corporation must, within two weeks from the date approval was notified, compile an inventory of assets and create a balance sheet.

- (2) A social welfare corporation must issue a public notice within the period prescribed in the preceding paragraph, informing its creditors that any objections must be stated within a specified period, and must notify each of its identified creditors of this individually; provided, however, that the specified period may not be less than two months.

Article 51 (1) If a creditor does not state an objection to the merger within the specified period set forth in paragraph (2) of the preceding Article, the creditor is deemed to have accepted the merger.

- (2) If a creditor has stated an objection, the social welfare corporation must repay the creditor, provide adequate collateral, or entrust a trust company or a financial institution engaged in trust business with adequate assets for the creditor to be repaid; provided, however, that this does not apply if the merger is unlikely to harm the creditor.

Article 52 If a social welfare corporation is established in a merger, the preparation of the articles of incorporation and other administrative affairs involved in the establishment of the social welfare corporation must be performed in concerted action by the persons appointed by each of the relevant social welfare corporations.

(Effect of a Merger)

Article 53 A social welfare corporation that continues to exist after a merger or that is established in a merger succeeds to the rights and duties of the social welfare corporations that were extinguished in the merger (including the rights and duties that belonged to an extinguished social welfare corporation based on an approval or other disposition rendered by an administrative agency in

relation to its business).

(Timing of a Merger)

Article 54 A merger of social welfare corporations becomes effective through its registration at the location of the principal office of the social welfare corporation that exists after the merger or the social welfare corporation that is established in the merger.

Article 55 Deleted.

Section 5 Subsidies and Supervision

(General Supervision)

Article 56 (1) If the Minister of Health, Labour and Welfare, the prefectural governor, or the mayor of a designated city or a core city finds it to be necessary for confirming whether laws and regulations, dispositions rendered by administrative agencies based on laws and regulations, and the articles of incorporation are being properly observed, they may collect reports from a social welfare corporation concerning its business and accounting status, or may have the relevant officials inspect the status of the social welfare corporation's business and assets.

(2) If the competent government agency finds that a social welfare corporation has violated a law or regulation, a disposition rendered by an administrative agencies based on a law or regulation, or the articles of incorporation, or finds its administration to be seriously inadequate, the agency may order the social welfare corporation to take the necessary measures by the time limit it specifies.

(3) If a social welfare corporation does not abide by the order referred to in the preceding paragraph, the competent government agency may order the social welfare corporation to suspend the whole or a part of its business for the period the agency specifies, or may recommend the removal of its officers.

(4) If a social welfare corporation has violated a law or regulation, a disposition rendered by an administrative agency based on a law or regulation, or the articles of incorporation, and the competent government agency is unable to achieve the goal of supervision by any other means, or if the social welfare corporation does not run its intended services for over one year without reasonable grounds, the competent government agency may order its dissolution.

(5) The competent government agency must, if it seeks to recommend the removal of an officer pursuant to the provisions of paragraph (3), provide the social welfare corporation an opportunity to give an explanation to an official

whom the competent government agency designates, before doing so. When this occurs, the competent government agency must give the social welfare corporation advance written notice of the date, time, and venue at which it may give an explanation, and the grounds for the recommendation.

- (6) A social welfare corporation that has been given the notice referred to in the preceding paragraph may have a representative appear and submit evidence in its favor.
- (7) The official who has heard the explanation referred to in paragraph (5) must compile a hearing record and a written report, also including therein their opinion on whether the recommendation is necessary, and submit these documents to the competent government agency.

(Suspension of a Public Benefit Service or a For-Profit Business)

Article 57 If the competent government agency finds there to be grounds falling under any of the following items with regard to a social welfare corporation that runs a public benefit service or engages in for-profit business as prescribed in Article 26, paragraph (1), it may order the social welfare corporation to suspend the business:

- (i) the social welfare corporation is conducting business other than that specified by the articles of incorporation;
- (ii) the social welfare corporation is using the profits generated by its for-profit business for a purpose other than its own social welfare services or public benefit service;
- (iii) the continuation of the public benefit service or for-profit business will hinder the social welfare corporation's social welfare services.

(Subsidies and Supervision)

Article 58 (1) If the national or local government finds it to be necessary, it may grant subsidies to a social welfare corporation, or provide loans or assign or lend other assets to a social welfare corporation under conditions more advantageous than ordinary loan conditions, in accordance with the procedures specified by Order of the Ministry of Health, Labour and Welfare or ordinance of the relevant local government; provided, however, that this does not preclude application of the provisions of the National Government Asset Act (Act No. 73 of 1948) and Article 237, paragraph (2) of the Local Autonomy Act.

- (2) If subsidies have been granted to a social welfare corporation pursuant to the provisions of the preceding paragraph, the Minister of Health, Labour and Welfare or the head of the local government has the following authority over the social welfare corporation, so as to ensure that the goal of the subsidies is achieved effectively:
 - (i) collecting reports on the social welfare corporation's business or accounting

- status;
- (ii) if the social welfare corporation's budget is found to be inappropriate in light of the goal of the subsidies, recommending the social welfare corporation to make the necessary changes to its budget;
 - (iii) if an officer of the social welfare corporation has violated a law or regulation, a disposition rendered by an administrative agency based on a law or regulation, or the articles of incorporation, recommending that officer's removal.
- (3) If a social welfare corporation has failed to act in accordance with the measures under the provisions of the preceding paragraph, the national or local government may order the social welfare corporation to return the whole or a part of the subsidies granted, loans provided, or other assets assigned or lent.
- (4) The provisions of Article 56, paragraph (5) to paragraph (7) apply mutatis mutandis to a recommendation to remove an officer pursuant to the provisions of paragraph (2), item (iii) or to an order to return the whole or a part of subsidies or loans pursuant to the provisions of the preceding paragraph.

(Submission of Reports to the Competent Government Agency)

- Article 59 (1) A social welfare corporation must submit a business summary and report other subject matters specified by Order of the Ministry of Health, Labour and Welfare to the competent government agency within three months after the end of each fiscal year.
- (2) The provisions of Article 43, paragraph (4) apply mutatis mutandis to a case set forth in the preceding paragraph.

Chapter VII Social Welfare Services

(Management Entity)

- Article 60 Among social welfare services, Type 1 social welfare services are managed, in principle, by the national or local government, or social welfare corporations.

(Rules of Business Management)

- Article 61 (1) The national or local government, social welfare corporation, or other persons managing social welfare services must clearly define its responsibilities, in accordance with the following:
- (i) the national and local government may not shift their legal responsibility to other persons managing social welfare services or ask for financial support from such persons;
 - (ii) the national and local governments must respect the autonomy of other

- persons managing social welfare services and may not become improperly involved in their business;
- (iii) a person managing social welfare services may not improperly ask for financial or administrative support from the national and local governments.
- (2) The provisions of item (i) of the preceding paragraph do not prevent the national or local government from entrusting persons managing other social welfare services with the national or local government's social welfare services, such as the admission of persons needing welfare services to a facility or other measures.

(Establishment of Facilities)

- Article 62 (1) If a municipality or a social welfare corporation seeks to establish a facility and manage Type 1 social welfare services, it must notify the governor of the prefecture where it seeks to establish that facility (hereinafter referred to as a "social welfare facility") of the following particulars, prior to commencing those services:
- (i) the name and type of the facility;
 - (ii) the name, address, personal history, and the state of assets of the establisher;
 - (iii) municipal ordinances, the articles of incorporation and other memorandums of association;
 - (iv) the scale and structure of the building and other equipment;
 - (v) the scheduled date to commence the services;
 - (vi) the name and personal history of the manager of the facility and lead personnel engaged in practical operations;
 - (vii) the ways of handling things with regard to persons needing welfare services.
- (2) If a person other than the national government or a prefecture, municipality, or social welfare corporation seeks to establish a social welfare facility and manage Type 1 social welfare services, the person must obtain permission from the governor of the prefecture where the person seeks to establish the facility, prior to commencing the services.
- (3) A person who seeks to obtain the permission set forth in the preceding paragraph must submit a written application detailing the following particulars, in addition to the particulars listed in the items of paragraph (1), to the prefectural governor:
- (i) the methods of procuring and managing funds for administering the services;
 - (ii) the state of the assets of the manager of the facility;
 - (iii) authorization to use the building and other equipment;
 - (iv) the accounting policy;

- (v) measures to be taken if the administrator of the services or the manager of the facility is incapacitated by an accident.
- (4) When a prefectural governor has received an application for permission set forth in paragraph (2), the governor must examine whether the application conforms to the minimum standards that the Minister of Health, Labour and Welfare specifies pursuant to Article 65, as well as examine the application based on the following criteria:
 - (i) the financial basis necessary for management of the services is present;
 - (ii) the administrator of the services has the public's confidence;
 - (iii) the lead personnel engaged in practical operations have the experience, enthusiasm, and capabilities for social welfare services;
 - (iv) the nature of the services is equivalent to those of a social welfare corporation, in points such as the possibility of separating accounting for the services from other accounting;
 - (v) the person is not seeking to manage the services for the purpose of tax evasion or any other illegal purposes.
- (5) A prefectural governor must grant permission to establish a social welfare facility if they find that the application conforms to the criteria prescribed in the preceding paragraph as a result of the examination prescribed in the same paragraph.
- (6) In granting the permission set forth in the preceding paragraph, the prefectural governor may attach conditions that they find necessary for ensuring the proper administration of the services.

(Changes)

- Article 63 (1) A person who has notified the prefectural governor pursuant to the provision of paragraph (1) of the preceding Article must, if any of the particulars of which they have notified the prefectural governor have changed, notify the prefectural governor of this, within one month from the date of the change.
- (2) If a person who has obtained permission pursuant to the provisions of paragraph (2) of the preceding Article seeks to change any of the particulars listed in paragraph (1), item (iv), item (v), and item (vii) of the same Article, and paragraph (3), item (i), item (iv), item (v) of the same Article, the person must obtain permission from the prefectural governor to do so.
 - (3) The provisions of paragraph (4) to paragraph (6) of the preceding Article apply mutatis mutandis when an application for permission is filed pursuant to the provision of the preceding paragraph.

(Discontinuation)

Article 64 If a person who has notified the prefectural governor under Article 62,

paragraph (1) or obtained permission under paragraph (2) of the same Article and who manages social welfare services seeks to discontinue those services, the person must notify the prefectural governor of this by one month prior to the date of the discontinuation.

(Minimum Standards for Facilities)

Article 65 (1) The Minister of Health, Labour and Welfare must specify the minimum standards necessary for the scale and structure of the equipment in a social welfare facility, the ways in which welfare services are provided, the handling of complaints from the users, and other matters regarding the management of social welfare facilities.

(2) The establisher of a social welfare facility must observe the standards set forth in the preceding paragraph.

(Managers)

Article 66 A social welfare facility must have a full-time manager.

(Commencement of Type 1 Social Welfare Services That Do Not Require a Facility)

Article 67 (1) If a municipality or a social welfare corporation has commenced Type 1 social welfare services that do not require a facility, it must notify the governor of the prefecture where it manages the services of the following particulars, within one month from the date on which it commences those services:

- (i) the name of the administrator and the location of the principal office;
- (ii) the type and content of the services;
- (iii) municipal ordinance, the articles of incorporation, and other memorandums of association.

(2) When a person other than the national government or a prefecture, municipality, or social welfare corporation seeks to manage Type 1 social welfare services that do not require a facility, it must obtain permission from the governor of the prefecture where it seeks to manage the services, prior to commencing the services.

(3) A person who seeks to obtain the permission set forth in the preceding paragraph must submit a written application detailing the particulars listed in the items of paragraph (1), and in Article 62, paragraph (3), item (i), item (iv) and item (v), to the prefectural governor.

(4) When a prefectural governor has received an application for permission set forth in paragraph (2), the governor must examine the application based on the criteria listed in the items of Article 62, paragraph (4).

(5) The provisions of Article 62, paragraph (5) and paragraph (6) apply mutatis

mutandis to a case under the preceding paragraph.

(Changes and Discontinuation)

Article 68 A person who has notified the prefectural governor pursuant to paragraph (1) of the preceding Article or obtained permission under paragraph (2) of the same Article and who manages social welfare services must, if any of the particulars of which the person notified or which the person detailed in the written application for permission have changed, notify the prefectural governor of this within one month from the date of the change. The same applies when the person has discontinued the services.

(Type 2 Social Welfare Services)

Article 69 (1) If a person other than the national government or a prefecture has commenced Type 2 social welfare services, the person must notify the governor of the prefecture where the person manages the services of the particulars listed in the items of Article 67, paragraph (1), within one month from the date on which the person commences those services.

(2) A person who has notified the prefectural governor pursuant to the preceding paragraph must, if any of the particulars of which the person notified have changed, notify the prefectural governor of this within one month from the date of the change. The same applies when the person has discontinued the services.

(Examination)

Article 70 In order to achieve the purpose of this Act, a prefectural governor may request a person managing social welfare services to submit reports on subject matters that the prefectural governor finds to be necessary or have the relevant officials inspect its facilities, books, and documents, and examine the conditions of the person's management of services.

(Order for Improvement)

Article 71 If the prefectural governor comes to find that the facility of a person who has notified the prefectural governor pursuant to Article 62, paragraph (1) or obtained permission under paragraph (2) of the same Article and who manages social welfare services, fails to conform to the minimum standards set forth in Article 65, the prefectural governor may order the person managing the services to take the necessary measures to conform to the standards set forth in the same Article.

(Rescission of Permission)

Article 72 (1) When a person who has notified the prefectural governor pursuant to Article 62, paragraph (1), Article 67, paragraph (1) or Article 69, paragraph

(1) or obtained permission under Article 62, paragraph (2) or Article 67, paragraph (2) and who manages social welfare services, has violated the conditions under Article 62, paragraph (6) (including as applied mutatis mutandis pursuant to Article 63, paragraph (3) and Article 67, paragraph (5)); has violated the provisions of Article 63, paragraph (1) or paragraph (2), Article 68, or Article 69, paragraph (2); has failed to comply with the request to submit a report under Article 70 or submitted a false report; has refused, interfered with, or evaded an inspection or examination by the relevant officials under the same Article; has violated an order under the preceding Article; has wrongfully sought to profit from the services; or has acted wrongfully with regard to the treatment of persons receiving welfare services, the prefectural governor may restrict the person's management of social welfare services, order the person to suspend its management of social welfare services, or rescind the permission set forth in Article 62, paragraph (2) or Article 67, paragraph (2).

(2) If a person who has notified the prefectural governor pursuant to Article 62, paragraph (1), Article 67, paragraph (1) or Article 69, paragraph (1) or made a notification based on other Acts prescribed in Article 74 or who has obtained permission under Article 62, paragraph (2) or Article 67, paragraph (2) or obtained permission or approval based on other Acts prescribed in Article 74, and who manages social welfare services (referred to as an "administrator of social welfare services" in the following Chapter), has violated the conditions under paragraph (2) of the following Article or has violated the provisions of Article 77 or Article 79, the prefectural governor may restrict the person's management of social welfare services, order the person to suspend its management of social welfare services, or rescind the permission set forth in Article 62, paragraph (2) or Article 67, paragraph (2) or the permission or approval based on other Acts prescribed in Article 74.

(3) If a person managing social welfare services in violation of the provisions of Article 62, paragraph (1) or paragraph (2), Article 67, paragraph (1) or paragraph (2), or Article 69, paragraph (1), has wrongfully sought to profit from the services or has acted wrongfully with regard to the treatment of persons receiving welfare services, the prefectural governor may restrict the person's management of social welfare services or order the person to suspend its management of social welfare services.

(Solicitation of Contributions)

Article 73 (1) If a person who manages or seeks to manage social welfare services seeks to solicit contributions to obtain the funds necessary for the management of the services, the person must submit a document that makes clear the period, the area, the method of soliciting funds, and the use of

contributions, to the governor of the prefecture in which the area where the person seeks to solicit contributions is located (or to the Minister of Health, Labour and Welfare, if that area spans two or more prefectures), in accordance with the procedures specified by Order of the Ministry of Health, Labour and Welfare, by one month prior to of the time that the person begins soliciting such contributions, and obtain the minister's permission to do so.

(2) Conditions may be attached to the permission set forth in the preceding paragraph in connection with the period for soliciting contributions, the use of contributions, and the disposition of assets acquired through contributions.

(3) A person who has obtained permission under paragraph (1) and solicited contributions must report the results to the administrative agency from which the person obtained the permission, in accordance with the procedures specified by Order of the Ministry of Health, Labour and Welfare, without delay, after the period for soliciting contributions has elapsed.

(Exclusion from Application)

Article 74 The provisions of Articles 62 through 71 and Article 72, paragraph (1) and paragraph (3) do not apply to facilities or services whose establishment or commencement requires permission or approval from an administrative agency or of which an administrative agency is required to be notified, pursuant to other Acts.

Chapter VIII Appropriate Utilization of Welfare Services

Section 1 Provision of Information

(Provision of Information)

Article 75 (1) An administrator of social welfare services must endeavor to provide information about the social welfare services they manage so that persons who seek to utilize welfare services (limited to those provided as social welfare services; hereinafter the same applies in this Section and the following Section) can utilize them properly and smoothly.

(2) The national and local governments must endeavor to take the necessary measures so that persons who seek to utilize welfare services can obtain the necessary information easily.

(Explanation upon the Offer of a Service Contract)

Article 76 When an administrator of social welfare services has received an offer from a person who seeks to utilize the welfare services the administrator provides, the administrator must endeavor to explain to the person the content of the contract for utilizing the welfare services and the particulars involved in the performance of the contract.

(Delivery of Documents upon the Conclusion of Service Contract)

Article 77 (1) When a contract for utilizing welfare services (excluding contracts specified by Order of the Ministry of Health, Labour and Welfare) has been formed, the administrator of social welfare services must deliver documents containing the following particulars to the user, without delay:

- (i) the name of the administrator of social welfare services and the location of the principal office;
- (ii) the content of welfare services that the administrator of social welfare services provides;
- (iii) the particulars of the amount of money that the user must pay to be provided with the welfare services;
- (iv) other particulars specified by Order of the Ministry of Health, Labour and Welfare.

(2) An administrator of social welfare services may, in lieu of delivering documents as prescribed in the preceding paragraph, provide the particulars that must be detailed in those documents by a means that uses an electronic data processing system or by other means that uses information and communication technology, which is specified by Order of the Ministry of Health, Labour and Welfare, after obtaining the consent of the user, as specified by Cabinet Order. When this occurs, the administrator of social welfare services is deemed to have delivered the relevant documents.

(Measures to Enhance the Quality of Welfare Services)

Article 78 (1) An administrator of social welfare services must endeavor to provide high-quality and adequate welfare services by taking such measures as voluntarily evaluating the quality of welfare services they provide, always from the viewpoint of persons receiving welfare services.

(2) In order to assist measures taken by an administrator of social welfare services to enhance their welfare services, the national government must endeavor to take measures that contribute to the fair and adequate evaluation of the quality of welfare services.

(Prohibition Against Misleading Advertising)

Article 79 When an administrator of social welfare services advertises the welfare services they provide, the administrator may not make a representation with regard to the advertised content of the welfare services or other subject matters specified by Order of the Ministry of Economy, Trade and Industry that differs vastly from the truth or misleads people into believing that the thing being advertised is vastly better or more advantageous than it is in reality,.

Section 2 Assisting People to Use Welfare Services

(Considerations Involved in the Implementation of Services That Assist People to Use Welfare Services)

Article 80 A person who runs a service that assists people to use welfare services must fully respect users' preferences and run the service in a fair and appropriate manner, from the viewpoint of the users.

(Services That Assist People to Use Welfare Services, Run by Prefectural Social Welfare Councils)

Article 81 In addition to running a service listed in the items of Article 110, paragraph (1), a prefectural social welfare council must also run the services necessary for ensuring that services that help people to use welfare services are implemented widely throughout the area of the prefecture, in cooperation with municipal social welfare council and other persons running those services, as well as running a service that raises the credentials of personnel engaged in those services and making services that assist people to use welfare services more prevalent and the public more aware of them.

(Settlement of Complaints by Administrators of Social Welfare Services)

Article 82 An administrator of social welfare services must always endeavor to appropriately settle user complaints concerning the welfare services they provide.

(Committee on Operational Propriety)

Article 83 In order to ensure the proper operation of services that assist people to use welfare services and in order to appropriately settle user complaints about the welfare services within the area of a prefecture, a prefectural social welfare council must have in place a committee on operational propriety consisting of members of honorable character who have knowledge in social welfare, and relevant academic experience in social welfare, law, or medical care.

(Advice about Services That Assist People to Use Welfare Services, from the Committee on Operational Propriety)

Article 84 (1) If a committee on operational propriety finds it to be necessary in order to ensure proper operation of a service that assists people to use welfare services under Article 81, it may provide the necessary advice or recommendations to the person who runs the service that assists people to use welfare services.

(2) If a person who runs a service that assists people to use welfare services has received a recommendation set forth in the preceding paragraph, the person must abide by it.

(Consultations by the Committee on Operational Propriety for Settling Complaints)

Article 85 (1) If a committee on operational propriety has been requested to settle a complaint about welfare services, it must hold a consultation about this, provide the necessary advice to the requestor, and examine the circumstances concerning the complaint.

(2) A committee on operational propriety may mediate the settlement of a complaint after having obtained the consent of the requestor referred to in the preceding paragraph and the person who provided the requester with welfare services.

(Notice of the Prefectural Governor by the Committee on Operational Propriety)

Article 86 If, in the process of settling a complaint, a committee on operational propriety finds it likely that someone acted wrongfully in the treatment of the user of welfare services to which the complaint pertains, the committee must promptly notify the prefectural governor of this.

(Delegation to Cabinet Order)

Article 87 Necessary particulars with regard to committees on operational propriety in addition to what is prescribed in this Section are specified by Cabinet Order.

Section 3 Support for Persons Managing Services Aimed at Social Welfare

Article 88 In addition to running a service listed in the items of Article 110, paragraph (1), a prefectural social welfare council must also fulfill administrative functions on behalf of persons managing services aimed at social welfare, in requesting local governments for the costs that such persons have needed in order to provide welfare services, and must otherwise endeavor to implement services that support persons managing services aimed at social welfare in smoothly implementing those services, as needed, in order to contribute to the sound development of services aimed at social welfare; provided, however, that this does not apply when there is any other appropriate person to implement those support services.

**Chapter IX Promoting the Recruitment of Persons Engaged in Social
Welfare Services
Section 1 Basic Guidelines**

(Basic Guidelines)

- Article 89 (1) In order to ensure the proper implementation of social welfare services, the Minister of Health, Labour and Welfare must establish basic guidelines for measures to recruit persons engaged in social welfare services (hereinafter referred to as "social welfare workers" in this Chapter) and measures to promote the people's participation in activities related to social welfare (hereinafter those guidelines are referred to as the "basic guidelines").
- (2) The particulars specified in the basic guidelines are as follows:
- (i) particulars involving the trends in the employment of social welfare workers;
 - (ii) particulars about the details of measures taken by those who manage social welfare services to improve social welfare workers' treatment (excluding the treatment of national and local public employees) and raise their credentials, measures to recruit new social welfare workers, and other measures involved in the recruitment of social welfare workers;
 - (iii) particulars about the details of measures that are necessary in order for the details of the measures referred to in the preceding item to be properly and effectively implemented;
 - (iv) particulars about the details of measures that are necessary for deepening the people's understanding of social welfare services and promoting their participation in activities related to social welfare.
- (3) If the Minister of Health, Labour and Welfare seeks to establish or change the basic guidelines, the Minister must consult with the Minister of Internal Affairs and Communications in advance, and hear the opinions of the Social Security Council and prefectures.
- (4) If the Minister of Health, Labour and Welfare has established or changed the basic guidelines, the Minister must publicize this without delay.

(Measures to Be Taken by Persons Managing Social Welfare Services)

- Article 90 (1) A person managing social welfare services must endeavor to take measures that conform to the details of the measures prescribed in paragraph (2), item (ii) of the preceding Article.
- (2) A person managing social welfare services must endeavor to provide a person taking measures that conform to the details of the measures prescribed in paragraph (2), item (iv) of the preceding Article, with the necessary cooperation.

(Guidance and Advice)

Article 91 The national government and the prefecture must provide persons managing social welfare services with the guidance and advice necessary for appropriately taking measures that conform to the details of the measures prescribed in Article 89, paragraph (2), item (ii).

(Measures by the National and Local Governments)

Article 92 (1) The national government must endeavor to take the fiscal, financial, and other measures necessary for ensuring enough social welfare workers and promoting the people's participation in activities related to social welfare.

(2) A local government must endeavor to take the measures necessary for ensuring enough social welfare workers and promoting the people's participation in activities related to social welfare.

Section 2 Welfare Manpower Centers

Subsection 1 Prefectural Welfare Manpower Centers

(Designation)

Article 93 (1) A prefectural governor may designate a single social welfare corporation for each prefecture, which has been established with the aim of helping secure social welfare workers by such means as liaising and assisting with social welfare services, and which is found to be capable of properly and reliably taking on the functions prescribed in the following Article, as the prefectural welfare manpower center (hereinafter referred to as a "prefectural center"), at the application of that social welfare corporation.

(2) When a prefectural governor has made a designation under the preceding paragraph, the governor must publicly notify the prefectural center's name and address, and the location of its office.

(3) If a prefectural center seeks to change its name, address, or the location of its office, it must notify the prefectural governor of this in advance.

(4) When a prefectural governor has been notified of the fact under the preceding paragraph, the governor must publicly notify the particulars of which they have been notified.

(Functions)

Article 94 A prefectural center takes on the following functions within the areas of the prefecture:

- (i) implementing activities to enlighten the public about social welfare services;
- (ii) carrying out research and study on securing social welfare workers;
- (iii) providing persons managing social welfare services with consultation and other assistance regarding technical matters involved in implementing

measures that conform to the details of the measures prescribed in Article 89, paragraph (2), item (ii);

- (iv) training social welfare workers and persons seeking to engage in social welfare services for work in social welfare services;
- (v) acting as a liaison for securing social welfare workers;
- (vi) providing job-search assistance to persons seeking to engage in social welfare services;
- (vii) taking on any function that is necessary in connection with securing social welfare workers, beyond what is set forth in the preceding items.

(Coordination with Other Organizations That Have Functions Related to Securing Social Welfare Workers)

Article 95 In taking on the functions prescribed in the preceding Article, a prefectural center must endeavor to collaborate with other organizations that have functions related to securing social welfare workers.

(Business Plans)

Article 96 (1) A prefectural center must prepare business plans and budgets for revenue and expenditures and submit them to the prefectural governor, for each business year, as specified by Order of the Ministry of Health, Labour and Welfare. The same applies when it seeks to change such plans or budgets.

(2) A prefectural center must prepare a business report and statement of accounts and submit them to the prefectural governor, after the end of each business year, as specified by Order of the Ministry of Health, Labour and Welfare.

(Supervision Orders)

Article 97 A prefectural governor may, within the limits necessary for enforcing the provisions of this subsection, issue an order that is necessary for supervision of the functions prescribed in Article 94 against the prefectural center.

(Rescission of Designation)

Article 98 (1) If a prefectural center falls under any of the following items, the prefectural governor may rescind its designation under Article 93, paragraph (1) (hereinafter referred to as "designation"):

- (i) if the prefectural center is found to be incapable of properly and reliably implementing the functions prescribed in Article 94;
- (ii) if the prefectural center has conducted itself improperly in connection with the designation;
- (iii) if the prefectural center has violated any of the provisions of this

subsection or any order or disposition based on these provisions.

- (2) When a prefectural governor has rescinded a designation pursuant to the provisions of the preceding paragraph, the governor must publicly notify this.

Subsection 2 The Central Welfare Manpower Center

(Designation)

Article 99 The Minister of Health, Labour and Welfare may designate a single social welfare corporation throughout the nation, which has been established for promoting the sound development of prefectural centers and ensuring enough social welfare workers by such means as liaising with and assisting in functions taken on by the prefectural centers, and which is found to be capable of properly and reliably taking on the functions prescribed in the following Article, as the Central Welfare Manpower Center (hereinafter referred to as the "Central Center"), at the application of that social welfare corporation.

(Functions)

Article 100 The Central Center takes on the following functions:

- (i) implementing activities to enlighten the public about the prefectural centers' functions;
- (ii) carrying out research and study on ensuring enough social welfare workers in areas spanning two or more prefectures;
- (iii) training persons engaged in functions at the prefectural centers for work in social welfare services;
- (iv) training social welfare workers for work in social welfare services;
- (v) providing liaison coordination, guidance and other assistance for the prefectural centers' functions;
- (vi) collecting information and materials about the prefectural centers' functions and providing them to prefectural centers and other related parties;
- (vii) taking on any function that is necessary for furthering the sound development of prefectural centers and ensuring enough social welfare workers, beyond what is set forth in the preceding items.

(Application, Mutatis Mutandis)

Article 101 The provisions of Article 93, paragraphs (2) through (4) and Articles 96 through 98 apply mutatis mutandis to the Central Center. In this case, the term "prefectural governor" in these provisions is deemed to be replaced with "the Minister of Health, Labour and Welfare"; the term "the preceding paragraph" in Article 93, paragraph (2) is deemed to be replaced with "Article 99"; the terms "this subsection" and "Article 94" in Article 97 are deemed to be

replaced with "the following subsection" and "Article 100," respectively; and the terms "Article 93, paragraph (1)," "Article 94," and "this subsection" in Article 98, paragraph (1) are deemed to be replaced with "Article 99," "Article 100," and "the following subsection," respectively.

Section 3 The Welfare and Well-Being Center

(Designation)

Article 102 The Minister of Health, Labour and Welfare may designate a single social welfare corporation throughout the nation, which has been established for increasing the welfare and well-being of social welfare workers by such means as liaising with and providing subsidies for social welfare services, and which is found to be capable of properly and reliably taking on the functions prescribed in the following Article, as the Welfare and Well-Being Center, at the application of that social welfare corporation.

(Functions)

Article 103 The Welfare and Well-Being Center takes on the following functions:

- (i) implementing activities to enlighten persons managing social welfare services about the welfare and well-being of social welfare workers;
- (ii) carrying out research and study on the welfare and well-being of social welfare workers;
- (iii) implementing services that increase the welfare and well-being of social welfare workers based on a welfare and well-being contract (meaning a contract under which the Welfare and Well-Being Center promises a person managing social welfare services to run services that increase the welfare and well-being of the social welfare workers that the person employs; the same applies hereinafter);
- (iv) acting as a liaison and providing subsidies to persons managing social welfare services, regarding the welfare and well-being of social welfare workers;
- (v) taking on any function that is necessary for increasing the welfare and well-being of social welfare workers, beyond what is set forth in the preceding items.

(Approval of General Conditions)

Article 104 (1) Before the Welfare and Well-Being Center initiates the function listed in item (iii) of the preceding Article, it must set the general conditions for the services it will implement based on the welfare and well-being contract (hereinafter referred to as the "general conditions" in this Article), submit them to the Minister of Health, Labour and Welfare, and have them approved.

The same applies when the Welfare and Well-Being Center seeks to change the general conditions.

- (2) If the Minister of Health, Labour and Welfare finds that the general conditions approved under the preceding paragraph have become inadequate for the proper and reliable implementation of the functions listed in item (iii) of the preceding Article, the Minister may order the Welfare and Well-Being Center to change the general conditions.
- (3) Subject matters that must be included in the general conditions are specified by Order of the Ministry of Health, Labour and Welfare.

(Conclusion and Rescission of a Contract)

Article 105 (1) The Welfare and Well-Being Center may not refuse to conclude a welfare and well-being contract, except when the offeror of the welfare and well-being contract is a person managing social welfare services in violation of any of the provisions of Article 62, paragraph (1) or paragraph (2), Article 67, paragraph (1) or paragraph (2), or Article 69, paragraph (1), or when there are other reasonable grounds specified by Order of the Ministry of Health, Labour and Welfare.

- (2) The Welfare and Well-Being Center may not cancel a welfare and well-being contract, except when the relevant person managing social welfare services has discontinued its services or when there are other reasonable grounds specified by Order of the Ministry of Health, Labour and Welfare.

(Application, Mutatis Mutandis)

Article 106 The provisions of Article 93, paragraphs (2) through (4) and Articles 96 through 98 apply mutatis mutandis to the Welfare and Well-Being Center. In this case, the term "prefectural governor" in these provisions is deemed to be replaced with "the Minister of Health, Labour and Welfare"; the term "the preceding paragraph" in Article 93, paragraph (2) is deemed to be replaced with "Article 102"; the phrase "submit them to" in Article 96, paragraph (1) is deemed to be replaced with "obtain approval from"; the terms "this subsection" and "Article 94" in Article 97 are deemed to be replaced with "the following subsection" and "Article 103," respectively; the terms "Article 93, paragraph (1)," "Article 94," and "this subsection" in Article 98, paragraph (1) are deemed to be replaced with "Article 102," "Article 103," and "the following subsection," respectively; and the phrase "in violation of" in the same paragraph is deemed to be replaced with "in violation of or has carried out the services listed in Article 103, item (iii) without complying with the general conditions prescribed in Article 104, paragraph (1) for which the approval under the same paragraph has been obtained."

Chapter X Furtherance of Community Welfare

Section 1 Community Welfare Plans

(Municipal Welfare Plans)

Article 107 Before a municipality seeks to establish a plan that comprehensively details the following particulars as particulars involved in the furtherance of community welfare (hereinafter referred to as a "municipal welfare plan"), in accordance with the basic concept set forth in Article 2, paragraph (4) of the Local Autonomy Act, or seeks to change that plan, it must, in advance, take the measures that are necessary for reflecting the opinions of the residents, persons managing services aimed at social welfare, and other persons engaged in activities related to social welfare in the plan, and publicize its details:

- (i) particulars involved in the furtherance of the appropriate utilization of welfare services in the region;
- (ii) particulars involved in the sound development of services aimed at social welfare in the region;
- (iii) particulars involved in the facilitation of residents' participation in activities related to community welfare.

(Prefectural Plans for Supporting Community Welfare)

Article 108 Before a prefecture seeks to establish a plan that comprehensively details the following particulars as particulars involved in the support of community welfare in the municipalities (hereinafter referred to as a "prefectural plan for supporting community welfare"), from a cross-regional standpoint across the relevant municipalities, for the purpose of contributing to the achievement of municipal welfare plans, or seeks to change that plan, it must, in advance, take the measures that are necessary for reflecting the opinions of the residents and other persons, by such means as holding public hearings on the plan, and must publicize its content:

- (i) particulars of the basic policy for supporting municipalities in the furtherance of community welfare;
- (ii) particulars involved in securing persons engaged in services aimed at social welfare or the enhancement of their quality;
- (iii) particulars involved in infrastructure development for furthering the appropriate utilization of welfare services and facilitating the sound development of services aimed at social welfare.

Section 2 Social Welfare Councils

(Municipal Social Welfare Councils and District Social Welfare Councils)

Article 109 (1) A municipal social welfare council is an organization that

further community welfare by carrying out the following undertakings, within the area of a single municipality or within the area of two or more municipalities in the same prefecture, which persons managing services aimed at social welfare and persons engaged in activities related to social welfare within the area join, and, for a designated city, which the majority of the district social welfare councils or the majority of persons managing social welfare services or offender rehabilitation services within the relevant area join, or, for a city other than a designated city or for a town or village, which the majority of persons managing social welfare services or offender rehabilitation services within the relevant area join:

- (i) planning and implementation of services aimed at social welfare;
 - (ii) assistance for residents' participation in activities related to social welfare;
 - (iii) examination, dissemination, advertisement, liaison, coordination, and provision of subsidies in connection with services aimed at social welfare;
 - (iv) undertakings other than those listed in the preceding three items which are necessary for facilitating the sound development of services aimed at social welfare.
- (2) A district social welfare council is an organization that furthers community welfare by carrying out the undertakings listed in the items of the preceding paragraph, within the area of a single ward or of two or more wards (meaning wards prescribed in Article 252-20 of the Local Autonomy Act), which persons managing services aimed at social welfare and persons engaged in activities related to social welfare within the area join, and which the majority of persons managing social welfare services or offender rehabilitation services within the area join.
- (3) In addition to carrying out the undertakings listed in the items of paragraph (1), the municipal social welfare council for the area of a designated city must also liaise among the district social welfare councils within the area and coordinate their undertakings.
- (4) A municipal or district social welfare council may implement undertakings listed in the items of paragraph (1) beyond their respective areas, when wide-area implementation of the undertaking is expected to be operationally effective.
- (5) An official of a relevant administrative agency may become an officer of a municipal or district social welfare council; provided, however, that such officials may not account for more than one-fifth of the total number of officers.
- (6) When a person managing services aimed at social welfare or a person engaged in activities related to social welfare has requested to join, a municipal or district social welfare council may not reject the request without reasonable grounds.

(Prefectural Social Welfare Council)

Article 110 (1) A prefectural social welfare council is an organization that furthers community welfare by carrying out the following undertakings within the area of a prefecture, which the majority of municipal social welfare councils and the majority of persons managing social welfare services or offender rehabilitation services within the area join.

- (i) undertakings listed in the items of paragraph (1) of the preceding Article, which should be conducted from a cross-regional standpoint across each of the municipalities;
 - (ii) nurturing and training of persons engaged in services aimed at social welfare;
 - (iii) guidance and advice on the management of services aimed at social welfare;
 - (iv) acting as a liaison among the municipal councils of social welfare and coordinating their undertakings.
- (2) The provisions of paragraph (5) and paragraph (6) of the preceding Article apply mutatis mutandis to a prefectural council of social welfare.

(Federation of Social Welfare Councils)

Article 111 (1) Prefectural social welfare councils may establish a federation of social welfare councils, on a nationwide basis, for the purpose of mutual liaison and coordination of undertakings.

- (2) The provisions of Article 109, paragraph (5) apply mutatis mutandis to the federation of social welfare councils.

Section 3 Community Chest

(Community Chest)

Article 112 The term "community chest" as used in this Act means contributions raised once every year and only during the period specified by the Minister of Health, Labour and Welfare across the areas of a prefecture, with the purpose of distributing those contributions among persons who manage social welfare services, offender rehabilitation services, or other services aimed at social welfare within those areas (excluding the national and local governments; hereinafter the same applies in this section), with a view to furthering community welfare within those areas.

(Community Chest Committee)

Article 113 (1) The organization of a community chest is a Type 1 social welfare service, notwithstanding the provisions of Article 2.

- (2) A social welfare corporation established for the purpose of organizing a

community chest is referred to as a community chest committee.

- (3) No person other than a community chest committee may organize a community chest.
- (4) No person other than a community chest committee or a federation of such committees may use in its name the words "community chest committee" or any other words misleadingly similar thereto.

(Approval for a Community Chest Committee)

Article 114 In granting approval for establishing a community chest committee, the competent government agency set forth in Article 30, paragraph (1) must make an examination with regard to the following subject matters, in addition to the subject matters prescribed in Article 32:

- (i) a prefectural social welfare council must exist within that community chest's area;
- (ii) there must be no likelihood that any particular person's intention will determine the management of the services;
- (iii) no person who will receive a distribution from the community chest is included among the officers, councilors, or members of the distribution committee.
- (iv) officers, councilors, and members of the distribution committee must fairly represent the public opinion within the area of the community chest.

(Distribution Committee)

Article 115 (1) A community chest committee has in place a distribution committee, for the fair distribution of contributions.

- (2) A person falling under any of the items of Article 36, paragraph (4) may not become a member of the distribution committee.
- (3) An officer of a community chest committee may become a member of the distribution committee; provided, however, that such officers may not account for more than one-third of the total number of members.
- (4) Beyond what is prescribed in this section, other necessary subject matters involving distribution committees are specified by Cabinet Order.

(Nature of Community Chests)

Article 116 A community chest must have its basis in the voluntary cooperation of contributors.

(Distribution of Community Chests)

Article 117 (1) Monies from a community chest must not be distributed to a person other than a person managing services aimed at social welfare.

- (2) A community chest committee must obtain approval from the distribution

committee to distribute contributions.

- (3) A community chest committee must finish distributing contributions by the last day of the fiscal year after the fiscal year that contains the day on which the period prescribed in Article 112 expires.
- (4) The national and local governments must not interfere with the distribution of contributions.

(Reserves)

Article 118 (1) Notwithstanding the provisions of paragraph (3) of the preceding Article, a community chest committee may set aside reserves, up to the amount obtained by multiplying the amount of contributions to the community chest by the rate specified by Order of the Ministry of Health, Labour and Welfare, in order to prepare for the occurrence of a disaster prescribed in Article 2 of the Disaster Relief Act (Act No. 118 of 1947) or for other special circumstances specified by Order of the Ministry of Health, Labour and Welfare.

- (2) If a disaster or other special circumstances referred to in the preceding paragraph have occurred, a community chest committee may, notwithstanding the provisions of Article 112, donate the whole or a part of the reserves referred to in the preceding paragraph to another community chest committee, having specified the purpose of the donation, in order for the money to be distributed to persons who manage services aimed at social welfare in an area other than the area where the relevant committee organizes the community chest.
- (3) A community chest committee that has received a donation under the preceding paragraph must distribute the donated money to a person who manages services aimed at social welfare in the relevant areas, in accordance with the purpose of the donation referred to in the same paragraph.
- (4) Before a community chest committee sets aside reserves as prescribed in paragraph (1), donates its reserves as prescribed in paragraph (2), or distributes donated money as prescribed in the preceding paragraph, it must obtain approval from the distribution committee.

(Public Notice of Plans)

Article 119 In order to organize a community chest, a community chest committee must hear the opinions of the prefectural social welfare council and obtain the approval of the distribution committee in advance, specify the community chest's target amount, the scope of distribution recipients, and the means of distribution, and publicly notify them.

(Public Notice of Results)

Article 120 (1) When a community chest committee has finished distributing

contributions, it must, within one month, publicly notify the total amount of funds raised, the names of the recipients, the amount of money distributed, the amount of reserves newly set aside under Article 118, paragraph (1), and the total amount of reserves.

(2) When a community chest committee has donated its reserves under Article 118, paragraph (2), it must promptly publicize the purpose of the donation referred to in the same paragraph, the community chest committee to which it donated its reserves, and the amount of money it donated.

(3) When a community chest committee has made a distribution pursuant to Article 118, paragraph (3), it must publicly notify the total amount of money it was donated and the names of the persons to which the donated money was distributed within three months after completing the distribution, as well as notify the community chest committee that made the donation of the names of the recipients of the money it contributed.

(Dissolution Order to a Community Chest Committee)

Article 121 In addition to when the grounds set forth in Article 56, paragraph (4) have arisen, the competent government agency set forth in Article 30, paragraph (1) may also order the dissolution of a community chest committee if the community chest committee is found not to conform to the criteria prescribed in the items of Article 114; provided, however, that this applies only when the competent government agency is unable to achieve the goal of supervision by any other means.

(Prohibition Against Solicitation of Contributions by Distributees)

Article 122 A person who has received a distribution from a community chest may not solicit contributions to obtain the funds necessary for managing its services, for one year after receiving the distribution.

(Exclusion from Application)

Article 123 The provisions of Article 73 do not apply to a community chest organized by a community chest committee.

(Federation of Community Chest Committees)

Article 124 (1) Community chest committees may establish a federation of community chest committees on a nationwide basis, for the purpose of mutual liaison and coordination of their undertakings.

(2) When the federation of community chest committees seeks to obtain permission under Article 73 to solicit contributions, it must hear, in advance, the opinions of community chest committees of the prefectures in which the areas where it seeks to solicit contributions are located.

Chapter XI Miscellaneous Provisions

(Endorsement of the Performing Arts, Publications)

Article 125 In order to increase social welfare, the Social Security Council may endorse performing arts, publications, etc., or give necessary recommendations to the persons who manufacture, perform, or sell them.

(Special Provisions for Large Cities)

Article 126 The administrative functions given to a prefecture to handle pursuant to the provisions of Chapter 7 and Chapter 8 which are specified by Cabinet Order are, in a designated city or a core city (hereinafter referred to as "designated cities, etc."), handled by the designated city or core city, as specified by Cabinet Order. When this occurs, the provisions concerning prefectures in those Chapters apply to designated cities, etc. as provisions concerning designated cities, etc.

(Classification of Administrative Functions)

Article 127 The administrative functions that are given to a local government listed in the left-hand column of the appended table to handle pursuant to the provisions listed in the right-hand column of the same table are the type 1 statutory entrusted functions prescribed in Article 2, paragraph (9), item (i) of the Local Autonomy Act.

(Delegation of Authority)

Article 128 (1) The authority of the Minister of Health, Labour, and Welfare as provided for in this Act may be delegated to the chief of the relevant Regional Bureau of Health and Welfare, as specified by Order of the Ministry of Health, Labour, and Welfare.

(2) The authority delegated to the chief of a Regional Bureau of Health and Welfare, pursuant to the provisions of the preceding paragraph, may be delegated to the branch manager of the Regional Bureau of Health and Welfare, as specified by Order of the Ministry of Health, Labour, and Welfare.

(Transitional Measures)

Article 129 When a Cabinet Order based on the provisions of this Act is enacted, revised, or abolished, the necessary transitional measures (including transitional measures for penal provisions) may be specified by the Cabinet Order, to the extent considered reasonably necessary for the enactment, revision, or abolition.

(Delegation to Order of the Ministry of Health, Labour and Welfare)

Article 130 Beyond what is provided for in this Act, procedures and other particulars necessary for the enforcement of this Act are prescribed by Order of the Ministry of Health, Labour and Welfare.

Chapter XII Penal Provisions

Article 131 A person falling under any of the following items is sentenced to imprisonment with work for not more than six months or a fine of not more than 500,000 yen:

- (i) a person who has continued to conduct business, in violation of an order for suspension prescribed in Article 57;
- (ii) a person who has managed social welfare services in violation of the provisions of Article 62, paragraph (2) or Article 67, paragraph (2);
- (iii) a person who has violated a restriction or an order of suspension prescribed in Article 72, paragraphs (1) through (3) or who has continued to manage social welfare services in spite of having had the permission rescinded under paragraph (1) or paragraph (2) of the same Article;
- (iv) a person who has solicited contributions without receiving permission under Article 73, paragraph (1) or who has done so in violation of conditions attached to the permission under paragraph (2) of the same Article;
- (v) a person who has used contributions in violation of conditions under Article 73, paragraph (2) or has disposed of assets obtained thereby.

Article 132 A person who has failed to make a report under Article 73, paragraph (3) or has made a false report is sentenced to a fine of not more than 200,000 yen.

Article 133 If the representative of a juridical person or the agent, employee, or other worker of a juridical person or an individual has, in connection with the business of the juridical person or individual, committed the violations prescribed in the preceding two Articles, in addition to the punishment to which the offender is sentenced, the juridical person or individual is sentenced to the fine prescribed in the relevant Article.

Article 134 In a case falling under any of the following items, the directors, auditors, or liquidators of a social welfare corporation are subject to a civil fine of not more than 200,000 yen:

- (i) when they have failed to make a registration under the provisions of a Cabinet Order based on this Act;
- (ii) when they have failed to keep an inventory of assets under Article 34-2,

- have not entered subject matters that must be entered therein, or have made a false entry;
- (iii) when they have failed to make a notification in violation of the provisions of Article 43, paragraph (3), or have made a false notification;
 - (iv) when they have failed to keep documents set forth in Article 44, paragraph (2) and written statements of auditors' opinions thereon under paragraph (4) of the same Article, have not entered subject matters that must be entered therein, or have made a false entry;
 - (v) when they have failed to file a petition to commence bankruptcy proceedings under Article 46-2, paragraph (2) or Article 46-11, paragraph (1);
 - (vi) when they have failed to make a public notice under Article 46-9, paragraph (1) or Article 46-11, paragraph (1), or have made an improper public notice;
 - (vii) when they have violated the provisions of Article 50 or Article 51, paragraph (2).

Article 135 A person who has violated the provisions of Article 23 or Article 113 is subject to a civil fine of not more than 100,000 yen.

Supplementary Provisions [Extract]

(Effective Date)

- (1) This Act comes into effect as of June 1, 1951; provided, however, that the provisions of Chapter 4, Chapter 5, and paragraph (3) to paragraph (6) and paragraph (10) of the Supplementary Provisions come into effect as of April 1, 1951, and the provisions of Chapter 3 and paragraph (7) to paragraph (9) of the Supplementary Provisions come into effect as of October 1, 1951.

(Repeal of Related Acts)

- (2) The Social Service Act (Act No. 59 of 1938) is hereby repealed.
- (3) The Act on Appointment of Social Welfare Officers (Act No. 182 of 1950) is hereby repealed.

(Transitional Provisions Concerning Social Welfare Officers)

- (4) A person who, at the time of the enforcement of the provisions of Chapter 4, has been appointed as a social welfare officer under the Act on Appointment of Social Welfare Officers is deemed to have been appointed as a social welfare officer under this Act.
- (5) Notwithstanding the provisions of Article 18, a person who, at the time of the enforcement of the provisions of Chapter 4, is engaged in social welfare services and falls under either of the following items is deemed to have the

qualifications prescribed in Article 18:

- (i) a person who has been engaged in an administrative function connected with social welfare services as a national or local public employee or a paid responsible official of an organization or facility designated by the Minister of Public Welfare, for two or more years after January 1, 1946;
 - (ii) a person who has been engaged an administrative function connected with social welfare, public health, school education, employment security, the protection of women and minors, or offender rehabilitation, for three or more years after May 15, 1945.
- (6) A designation by the Minister of Public Welfare under Article 2, paragraph (1), item (i) or item (ii) of the Act on Appointment of Social Welfare Officers is deemed to be a designation under Article 18, item (i) or item (ii).

(Transitional Provisions for Welfare Offices)

- (7) Until otherwise provided for by law, a prefecture may establish an organization that fulfills the administrative functions prescribed in Article 14, paragraph (5), at a branch office or local office prescribed in Article 155, paragraph (1) of the Local Autonomy Act, notwithstanding the provisions of Article 14, paragraph (1).
- (8) The provisions of Article 15 to Article 17 apply mutatis mutandis to an organization as set forth in the preceding paragraph.

(Entity Conversion to a Social Welfare Corporation)

- (12) A juridical person that has been established under Article 34 of the Civil Code, at the time of the enforcement of this Act, and which manages social welfare services (hereinafter referred to as a "public interest corporation") may be converted to a social welfare corporation by May 31, 1952.

(Transitional Provisions for the Application of Penal Provisions of the Social Services Act)

- (13) With regard to the application of penal provisions to acts engaged in prior to the enforcement of this Act, the provisions then in force remain applicable.

(Zero-Interest Loans from the National Government)

- (16) Until otherwise provided for by law, the national government may, within the scope of the budget, provide zero-interest loans to a prefecture or designated city, etc., for the expenses spent for the development of a vocational facility (excluding a facility whose expenses are to be borne or subsidized by the national government under Article 75, paragraph (1) or paragraph (2) of the Public Assistance Act) that falls under Article 2, paragraph (1), item (ii) of the Act on Special Measures Concerning Promotion of Social Infrastructure

Development Through Use of Proceeds from Sale of the Stock of Nippon Telegraph and Telephone Corporation (Act No. 86 of 1987; hereinafter referred to as the "Act on Special Measures for Infrastructure Development"), for a portion of the funds that are allocated as expenses, if the development is undertaken by a prefecture or designated city, etc., and for a portion of the funds that are allocated as expenses that the prefecture or designated city, etc. subsidizes, if the development is undertaken by a municipality other than a designated city, etc. or is undertaken by a social welfare corporation.

- (17) Until otherwise provided for by law, the national government may, within the scope of the budget, provide zero-interest loans to a designated city, etc., for a portion of the funds that are allocated as expenses spent for the development of a facility, such as a settlement house, that falls under Article 2, paragraph (1), item (ii) of the Act for Special Measures for Infrastructure Development.
- (18) Until otherwise provided for by law, the national government may, within the scope of the budget, provide zero-interest loans to a prefecture, for a portion of the funds that are allocated as expenses that the prefecture subsidizes for a municipality other than a designated city, etc. for the development of a facility, such as a settlement house, that falls under Article 2, paragraph (1), item (ii) of the Act for Special Measures for Infrastructure Development.
- (19) The period for redemption of the loans from the national government set forth in the preceding three paragraphs is the period not exceeding five years (including a grace period not exceeding two years) specified by Cabinet Order.
- (20) Beyond what is prescribed in the preceding paragraph, the redemption method, shortening of the redemption period, and other necessary particulars of loan repayment pursuant to the provisions of paragraph (16) to paragraph (18) of the Supplementary Provisions are to be specified by Cabinet Order.
- (21) If a loan has been provided to a prefecture or designated city, etc. pursuant to the provisions of paragraph (16) to paragraph (18) of the Supplementary Provisions, the national government must subsidize the development of the facility covered by the loan in the amount equivalent to the amount of the loan, and this subsidy must be given by the delivery of an amount equivalent to the amount of the redemption money, at the time of redemption.
- (22) With regard to the application of the provisions of the preceding paragraph when a prefecture or designated city, etc. has repaid a zero-interest loan it received pursuant to the provisions of paragraph (16) to paragraph (18) of the Supplementary Provisions with a shortened redemption period specified pursuant to the provisions of paragraph (19) and paragraph (20) of the Supplementary Provisions (excluding the cases specified by Cabinet Order), the redemption is deemed to have been made on the maturity date for the original

redemption period.

Appended Table (Related to Article 127)

Prefectures	Article 31, paragraph (1) and paragraph (4) (including as applied mutatis mutandis pursuant to Article 43, paragraph (2), Article 46, paragraph (4), and Article 49, paragraph (3)); Article 39-3; Article 43, paragraph (1), paragraph (3) and paragraph (4) (including as applied mutatis mutandis pursuant to Article 59, paragraph (2)); Article 46, paragraph (1), item (vi), paragraph (2) and paragraph (3); Article 46-7; Article 47-3; Article 49, paragraph (2); Article 56, paragraph (1) to paragraph (4) and paragraph (5) (including as applied mutatis mutandis pursuant to Article 58, paragraph (4)); Article 57; Article 58, paragraph (2); Article 59, paragraph (1); Article 114; and Article 121
Designated cities and core cities	Article 31, paragraph (1); Article 39-3; Article 43, paragraph (1) and paragraph (3); Article 46, paragraph (1), item (vi), paragraph (2) and paragraph (3); Article 46-7; Article 47-3; Article 49, paragraph (2); Article 56, paragraph (1) to paragraph (4) and paragraph (5) (including as applied mutatis mutandis pursuant to Article 58, paragraph (4)); Article 57; Article 58, paragraph (2); Article 59, paragraph (1); Article 114; and Article 121
Municipalities (excluding designated cities and core cities)	Article 56, paragraph (5) as applied mutatis mutandis pursuant to Article 58, paragraph (2) and paragraph (4)