

Act on Strengthening Industrial Competitiveness (Tentative translation)

(Act No. 98 of December 11, 2013)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is, in view of the importance of strengthening industrial competitiveness in response to changes in the economy and social circumstances for reconstructing the Japanese economy by leading Japanese industries out of prolonged stagnation and setting them on a sustainable growth track, to establish the basic principles and responsibilities of the State and businesses with regard to the strengthening of industrial competitiveness, and to prepare special measures on regulations and facilitate regulatory reform through those efforts, as well as taking measures to revitalize regenerating industrial activities, measures to have the Japan Investment Corporation engage in business operations concerning support, etc. for specified business activities, and measures to facilitate the revitalization of small and medium-sized enterprises, thereby contributing to enhancing the lives of the public and the sound development of the national economy.

(Definitions)

Article 2 (1) The term "industrial competitiveness" as used in this Act means the capacity to achieve high profitability in industrial activities by way of ensuring high productivity and sufficient demand.

(2) The term "special measures on regulations" as used in this Act means measures for the special provisions of Acts concerning regulations prescribed in Acts, as prescribed in this Act or other Acts, or the measures for the special provisions of Cabinet Orders or orders of the competent ministries (hereinafter referred to as "Cabinet Orders, etc." in this paragraph) concerning regulations prescribed in Cabinet Orders, etc., as prescribed by Cabinet Orders, etc., which apply to the testing of new technology, etc. implemented in accordance with the approved plan for the testing of new technology, etc. prescribed in Article 8-4, paragraph (2) or to new business activities implemented in accordance with the approved new business activity plan prescribed in Article 10, paragraph (2).

(3) The term "testing of new technology, etc." as used in this Act means what falls under both of the following items:

(i) the study is to conduct testing on the possibility of putting new technology, etc. (meaning an innovative technology or technique to be used in a business activity that belongs to a field of business where industrial competitiveness should be particularly strengthened in Japan, which is strikingly novel in that field of business and which also has a possibility of creating high added value by being utilized in that business activity; the same applies hereinafter) into practical use, which is conducted by specifying the implementation period and the scope of persons who participate in the testing (if there is any person whose rights and interests are likely to be harmed by the testing, including such person; hereinafter referred to as

- "participants, etc." in this item, Article 8-2, paragraph (3), item (iv), and Article 8-3, paragraph (3)), obtaining the consent of the participants, etc., and taking any other measures necessary for appropriately implementing the testing; and
- (ii) in the case of analyzing regulations on new technology, etc. upon putting the new technology, etc. into practical use, the study covers analysis of issues including ideal regulations to be adopted for putting the new technology, etc. into practical use and examination of the analysis results.
- (4) The term "new business activities" as used in this Act means the development or production of new goods, development or provision of new services, introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities that are specified by orders of the competent ministries as business activities that contribute to strengthening industrial competitiveness.
- (5) The term "regenerating industrial activities" as used in this Act means industrial activities that involve the development of new business, business adaptation, the starting of a new business or withdrawal from an unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, or other business activities for improving productivity or expanding demand.
- (6) The term "business developing new business" as used in this Act means a business (including a corporation to be newly incorporated; the same applies in paragraph (15)) that is developing new business through the development or production of new goods, development or provision of new services, introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities, and is specified by the Order of the Ministry of Economy, Trade and Industry; such as the business in which the investments from the outside are especially necessary for it to achieve growth in the future.
- (7) The term "specified investment program for developing new business" as used in this Act means an investment program by a limited investment partnership (meaning the limited investment partnership prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998); the same applies hereinafter) which targets a business developing new business (limited to an investment program mainly targeting a business developing new business which intends to expand the size of its business or an investment program that falls under other requirements specified by Order of the Ministry of Economy, Trade and Industry), and is specified by Order of the Ministry of Economy, Trade and Industry as a program which is expected with confidence to involve giving proactive management or technical guidance to the business developing new business.

- (8) The term "management resources" as used in this Act means knowledge and skills, as well as technologies, equipment, information systems, and other resources utilized in business activities.
- (9) The term "investment program for promoting utilization of external management resources" as used in this Act means an investment program by a limited investment partnership which targets a business, which is specified by Order of the Ministry of Economy, Trade and Industry as a program which contributes to promoting business activities conducted by the business by utilizing management resources other than the business's own management resources with the aim of improving productivity of its business or creating new demand for the goods it produces or sells or the services it provides.
- (10) The term "program for supporting the utilization of specified research results" as used in this Act means a program to provide advice, funds, or other necessary support for the business activities of a person who utilizes, in its business activities, the results of research on technology conducted by a national university corporation (meaning the national university corporation prescribed in Article 2, paragraph (5) of the National University Corporation Act (Act No. 112 of 2003); the same applies in Article 21), which contributes to the advancement of research at the national university corporation.
- (11) The term "business activities utilizing innovative technology research results" means business activities conducted by a business developing new business by utilizing the results of research on innovative technology it has conducted, which are specified by Order of the Ministry of Economy, Trade and Industry as business activities for which borrowing of funds from outside is especially necessary for their implementation.
- (12) The term "business adaptation" as used in this Act means a change which a business makes to all or part of its business (limited to a change with a resolution or decision of the board of directors or any other equivalent organization concerning a management policy) with the aim of responding to changes in the economy and social circumstances, such as changes in the industrial structure and global competitive conditions, and achieving considerable improvements in productivity in its business or creating a considerable amount of new demand for the goods it produces or sells or the services it provides, where that change falls under any of the following items:
- (i) a change which a business whose performance of business has been seriously affected by an unforeseeable change in the economy and social circumstances makes for achieving growth of its business;
 - (ii) a change made to respond to changes in the business environment caused by progress of information technology; and
 - (iii) a change made to respond to changes in global competitive conditions concerning reduction of the environmental load caused by energy use, such

- as reduction of energy consumption or utilization of non-fossil energy sources.
- (13) The term "equipment that streamlines production processes, etc." as used in this Act means equipment specified by orders of the competent ministries as equipment that contributes to business adaptation (limited to that falling under item (iii) of the preceding paragraph), such as equipment that particularly contributes to reduction of environmental load caused by energy use through streamlining of production processes.
- (14) The term "equipment for production of demand-creating goods" as used in this Act means equipment solely used for producing goods specified by orders of the competent ministries as goods for which new demand is expected to be created by a business carrying out business adaptation (limited to that falling under paragraph (12), item (iii)), such as goods that particularly contribute to reduction of environmental load caused by energy use.
- (15) The term "related business" as used in this Act means a business that has a relationship specified by orders of the competent ministries as a relationship in which that business's management is considered to be under the material control of another business.
- (16) The term "related foreign corporation" as used in this Act means a foreign corporation (including a corporation to be newly incorporated) that has a relationship specified by orders of the competent ministries with as a relationship in which that foreign corporation's management is considered to be under the material control of a business with a head office or principal office in Japan.
- (17) The term "corporate restructuring" as used in this Act means business activities that are carried out by a business with the aim of achieving considerable improvements in productivity in all or part of its business and that fall under both of the following items:
- (i) business activities for making changes to the structure of all or part of the business (including changes to the business structure by a related business or a related foreign corporation of the business) through any of the following measures:
 - (a) merger;
 - (b) company split;
 - (c) share exchange;
 - (d) share transfer;
 - (e) share delivery;
 - (f) acceptance or transfer of a business or assets (including the equivalent in foreign countries);
 - (g) receipt of contributions;
 - (h) acquisition of shares or equity in another company (limited to cases in which the relevant other company is a related business or the relevant

- other company is to become a related business through that acquisition);
- (i) transfer of shares or equity in a related business (including distribution of dividends of surplus using those shares or equity as dividend property and limited to cases in which it ceases to be related business of the business through the transfer);
 - (j) acquisition of shares, equity, or the equivalent in a foreign corporation (limited to cases in which the foreign corporation is a related foreign corporation or the foreign corporation is to become a related foreign corporation through that acquisition);
 - (k) transfer of shares, equity, or the equivalent in a related foreign corporation (including distribution of dividends of surplus using those shares, equity, or the equivalent as dividend property and limited to cases in which it ceases to be a related foreign corporation of the business through the transfer);
 - (l) establishment or liquidation of a company or a foreign corporation;
 - (m) contributions to a limited liability partnership (meaning the limited liability partnership prescribed in Article 2 of the Limited Liability Partnership Act (Act No. 40 of 2005); the same applies in paragraph (26));
or
 - (n) dismantling the facilities held by the business to a considerable extent or the disposal of its equipment to a considerable extent; and
- (ii) business activities for making changes to the field or format of all or part of its business that it conducts by utilizing its management resources, in which any of the following is carried out:
- (a) considerable changes through the development and production of new goods to the composition of goods produced or sold, or considerable changes through the development and provision of new services to the composition of services provided;
 - (b) significant streamlining in the production of goods through the introduction of a new method for producing goods or through the improvement of the efficiency of equipment;
 - (c) significant streamlining in the sale of goods through the introduction of a new method for selling goods, or significant streamlining in the provision of services through the introduction of a new method for providing services;
or
 - (d) considerable reduction of expenses regarding the production of goods, through the use of new raw materials, parts or semi-finished goods, or through the introduction of a new method for purchasing raw materials, parts or semi-finished goods.
- (18) The term "equipment for improving productivity, etc." as used in this Act means facilities, equipment, apparatus, devices, or programs (meaning the

programs prescribed in Article 2, paragraph (2) of the Act on Facilitation of Information Processing (Act No. 90 of 1970)) to be used for the production or sale of goods or provision of services that are specified by Order of the Ministry of Economy, Trade and Industry as those which particularly contribute to the improvement of productivity in business.

- (19) The term "corporate rehabilitation" as used in this Act means that a business with extensive obligations rehabilitate its business by gaining the cooperation of all or part of its creditors (excluding cases in which the rehabilitation of the business is to be implemented through rehabilitation proceedings, reorganization proceedings, or other proceedings specified in Acts as specified by Cabinet Order).
- (20) The term "specified certified dispute resolution business" as used in this Act means a certified dispute resolution business (meaning the person prescribed in Article 2, item (iv) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies in Article 47) that has obtained approval as set forth in Article 49, paragraph (1).
- (21) The term "specified certified dispute resolution procedures" as used in this Act means certified dispute resolution procedures (meaning the procedures prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution; the same applies in Article 47, paragraph (1), item (ii)) which are undertaken by a specified certified dispute resolution business with respect to disputes regarding corporate rehabilitation.
- (22) The term "small or medium-sized enterprise" as used in this Act means a legal person falling under any of the following:
- (i) a company whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or, a company or individual that regularly employ 300 employees or fewer, if their principal business is in the manufacturing industry, the construction industry, the transportation industry or any other business type (excluding the business types set forth in the following item to item (iv) and the business types specified by Cabinet Order set forth in item (v));
 - (ii) a company whose amount of stated capital or total amount of contributions is not more than 100,000,000 yen, or, a company or individual that regularly employ 100 employees or fewer, if their principal business is in the wholesale industry (excluding the business types specified by Cabinet Order set forth in item (v));
 - (iii) a company whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen, or, a company or individual that regularly employ 100 employees or fewer, if their principal business is in the service industry (excluding the business types specified by Cabinet Order set forth in item (v));

- (iv) a company whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen, or, a company or individual that regularly employ 50 employees or fewer, if their principal business is in the retail industry (excluding the business types specified by Cabinet Order set forth in the following item);
 - (v) a company whose amount of stated capital or total amount of contributions is not more than an amount specified by Cabinet Order for each business type, or, a company or individual that regularly employ a number of employees not more than a number specified by Cabinet Order for each business type, if their principal business is in a type specified by Cabinet Order;
 - (vi) enterprise cooperatives;
 - (vii) cooperative partnerships; or
 - (viii) business cooperatives, federations of cooperatives, or other partnerships and their federations established pursuant to a special Act, which are specified by Cabinet Order.
- (23) The term "security measures of companies to prevent technological information from being compromised" as used in this Act means measures taken by a business to prevent leakage of information useful for business activities, including technologies, results of R&D activities thereon, and production methods.
- (24) The term "business operations to certify security measures of companies to prevent technological information from being compromised" as used in this Act means the following business operations:
- (i) to certify that another business's security measures of companies to prevent technological information from being compromised conform to the standards specified by the competent ministers as being necessary for preventing leakage of information useful for business activities, including technologies, results of R&D activities thereon, and production methods; and
 - (ii) to provide guidance and advice necessary for properly carrying out security measures of companies to prevent technological information from being compromised, as business operations incidental to those set forth in the preceding item.
- (25) The term "specified business activities" as used in this Act means business activities aimed towards undertaking business expected to have high productivity or for the development of new business, by utilizing management resources other than a business's own management resources.
- (26) The term "specified investment business" as used in this Act means any of a partnership established under a partnership agreement prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), a silent partnership established under a silent partnership agreement prescribed in Article 535 of

the Commercial Code (Act No. 48 of 1899), a limited investment partnership, or a limited liability partnership, or an association similar to any of these that is located overseas, or a stock company, a limited liability company, a specified purpose company prescribed in Article 2, paragraph (3) of the Act on the Securitization of Assets (Act No. 105 of 1998), or an investment corporation prescribed in Article 2, paragraph (12) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), which provides funds or other support for specified business activities or provides funds or other support for business activities to provide funds or other support for specified business activities.

(27) The term "specified government-funded company" as used in this Act means a stock company, more than half of whose issued shares are held by the national government and whose major business is to make capital contributions, and which is specified by Cabinet Order as a company requiring support by the Japan Investment Corporation to an extent that does not hinder the Corporation's business performance with the aim of ensuring more effective business operations regarding contributions by the company whose shares the Corporation holds.

(28) The term "start up" as used in this Act means the acts set forth as follows:

- (i) starting new business operations by an individual not currently engaged in business operations (excluding those set forth in the following item);
- (ii) establishment of a new company by an individual not currently engaged in business operations and starting business operations by the newly established company; or
- (iii) establishment of a new company by another company which is continuing all or part of its existing business and starting business operations by the newly established company (limited to acts by small and medium-sized enterprises).

(29) The term "founder" as used in this Act means the persons set forth as follows:

- (i) an individual intending to establish a start-up as set forth in item (i) of the preceding paragraph who has a concrete plan to do so within one month (or within six months for a person intending to establish a start-up by receiving support as prescribed by Order of the Ministry of Economy, Trade and Industry under a specified program for supporting start-ups, etc. recorded in an approved plan for a program for supporting start-ups, etc. (meaning the approved plan for a program for supporting start-ups, etc. prescribed in Article 128, paragraph (2); the relevant program is referred to as an "approved specified program for supporting start-ups, etc." in item (iii)));
- (ii) an individual who established a start-up as set forth in item (i) of the preceding paragraph if five years have not yet elapsed since the date of the

- start of the business;
- (iii) an individual intending to establish a start-up as set forth in item (ii) of the preceding paragraph who has concrete plans to do so within two months (or within six months for a person intending to establish a start-up by receiving support as prescribed by Order of the Ministry of Economy, Trade and Industry under an approved specified program for supporting start-ups, etc.);
 - (iv) a company established through establishment of a start-up as set forth in item (ii) of the preceding paragraph if five years have not yet elapsed since the date of that establishment;
 - (v) a company intending to establish a start-up as set forth in item (iii) of the preceding paragraph that has a specific plan to establish the start-up; or
 - (vi) a company established through establishment of a start-up as set forth in item (iii) of the preceding paragraph if five years have not yet elapsed since the date of that establishment.
- (30) The term "program for supporting start-ups, etc." as used in this Act means a program falling under any of the following:
- (i) a program to support a start-up by providing important information, giving training, guidance or advice, developing factories, workplaces, stores or other facilities to be used for the business that the founder intends to start, and leasing and managing those facilities; or
 - (ii) a program to hold lectures to provide individuals not currently engaged in business with opportunities to learn about the significance of start-ups, provide vocational experience opportunities at factories, workplaces, stores or other facilities to be used for businesses of founders (limited to those set forth in item (ii) and item (iv) of the preceding paragraph), or otherwise carry out dissemination and awareness-raising activities concerning start-ups.
- (31) The term "specified program for supporting start-ups, etc." as used in this Act means a program for supporting start-ups, etc. (limited to a program as in item (i) of the preceding paragraph) specified by Order of the Ministry of Economy, Trade and Industry as that which will particularly contribute to facilitating start-ups.
- (32) The term "specified letter of credit" as used in this Act means a letter of credit issued by a bank, Shinkin Bank, credit cooperative or other financial institution specified by Cabinet Order (simply referred to as a "financial institution" in the following paragraph) at the request of a business with its head office or principal office in Japan, which states that the financial institution will fulfill the obligations if the non-performance of obligations on loan (including discounts received on negotiable instruments) from a foreign bank, etc. (meaning a foreign bank, etc. as prescribed in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of a related foreign corporation of

the business has arisen.

- (33) The term "specified letter of credit issuance contract" as used in this Act means a contract concluded between a business and a financial institution in which the financial institution pledges to issue a specified letter of credit, and the business pledges that if the financial institution has performed obligations based on the specified letter of credit, the business will pay to the financial institution an amount equivalent to the amount resulting from the performance of the obligations or an amount specified by Order of the Ministry of Economy, Trade and Industry.
- (34) The term "specified small or medium-sized enterprise" as used in this Act means a small or medium-sized enterprise that has a difficulty in continuing its business due to the deterioration of the state of the finances resulting from extensive obligations it has or other circumstances.
- (35) The term "SME business rehabilitation through succession" as used in this Act means the promotion of the rehabilitation of business through the succession to all or part of the business of a specified small or medium-sized enterprise by another business by way of a company split or transfer of business, together with improvements in the balance of payments or other improvements with respect to the business succeeded to by the relevant other business.

(Basic Principles)

Article 3 The strengthening of industrial competitiveness must be achieved in principle through the proactive activities of businesses, such as the development of new business, business adaptation, the starting of new business or withdrawal from unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc. with the aim of improving productivity or expanding demand, while promoting management reforms in response to fluctuations in the state of the economy, with the State's support measures for businesses and initiatives to review regulations or otherwise develop business environments necessary for promoting their efforts.

(Responsibilities of the State)

Article 4 The State is responsible for reviewing regulations or otherwise developing business environments and taking support measures for businesses so as to ensure proactive business activities, such as the development of new business, business adaptation, the starting of new business or withdrawal from unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc., pursuant to the basic principles prescribed in the preceding Article.

(Responsibilities of Businesses)

Article 5 Each business must make efforts, pursuant to the basic principles prescribed in Article 3, to actively carry out business activities, such as the development of new business, business adaptation, the starting of new business or withdrawal from unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc. with the aim of improving productivity or expanding demand, while promoting management reforms in light of the supply and demand trends of goods or services or the state of competition among businesses in the relevant field of business to which the business belongs, or other environments surrounding its business.

Chapter II Preparation of Special Measures on Regulations on the Testing of New Technology, etc. and New Business Activities and the Facilitation of Regulatory Reform

Section 1 Promotion of the Testing of New Technology, etc. and New Business Activities

(Basic Policy)

Article 5-2 (1) The government is to establish the fundamental policy for comprehensively and effectively promoting the testing of new technology, etc. and new business activities (such policy is hereinafter referred to as the "basic policy" in this Article, Article 8-2, paragraph (4), item (i), and Article 9, paragraph (4), item (i)).

(2) The basic policy is to specify the following:

(i) particulars concerning the significance of the testing of new technology, etc. and new business activities;

(ii) the fundamental policy concerning initiatives to be implemented by the government for promoting the testing of new technology, etc. and new business activities;

(iii) basic particulars concerning the approval for plans for the testing of new technology, etc. prescribed in Article 8-2, paragraph (1) and for plans for new business activities prescribed in Article 9, paragraph (1); and

(iv) other important particulars concerning the testing of new technology, etc. and new business activities.

(3) The Prime Minister is to prepare a draft of the basic policy and seek a cabinet decision.

(4) The government must publicize the basic policy without delay when a cabinet decision is made under the preceding paragraph.

(5) The government is to revise the basic policy if need arises due to changes in the situation such as fluctuations in the state of the economy.

(6) The provisions of paragraphs (3) and (4) apply mutatis mutandis to the

revision of the basic policy under the preceding paragraph.

(Request for New Special Measures on Regulations)

Article 6 (1) A person that intends to start the testing of new technology, etc. or new business activities by receiving the application of new special measures on regulations may request the competent minister to prepare the new special measures on regulations, as prescribed by orders of the competent ministries.

(2) If the competent minister receiving a request under the preceding paragraph finds it necessary and appropriate to take new special measures on regulations based on the request, that minister is to give notice to the requester to that effect and give the details of the new special measures on regulations to be taken, and is to publicize the details of the new special measures on regulations to be taken, without delay.

(3) If the competent minister has received a request under paragraph (1) and finds it unnecessary or inappropriate to take new special measures on regulations based on the request, that minister is to give notice to that effect and give the reason therefor to the requester, without delay.

(4) If the competent minister has received a request under paragraph (1) and determines whether or not to take new special measures on regulations (limited to those regarding the testing of new technology, etc.) based on the request, the competent minister is to hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc. (meaning the Committee for Evaluation of the Effects of New Technology, etc. referred to in Article 14-2; hereinafter the same applies in this Section).

(5) If the competent minister has received a request under paragraph (1) and finds it necessary in determining whether or not to take any new special measures on regulations (limited to those regarding new business activities) based on the request, the competent minister may hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc.

(Confirmation Regarding Interpretation and Application)

Article 7 (1) A person that intends to start the testing of new technology, etc. or new business activities may ask for confirmation from the competent minister regarding the interpretation of provisions of Acts and orders based on Acts (including public notices; hereinafter the same applies in this Article and Article 147, paragraph (1)) that provide for regulations on the testing of new technology, etc. or the new business activities and business activities related thereto (hereinafter referred to as the "new business activities, etc." in this paragraph and Article 14) and the applicability of those provisions to the testing of new technology, etc. or the new business activities, etc., as prescribed by orders of the competent ministries.

(2) If the competent minister has been asked for the confirmation under the preceding paragraph, the minister is to give a response to the requester with the reason therefor and publicize the details of the response, without delay.

(Provision of Information)

Article 8 The competent minister is to provide necessary information and advice in response to consultations from a person that intends to make a request under Article 6, paragraph (1) or paragraph (1) of the preceding Article.

(Approval for Plans for the Testing of New Technology, etc.)

Article 8-2 (1) A person that intends to start the testing of new technology, etc. may prepare a plan for that testing of new technology, etc. (hereinafter referred to as a "plan for the testing of new technology, etc."), and submit it to the competent ministers to seek the approval therefor, as prescribed by orders of the competent ministries.

(2) If two or more persons intend to coordinate in starting the testing of new technology, etc., those two or more persons may coordinate in preparing a plan for the testing of new technology, etc. to seek the approval therefor as set forth in the preceding paragraph.

(3) A plan for the testing of new technology, etc. must contain the following:

(i) the goal of the testing of new technology, etc.;

(ii) the following details of the testing of new technology, etc.:

(a) the details of the new technology, etc. and the business activities to be implemented by using the new technology, etc.;

(b) the details and the implementation method of the testing prescribed in Article 2, paragraph (3), item (i); and

(c) the details and the implementation method of the analysis prescribed in Article 2, paragraph (3), item (ii);

(iii) the implementation period and the place of implementation of the testing of new technology, etc.;

(iv) the specific scope of participants, etc. and the method of obtaining the consent of the participants, etc.;

(v) the amount of funds necessary for carrying out the testing of new technology, etc. and how to raise them;

(vi) the provisions of Acts and those of orders based on Acts that provide for the regulations prescribed in Article 2, paragraph (3), item (ii);

(vii) if that person (those persons) intends to receive the application of the special measures on regulations (limited to those regarding the testing of new technology, etc.) prescribed by Cabinet Orders or orders of the competent ministries under Article 12, the details of the special measures on those regulations; and

- (viii) other particulars necessary for carrying out the testing of new technology, etc.
- (4) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the plan for the testing of new technology, etc. conforms to all of the following items, the minister is to approve the plan; in this case, the competent minister is to hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc.:
 - (i) the relevant plan is appropriate in light of the basic policy;
 - (ii) the testing of new technology, etc. (including the obtainment of the consent prescribed in item (iv) of the preceding paragraph) under the relevant plan is expected to be carried out smoothly and reliably; and
 - (iii) the details of the relevant plan do not violate this Act, orders based on this Act, or other relevant laws and regulations.
- (5) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for the testing of new technology, etc. subject to the approval, as prescribed by orders of the competent ministries.

(Issuance of an Approval Certificate)

- Article 8-3 (1) If the competent minister has granted approval as set forth in paragraph (1) of the preceding Article, the minister is to promptly issue an approval certificate to the person that obtains the approval referred to in the same paragraph (hereinafter referred to as the "approved implementer of the testing of new technology, etc."), as prescribed by orders of the competent ministries.
- (2) The approval certificate referred to in the preceding paragraph must contain the following:
 - (i) the date of the approval;
 - (ii) the name and address of the approved implementer of the testing of new technology, etc., and in the case of a corporation, the name of its representative;
 - (iii) the details and the implementation period of the plan for the testing of new technology, etc. regarding the approval; and
 - (iv) the fact that the plan for the testing of new technology, etc. regarding the approval conforms to all of the items of paragraph (4) of the preceding Article.
 - (3) When an approved implementer of the testing of new technology, etc. seeks the consent of the participants, etc., the implementer must present the approval certificate referred to in paragraph (1).
 - (4) When an approved implementer of the testing of new technology, etc. obtains the consent prescribed in paragraph (3), item (iv) of the preceding Article, the implementer must report that fact to the competent minister.

(Changes to a Plan for the Testing of New Technology, etc.)

- Article 8-4 (1) When an approved implementer of the testing of new technology, etc. intends to make changes to the plan for the testing of new technology, etc. regarding the approval, the implementer must submit the approval certificate pertaining to the approval and seek the approval of the competent minister, as prescribed by orders of the competent ministries.
- (2) If the competent minister finds that an approved implementer of the testing of new technology, etc. is not carrying out the testing of new technology, etc. in accordance with the plan for the testing of new technology, etc. regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; hereinafter referred to as an "approved plan for the testing of new technology, etc."), the minister may rescind the approval.
- (3) If the competent minister finds that an approved plan for the testing of new technology, etc. no longer conforms to any of the items of Article 8-2, paragraph (4), the minister may direct the approved implementer of the testing of new technology, etc. to make changes to the approved plan for the testing of new technology, etc. or may rescind the approval. In this case, the competent minister is to hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc.
- (4) If the competent minister has rescinded the approval referred to in Article 8-2, paragraph (1) pursuant to the provisions of the preceding two paragraphs, the minister is to notify the approved implementer of the testing of new technology, etc. of that fact and publicize that fact.
- (5) If the approval set forth in Article 8-2, paragraph (1) has been rescinded pursuant to the provisions of paragraph (2) or (3), the approved implementer of the testing of new technology, etc. must promptly return the approval certificate to the competent minister.
- (6) The provisions of Article 8-2, paragraphs (4) and (5) and the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Approval for Plans for New Business Activities)

- Article 9 (1) A person that intends to start new business activities may prepare a plan for those activities (hereinafter referred to as a "plan for new business activities"), and submit it to the competent ministers to seek the approval therefor, as prescribed by orders of the competent ministries.
- (2) If two or more persons intend to coordinate in starting new business activities, those two or more persons may coordinate in preparing a plan for new business activities to seek the approval therefor as set forth in the preceding paragraph.
- (3) A plan for new business activities must contain the following:

- (i) the goal of the new business activities;
 - (ii) the details of the new business activities and their implementation period;
 - (iii) the amount of funds necessary for carrying out the new business activities and how to raise them;
 - (iv) if that person (those persons) intends to receive the application of the special measures on regulations prescribed in this Act or other Acts or the special measures on regulations prescribed by Cabinet Orders or orders of the competent ministries under Article 12 (limited to those regarding new business activities), the details of the special measures on those regulations; and
 - (v) other particulars necessary for carrying out the new business activities.
- (4) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the plan for new business activities conforms to all of the following items, the minister is to approve the plan; in this case, if the competent minister finds it necessary, the minister may hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc.:
- (i) the relevant plan is appropriate in light of the basic policy;
 - (ii) the new business activities under the relevant plan are expected to be carried out smoothly and reliably; and
 - (iii) the details of the relevant plan do not violate this Act, orders based on this Act, or other relevant laws and regulations.
- (5) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for new business activities subject to the approval, as prescribed by orders of the competent ministries.

(Changes to Plans for New Business Activities)

- Article 10 (1) If a person that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "approved implementer of new business activities") intends to make changes to the plan for new business activities regarding the approval, the person must seek the approval of the competent ministers, as prescribed by orders of the competent ministries.
- (2) If the competent minister finds that an approved implementer of new business activities is not carrying out new business activities in accordance with the plan for new business activities regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; hereinafter referred to as an "approved plan for new business activities"), the ministers may rescind the approval.
- (3) If the competent minister finds that an approved plan for new business activities no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the approved implementer of new business activities to make changes to the approved plan for new business

activities or may rescind the approval. In this case, if the competent minister finds it necessary, the minister may hear the opinion of the Committee for Evaluation of the Effects of New Technology, etc.

- (4) If the competent minister has rescinded the approval referred to in paragraph (1) of the preceding Article pursuant to the provisions of the preceding two paragraphs, the minister is to notify the approved implementer of new business activities of that fact and publicize that fact.
- (5) The provisions of paragraphs (4) and (5) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Provision of Information)

Article 11 During the time when an approved implementer of the testing of new technology, etc. implements testing of new technology, etc. or an approved implementer of new business activities implements new business activities, the competent minister is to provide necessary information and advice to the approved implementer of the testing of new technology, etc. or the or approved implementer of new business activities as needed.

(Special Provisions Concerning Notice, etc. of the Assignment of a Claim)

Article 11-2 (1) If a notice of or consent to the assignment of a claim (including the assignment of a claim that is yet to arise) (hereinafter referred to as a "notice, etc. of the assignment of a claim" in this paragraph) is given by using an information system (limited to that falling under both of the following items) provided by an approved implementer of new business activities in accordance with an approved plan for new business activities (limited to that regarding a public notice under the provisions of paragraph (1) or (3) of the following Article), the notice, etc. of the assignment of a claim is deemed to be the notice or consent that is made using an instrument bearing a certified date prescribed in Article 467, paragraph (2) of the Civil Code; in this case, the date on which the notice, etc. of the assignment of a claim is given is to be the certified date:

- (i) the system allows the person that gives the notice, etc. of the assignment of a claim and the person that receives it to easily check the time, date, and details of the notice, etc. of the assignment of a claim; and
 - (ii) the system stores a record of the time, date, and details of the notice, etc. of the assignment of a claim and it is one for which measures specified by orders of the competent ministries as those necessary for preventing alteration of the record have been taken.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to a notice of or consent to creation of a pledge over a claim (including a pledge over a claim which has not yet arisen).

- (3) The provisions of paragraph (1) apply mutatis mutandis to a notice of or consent to the subrogation by performance referred to in Article 467, paragraph (1) of the Civil Code as applied mutatis mutandis pursuant to Article 500 of the same Code. In this case, the phrase "Article 467, paragraph (2) of the Civil Code" in paragraph (1) is deemed to be replaced with "Article 467, paragraph (2) of the Civil Code as applied mutatis mutandis pursuant to Article 500 of the same Code."
- (4) The provisions of paragraph (1) apply mutatis mutandis to a notice of or consent to transfer of the beneficial interest prescribed in Article 2, paragraph (7) of the Trust Act (Act No. 108 of 2006). In this case, the phrase "Article 467, paragraph (2) of the Civil Code" in paragraph (1) is deemed to be replaced with "Article 94, paragraph (2) of the Trust Act (Act No. 108 of 2006)."

Article 11-3 (1) If the competent minister has granted approval as set forth in Article 9, paragraph (1) for a plan for new business activities describing the special measures on regulations prescribed in the preceding Article as the matter set forth in Article 9, paragraph (3), item (iv), the minister is to issue a public notice concerning the name, trade name, or any other name of the person that has obtained the approval.

- (2) If an approved implementer of new business activities to which a public notice under the provisions of the preceding paragraph pertains intends to change its name, trade name, or any other name or address, it must notify the competent minister of that fact in advance, as prescribed by orders of the competent ministries.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.
- (4) If an approved implementer of new business activities to which a public notice under the provisions of paragraph (1) or the preceding paragraph pertains intends to discontinue the new business activities implemented in accordance with the approved new business activity plan to which the public notice pertains, it must notify the competent minister of that fact in advance, as prescribed by orders of the competent ministries.
- (5) If the competent minister has rescinded the approval for an approved plan for new business activities to which a public notice under the provisions of paragraph (1) or (3) pertains, pursuant to the provisions of Article 10, paragraph (2) or (3), or has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(Special Measures on Regulations Prescribed by Cabinet Order or Ministerial Order)

Article 12 Special measures on regulations apply to the testing of new

technology, etc. carried out by approved implementers of the testing of new technology, etc. in accordance with approved plans for the testing of new technology, etc. or new business activities carried out by approved implementers of new business activities in accordance with approved plans for new business activities, as prescribed by Cabinet Order for the testing of new technology, etc. or the new business activities in relation to regulations prescribed by Cabinet Order and as prescribed by orders of the competent ministries for the testing of new technology, etc. or the new business activities in relation to regulations prescribed by orders of the competent ministries.

(Review of Special Measures on Regulations)

Article 13 Based on the report set forth in Article 144, paragraph (1), the competent minister (limited to the minister that has jurisdiction over Acts and orders based on Acts related to new special measures on regulations to which a request under the provisions of Article 6, paragraph (1) pertains) is to review the special measures on regulations regarding the report or otherwise take necessary measures if they find it necessary to do so.

(Promotion of Regulatory Reforms)

Article 14 The competent minister (limited to the minister that has jurisdiction over Acts and orders based on Acts related to new special measures on regulations to which a request under the provisions of Article 6, paragraph (1) pertains or related to a request under the provisions of Article 7, paragraph (1), or the Acts and orders based on Acts prescribed in Article 8-2, paragraph (3), item (vi)) is to discuss ideal regulations based on provisions of Acts and those of orders based on Acts that provide for regulations on new technology, etc. or new business activities, etc., in consideration of the state of the preparation and application of special measures on regulations, the state of regulations in foreign countries, the advancement of technology, and other factors, and are to take legal or other measures necessary for the removal or relaxation of regulations based on the results of the discussion.

Section 2 Committee for Evaluation of the Effects of New Technology, etc.

(Committee for Evaluation of the Effects of New Technology, etc.)

Article 14-2 The Committee for Evaluation of the Effects of New Technology, etc. (hereinafter referred to as the "committee" in this Section) is to be established in the Cabinet Office in order to carry out the following:

- (i) evaluation of the effects of new special measures on regulations pertaining to the testing of new technology, etc. and new business activities on the overall economy;

- (ii) evaluation of the effects of plans for the testing of new technology, etc. and plans for new business activities on the overall economy;
- (iii) matters specified by Cabinet Order such as an investigation necessary for making the evaluation set forth in the preceding two items.

(Affairs under Jurisdiction)

Article 14-3 (1) The committee is to process matters that have been placed under its authority pursuant to the provisions of this Act.

- (2) The committee may make necessary recommendations to the competent minister through the Prime Minister with regard to the matters placed under its authority pursuant to the provisions of the preceding paragraph.
- (3) When the committee has made recommendations under the preceding paragraph, it must publicize the contents of the recommendations without delay.
- (4) The competent minister must notify the committee of measures the minister has taken based on the recommendations under paragraph (2).

(Committee Members)

Article 14-4 Members of the committee are appointed by the Prime Minister from among persons with distinguished insight into the trends of social and economic situations and business activities conducted by using new technology, etc. in and outside Japan.

(Collection of Reports)

Article 14-5 The committee may request the competent minister or a person that has submitted a plan for testing of new technology, etc. or a plan for new business activities to submit reports or materials, to the extent necessary for performing the affairs under its jurisdiction.

(Delegation to Cabinet Order)

Article 14-6 Beyond what is provided for in this Act, Cabinet Order prescribes necessary matters concerning the committee.

Chapter III Revitalization of Regenerating Industrial Activities

Section 1 Development of New Business

Subsection 1 Promotion of Specified Investment Programs for Developing New Business, Investment Programs for Promoting Utilization of External Management Resources, and Programs for Supporting the Utilization of Specified Research Results

(Guidelines for the Implementation of Specified Investment Programs for

Developing New Business, Investment Programs for Promoting Utilization of External Management Resources, and Programs for Supporting the Utilization of Specified Research Results)

- Article 15 (1) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to establish guidelines for the implementation of specified investment programs for developing new business, investment programs for promoting utilization of external management resources, and programs for supporting the utilization of specified research results (hereinafter referred to as the "implementation guidelines" in this Subsection) (for the Minister of Education, Culture, Sports, Science and Technology, those guidelines are limited to the portions for the matters set forth in item (iii) of the following paragraph).
- (2) The implementation guidelines are to specify the following:
- (i) particulars concerning the methods for implementing the specified investment programs for developing new business and other important particulars relating to the specified investment programs for developing new business;
 - (ii) particulars concerning the methods for implementing the investment programs for promoting utilization of external management resources and other important particulars relating to the investment programs for promoting utilization of external management resources; and
 - (iii) particulars concerning the methods for implementing programs for supporting the utilization of specified research results and other important particulars relating to programs for supporting the utilization of specified research results.
- (3) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to make changes to the implementation guidelines if any need arises due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology intend to establish the implementation guidelines or make changes thereto, they are to consult with the head of the relevant administrative organ (or, consult with the relevant administrative organ, if the relevant administrative organ is a council; the same applies hereinafter) in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology have established the implementation guidelines or have made changes thereto, they are to publicize the established or changed implementation guidelines without delay.

(Approval for Plans for Specified Investment Programs for Developing New

Business)

Article 16 (1) A limited investment partnership that intends to start a specified investment program for developing new business may prepare a plan for the specified investment program for developing new business (hereinafter referred to as a "plan for specified investment program for developing new business" in this Article, the following Article, and Article 149), and submit it to the Minister of Economy, Trade and Industry to seek approval therefor, as prescribed by Order of the Ministry of Economy, Trade and Industry.

- (2) A plan for specified investment program for developing new business must contain the following:
- (i) particulars concerning the limited investment partnership that starts the specified investment program for developing new business;
 - (ii) the details of the specified investment program for developing new business and its implementation period; and
 - (iii) the amount of funds necessary for implementing the specified investment program for developing new business and how to raise them.
- (3) If the Minister of Economy, Trade and Industry has received an application for approval as set forth in paragraph (1) and finds that the plan for specified investment program for developing new business conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the specified investment program for developing new business under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the Minister of Economy, Trade and Industry has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for specified investment program for developing new business regarding the approval, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Changes to Plans for Specified Investment Programs for Developing New Business)

Article 17 (1) If a limited investment partnership that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "approved partnership implementing specified investment program for developing new business") intends to make changes to the plan for specified investment program for developing new business regarding the approval, the partnership must seek the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.

- (2) If the Minister of Economy, Trade and Industry finds that an approved

partnership implementing specified investment program for developing new business is not implementing the specified investment program for developing new business in accordance with the plan for specified investment program for developing new business regarding the approval (or, the plan after changes under the preceding paragraph, if approval has been granted for those changes; hereinafter referred to as an "approved plan for specified investment program for developing new business"), the minister may rescind the approval.

- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for specified investment program for developing new business no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved partnership implementing specified investment program for developing new business to make changes to the relevant approved plan or may rescind the approval.
- (4) If the Minister of Economy, Trade and Industry has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Approval for Plans for Investment Programs for Promoting Utilization of External Management Resources)

Article 17-2 (1) A person that intends to start an investment program for promoting utilization of external management resources (including a limited investment partnership) may prepare a plan for that investment program for promoting utilization of external management resources (hereinafter referred to as a "plan for an investment program for promoting utilization of external management resources" in this Article, the following Article, and Article 149), and submit it to the competent ministers to seek the approval therefor, as prescribed by orders of the competent ministries.

- (2) A plan for an investment program for promoting utilization of external management resources must contain the following:
 - (i) particulars concerning the limited investment partnership to be established by the person that intends to start an investment program for promoting utilization of external management resources under the limited partnership agreement for investment referred to in Article 3, paragraph (1) of the Limited Partnership Act for Investment (hereinafter a "partnership agreement") (or, if that person is a limited investment partnership, particulars concerning that limited investment partnership);
 - (ii) the details and the implementation method of the investment program for promoting utilization of external management resources; and
 - (iii) the amount of funds necessary for carrying out the investment program for promoting utilization of external management resources and how to raise

them.

- (3) If the Minister of Economy, Trade and Industry has received an application for approval as set forth in paragraph (1) and finds that the plan for an investment program for promoting utilization of external management resources conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the investment program for promoting utilization of external management resources under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the Minister of Economy, Trade and Industry has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for an investment program for promoting utilization of external management resources regarding the approval, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Changes to a Plan for an Investment Program for Promoting Utilization of External Management Resources)

- Article 17-3 (1) When a person that has obtained approval as set forth in paragraph (1) of the preceding Article (or, if that person has established a limited investment partnership (limited to that described in the plan for an investment program for promoting utilization of external management resources regarding the approval) under a partnership agreement, that limited investment partnership; hereinafter referred to as an "approved investment business promoting utilization of external management resources") intends to make changes to the plan for an investment program for promoting utilization of external management resources regarding the approval, the person must seek the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry finds that an approved investment business promoting utilization of external management resources is not carrying out the investment program for promoting utilization of external management resources in accordance with the plan for an investment program for promoting utilization of external management resources regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; hereinafter referred to as an "approved plan for investment program for promoting utilization of external management resources"), the minister may rescind the approval.
- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for investment program for promoting utilization of external management

resources no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved investment business promoting utilization of external management resources to make changes to the approved plan for investment program for promoting utilization of external management resources or may rescind the approval.

- (4) If the Minister of Economy, Trade and Industry has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraphs (3) and (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Special Provisions for the Limited Partnership Act for Investment)

Article 17-4 (1) An approved investment business promoting utilization of external management resources (or, if the approved investment business promoting utilization of external management resources is a limited investment partnership, partners thereof) may pledge under the terms of a partnership agreement to operate a coordinated business to acquire and hold (limited to acquisition or holding for which confirmation has been obtained from the Minister of Economy, Trade and Industry to the effect that it will be conducted in accordance with a plan for an investment program for promoting utilization of external management resources) shares, share options, or designated securities (meaning the designated securities prescribed in Article 3, paragraph (1), item (iii) of the Limited Partnership Act for Investment; the same applies in Article 33, paragraph (1)) issued by, or equity in, a foreign corporation (including a corporation to be newly incorporated; hereinafter the same applies in this paragraph), or their equivalent in a foreign corporation, in addition to the business activities set forth in the items of Article 3, paragraph (1) of the same Act.

- (2) With respect to the application of the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment regarding partners of a limited investment partnership established by pledging to operate the business prescribed in the preceding paragraph (or, if the approved investment business promoting utilization of external management resources is a limited investment partnership, partners thereof that have pledged to operate the business prescribed in the same paragraph), the phrase "acts other than the business activities listed in Article 3, paragraph (1)" in Article 7, paragraph (4) of the same Act is deemed to be replaced with "acts other than the business activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 17-4, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and the phrase "a business other than those set forth in the same paragraph" in Article 7, paragraph (4) of the Limited Partnership Act for Investment is deemed to be replaced with "acts

other than the business activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 17-4, paragraph (1) of the same Act".

(Business Operations to Facilitate Specified Investment Programs for Developing New Business and Investment Programs for Promoting Utilization of External Management Resources, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 18 For the purpose of facilitating specified investment programs for developing new business and investment programs for promoting utilization of external management resources, the Organization for Small & Medium Enterprises and Regional Innovation undertakes business operations to guarantee debt obligations regarding the borrowing of the funds necessary for approved partnerships implementing specified investment program for developing new business to implement specified investment programs for developing new business in accordance with approved plans for specified investment programs for developing new business and the funds necessary for approved investment businesses promoting utilization of external management resources to implement investment programs for promoting utilization of external management resources in accordance with approved plans for investment programs for promoting utilization of external management resources.

(Approval for Plans for Programs for Supporting the Utilization of Specified Research Results)

Article 19 (1) A person that intends to start a program for supporting the utilization of specified research results (including a person that intends to establish a corporation implementing a program for supporting the utilization of specified research results, an limited investment partnership that intends to start a program for supporting the utilization of specified research results, and a person that intends to incorporate an limited investment partnership implementing a program for supporting the utilization of specified research results under a partnership agreement) may prepare a plan for the program for supporting the utilization of specified research results (hereinafter referred to as a "plan for a program for supporting the utilization of specified research results" in this Article, the following Article, and Article 147, paragraph (1), item (v)), and submit it to the competent minister to seek approval therefor, as prescribed by orders of the competent ministries.

(2) Plans for program for supporting the utilization of specified research results must contain the following:

(i) particulars concerning the person that starts the program for supporting the utilization of specified research results;

- (ii) the details of the program for supporting the utilization of specified research results and its implementation period; and
 - (iii) the amount of funds necessary for implementing the program for supporting the utilization of specified research results and how to raise it.
- (3) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that a plan for a program for supporting the utilization of specified research results conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the program for supporting the utilization of specified research results under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for a program for supporting the utilization of specified research results regarding the approval, as prescribed by orders of the competent ministries.

(Changes to Plans for Programs for Supporting the Utilization of Specified Research Results)

- Article 20 (1) If a person that has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation set forth in the same paragraph established by the person, or an limited investment partnership set forth in the same paragraph incorporated by the person; hereinafter referred to as an "approved business supporting the utilization of specified research results") intends to make changes to the plan for a program for supporting the utilization of specified research results regarding the approval, the person must seek the approval of the competent minister, as prescribed by orders of the competent ministries.
- (2) If the competent minister finds that an approved business supporting the utilization of specified research results is not implementing the program for supporting the utilization of specified research results in accordance with the plan for a program for supporting the utilization of specified research results regarding the approval (or the plan after changes under the preceding paragraph, if approval has been granted for the changes; hereinafter referred to as an "approved plan for a program for supporting the utilization of specified research results"), the minister may rescind the approval.
- (3) If the competent minister finds that an approved plan for a program for supporting the utilization of specified research results no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved business supporting the utilization of specified research results to make changes to the relevant plan or may rescind the approval.

- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Contributions and Other Business Operations by Incorporated National Universities)

Article 21 For the purpose of facilitating the utilization of the results of research on technology conducted by a national university corporation, the national university corporation undertakes business operations to make capital contributions for funds necessary and provide the personnel and technical assistance necessary for approved businesses supporting the utilization of specified research results to implement programs for supporting the utilization of specified research results in accordance with the approved plan for a program for supporting the utilization of specified research results.

Subsection 2 Promotion of Business Activities Utilizing Innovative Technology Research Results

(Guidelines for the Implementation of Business Activities Utilizing Innovative Technology Research Results)

- Article 21-2 (1) The Minister of Economy, Trade and Industry is to establish guidelines for the implementation of business activities utilizing innovative technology research results (hereinafter referred to as the "implementation guidelines" in this Subsection).
- (2) The implementation guidelines are to specify the following:
 - (i) particulars concerning the methods for implementing the business activities utilizing innovative technology research results;
 - (ii) particulars concerning roles to be fulfilled by the Organization for Small & Medium Enterprises and Regional Innovation and designated financial institutions, etc. (meaning the designated financial institutions, etc. designated under Article 21-6, paragraph (1); the same applies in paragraph (2), item (ii) of the following Article and Article 21-5) for facilitating fund raising necessary for implementing business activities utilizing innovative technology research results; and
 - (iii) other important particulars relating to business activities utilizing innovative technology research results.
 - (3) The Minister of Economy, Trade and Industry is to make changes to the implementation guidelines if any need arises due to fluctuations in the state of the economy.
 - (4) If the Minister of Economy, Trade and Industry intends to establish the

implementation guidelines or make changes thereto, the minister is to consult with the head of the relevant administrative organ in advance.

- (5) If the Minister of Economy, Trade and Industry has established the implementation guidelines or has made changes thereto, the minister is to publicize the established or changed implementation guidelines without delay.

(Approval for Plans for Business Activities Utilizing Innovative Technology Research Results)

Article 21-3 (1) A business developing new business that intends to start business activities utilizing innovative technology research results may prepare a plan for the business activities utilizing innovative technology research results (hereinafter referred to as a "plan for business activities utilizing innovative technology research results" in this Article, the following Article, and Article 149), and submit it to the Minister of Economy, Trade and Industry to seek approval therefor, as prescribed by Order of the Ministry of Economy, Trade and Industry.

- (2) A plan for business activities utilizing innovative technology research results must contain the following:
- (i) the details of the business activities utilizing innovative technology research results and their implementation period; and
 - (ii) the amount of funds necessary for implementing the business activities utilizing innovative technology research results and how to raise them (including the name of the designated financial institution, etc. involved in the raising of the funds).
- (3) If the Minister of Economy, Trade and Industry has received an application for approval as set forth in paragraph (1) and finds that the plan for business activities utilizing innovative technology research results conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the business activities utilizing innovative technology research results under the relevant plan are expected to be implemented smoothly and reliably.

(Changes to Plans for Business Activities Utilizing Innovative Technology Research Results)

Article 21-4 (1) When a person that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "approved implementer of business activities utilizing innovative technology research results") intends to make changes to the plan for business activities utilizing innovative technology research results regarding the approval, the person must

seek the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.

- (2) If the Minister of Economy, Trade and Industry finds that an approved implementer of business activities utilizing innovative technology research results is not carrying out the business activities utilizing innovative technology research results in accordance with the plan for business activities utilizing innovative technology research results regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; hereinafter referred to as an "approved plan for business activities utilizing innovative technology research results"), the minister may rescind the approval.
- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for business activities utilizing innovative technology research results no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved implementer of business activities utilizing innovative technology research results to make changes to the approved plan for business activities utilizing innovative technology research results or may rescind the approval.
- (4) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Business Operations to Facilitate Business Activities Utilizing Innovative Technology Research Results, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 21-5 For the purpose of facilitating business activities utilizing innovative technology research results, the Organization for Small & Medium Enterprises and Regional Innovation undertakes business operations to guarantee bonds (excluding short term corporate bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) and limited to bonds subscribed for by designated financial institutions, etc.) issued by the approved implementer of business activities utilizing innovative technology research results in order to raise funds necessary for carrying out business activities utilizing innovative technology research results in accordance with the approved plan for business activities utilizing innovative technology research results, and to guarantee debt obligations regarding the borrowing of the funds (limited to the borrowing from designated financial institutions, etc.).

(Designation as Designated Financial Institutions, etc.)

Article 21-6 (1) With respect to business operations to offer loans for funds necessary for implementing business activities utilizing innovative technology

- research results (hereinafter referred to as "business operations to support business activities utilizing innovative technology research results"), the Minister of Economy, Trade and Industry may designate those that are found to conform to all of the following items (including limited investment partnerships) as designated financial institutions, etc., upon application from them, as prescribed by Order of the Ministry of Economy, Trade and Industry:
- (i) they undertake the lending of money and other business operations relating to finance, and are specified by Cabinet Order;
 - (ii) the business regulations prescribed in the following paragraph are in conformity with laws and regulations and the implementation guidelines, and are sufficient for undertaking business operations to support business activities utilizing innovative technology research results properly and reliably; and
 - (iii) in light of the personnel structure, they have the knowledge and experience for undertaking business operations to support business activities utilizing innovative technology research results properly and reliably.
- (2) A person intending to receive designation under the preceding paragraph must specify the regulations concerning business operations to support business activities utilizing innovative technology research results (referred to as the "business regulations" in the following paragraph and Article 21-8), in line with the implementation guidelines, as prescribed by Order of the Ministry of Economy, Trade and Industry, and submit it to the Minister of Economy, Trade and Industry together with a written application for designation.
- (3) The business regulations must specify particulars concerning the implementation framework and methods for business operations to support business activities utilizing innovative technology research results and other particulars specified by Order of the Ministry of Economy, Trade and Industry.
- (4) Those falling under any of the following items may not receive designation under paragraph (1):
- (i) a person that violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these, and was sentenced to a punishment heavier than a fine, if five years have not yet elapsed since the day on which the execution of the sentence was completed or since the day on which the person ceased to be subject to execution of the sentence;
 - (ii) a person whose designation was rescinded pursuant to the provisions of Article 21-10, paragraph (1) or paragraph (2), if five years have not yet elapsed since the day of the rescission; or
 - (iii) a person, any of whose officers, etc. (meaning, in the case of a corporation, officers in charge of its business, and in the case of a limited investment

partnership, those in charge of decision and performance of its business; the same applies in (b)) falls under either of the following:

- (a) a person specified by Order of the Ministry of Economy, Trade and Industry as being unable to properly perform duties due to a mental or physical disorder or a person that has become subject to an order for bankruptcy proceedings and whose civil rights have not been restored; or
- (b) in cases in which a designated financial institution, etc. has had its designation rescinded pursuant to the provisions of Article 21-10, paragraph (1) or paragraph (2), a person who had been an officer, etc. of the designated financial institution, etc. within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing regarding the rescission of the designation, if five years have not yet elapsed since the day of the rescission.

(Public Notice of a Designation)

- Article 21-7 (1) If the Minister of Economy, Trade and Industry has made a designation under the provisions of paragraph (1) of the preceding Article, the minister is to issue a public notice concerning the trade name or name, and the address of the designated financial institution, etc., as well as the location of its business office or office where it undertakes business operations to support business activities utilizing innovative technology research results.
- (2) If a designated financial institution, etc. intends to change its trade name or name, its address, or the location of its business office or office where it undertakes business operations to support business activities utilizing innovative technology research results, it must notify the Minister of Economy, Trade and Industry of that fact in advance.
 - (3) If the Minister of Economy, Trade and Industry has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(Authorization for Changes to Business Regulations)

- Article 21-8 (1) If a designated financial institution, etc. intends to change the business regulations, it must obtain the authorization of the Minister of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry finds that the business regulations of a designated financial institution, etc. are no longer appropriate for the proper and reliable undertaking of business operations to support business activities utilizing innovative technology research results, the minister may order the institution, etc. to change its business regulations.

(Suspension or Discontinuation of Business Operations)

Article 21-9 (1) If a designated financial institution, etc. intends to suspend or discontinue all or part of the business operations to support business activities utilizing innovative technology research results, it must notify the competent minister of that fact in advance, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(2) If the Minister of Economy, Trade and Industry has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(3) If a designated financial institution, etc. has discontinued all of the business operations to support business activities utilizing innovative technology research results, the designation as the designated financial institution, etc. ceases to be effective.

(Rescission of Designations)

Article 21-10 (1) If a designated financial institution, etc. has come to fall under any of the items (excluding item (ii)) of Article 21-6, paragraph (4), the Minister of Economy, Trade and Industry is to rescind the designation as the designated financial institution, etc.

(2) If a designated financial institution, etc. falls under any of the following items, the Minister of Economy, Trade and Industry may rescind the designation as the designated financial institution:

(i) if the designated financial institution, etc. is found to be incapable of undertaking business operations to support business activities utilizing innovative technology research results properly and reliably;

(ii) if there has been a wrongful act relating to the designation; or

(iii) if the designated financial institution, etc. has violated this Act or an order or disposition based on this Act.

(3) If the Minister of Economy, Trade and Industry has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice of that fact.

(Completion of Business Operations due to Rescission of Designation)

Article 21-11 If designation as a designated financial institution, etc. has ceased to be effective pursuant to the provisions of Article 21-9, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a person that was the designated financial institution, etc. or its general successor is deemed to be the designated financial institution, etc. within the context of its purpose of completing transactions based on the agreement on the business operations to support business activities utilizing innovative technology research results of the designated financial institution, etc. undertaken.

Subsection 3 Utilization of R&D Facilities

Article 21-12 The National Institute of Advanced Industrial Science and Technology may undertake business operations to provide its facilities (including land) and equipment related to R&D, which are specified by Order of the Ministry of Economy, Trade and Industry as those that contribute to the development of new business by businesses, for use (limited to R&D relating to science and technology of mining or industry or utilization of the results of such R&D) by persons that carry out the development or production of new goods, development or provision of new services, introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities.

Section 1-2 Facilitation of Business Adaptation

(Implementation Guidelines)

Article 21-13 (1) The Minister of Economy, Trade and Industry and the Minister of Finance are to establish the guidelines for the implementation of business adaptation (hereinafter referred to as the "implementation guidelines" in this Section) (for the Minister of Finance, limited to the particulars set forth in item (i), (c), item (ii), (c), and item (iii), (c) of the following paragraph; hereinafter the same applies in this Article).

(2) The implementation guidelines are to specify the following:

- (i) in the case of business adaptation for achieving growth (meaning business adaptation that falls under Article 2, paragraph (12), item (i); hereinafter the same applies in this item and Article 21-28, paragraph (1)), the following particulars:
 - (a) basic particulars concerning the business adaptation for achieving growth, such as the significance of promoting the business adaptation for achieving growth and its goal;
 - (b) particulars concerning the details of the business adaptation for achieving growth, such as the R&D and capital investment necessary for carrying out the business adaptation for achieving growth;
 - (c) particulars concerning roles to be fulfilled by the Japan Finance Corporation (hereinafter referred to as the "JFC") and designated financial institutions (meaning the designated financial institutions designated under Article 21-19, paragraph (1); hereinafter the same applies in this paragraph and Article 21-17, paragraph (1), items (i) and (ii)) for facilitating fund raising necessary for taking measures for the business adaptation for achieving growth; and

- (d) other important particulars concerning the business adaptation for achieving growth;
 - (ii) in the case of business adaptation relating to information technology (meaning business adaptation that falls under Article 2, paragraph (12), item (ii); hereinafter the same applies in this item and Article 21-28, paragraph (2)), the following particulars:
 - (a) basic particulars concerning the business adaptation relating to information technology, such as the significance of promoting the business adaptation relating to information technology and its goal;
 - (b) particulars concerning the details of the business adaptation relating to information technology, such as the investment necessary for utilizing the information technology, including information processing technology and information communications technology, required for carrying out the business adaptation relating to information technology; and
 - (c) particulars concerning roles to be fulfilled by the JFC and designated financial institutions for facilitating fund raising necessary for taking measures for the business adaptation relating to information technology; and
 - (d) other important particulars concerning the business adaptation relating to information technology; and
 - (iii) in the case of business adaptation for reducing the environmental load caused by energy use (meaning business adaptation that falls under Article 2, paragraph (12), item (iii); hereinafter the same applies in this item and Article 21-17, paragraph (1), item (ii)), the following particulars:
 - (a) basic particulars concerning the business adaptation for reducing the environmental load caused by energy use, such as the significance of promoting the business adaptation for reducing the environmental load caused by energy use and its goal;
 - (b) particulars concerning the details of the business adaptation for reducing the environmental load caused by energy use, such as introduction of the equipment that streamlines production processes, etc. and the equipment for production of demand-creating goods necessary for carrying out the business adaptation for reducing the environmental load caused by energy use;
 - (c) particulars concerning roles to be fulfilled by the JFC and designated financial institutions for facilitating fund raising necessary for taking measures for the business adaptation for reducing the environmental load caused by energy use; and
 - (d) other important particulars concerning the business adaptation for reducing the environmental load caused by energy use.
- (3) The Minister of Economy, Trade and Industry and the Minister of Finance are

to make changes to the implementation guidelines if any need arises due to fluctuations in the state of the economy.

- (4) If the Minister of Economy, Trade and Industry and the Minister of Finance intend to establish the implementation guidelines or make changes thereto, they are to consult with the head of the relevant administrative organ in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Finance have established the implementation guidelines or have made changes thereto, they are to publicize the established or changed implementation guidelines without delay.

(Business Field-Specific Implementation Guidelines)

Article 21-14 (1) Based on implementation guidelines, the competent minister may designate a business field, from those under the minister's jurisdiction, for which the minister finds it appropriate to achieve business adaptation that corresponds to the characteristics of that business field, and establish guidelines for the implementation of business adaptation regarding that business field (hereinafter referred to as "business field-specific implementation guidelines" in this Article and paragraph (4), item (i) of the following Article).

- (2) The business field-specific implementation guidelines are to specify necessary particulars concerning the implementation method of business adaptation regarding the business field designated pursuant to the provisions of the preceding paragraph.
- (3) The competent minister is to make changes to the business field-specific implementation guidelines if any need arises due to fluctuations in the state of the economy.
- (4) If the competent minister intends to establish the business field-specific implementation guidelines or make changes thereto, the minister is to consult with the Minister of Economy, Trade and Industry and the head of the relevant administrative organ in advance.
- (5) If the competent minister has established the business field-specific implementation guidelines or has made changes thereto, the minister is to publicize the established or changed business field-specific implementation guidelines without delay.

(Approval for Business Adaptation Plans)

Article 21-15 (1) A business may prepare a plan for business adaptation that it intends to start (including business adaptation that a corporation established by the business intends to start; the same applies hereinafter) (hereinafter the relevant plan is referred to as a "business adaptation plan"), and submit it to

the competent minister to seek approval therefor, as prescribed by order of the competent ministries.

- (2) If two or more businesses intend to coordinate in starting business adaptation, those two or more businesses may coordinate in preparing a business adaptation plan to seek approval therefor as set forth in the preceding paragraph.
- (3) A business adaptation plan must contain the following:
 - (i) the goal of the business adaptation;
 - (ii) the details of the business adaptation and its implementation period; and
 - (iii) the process of the resolution or decision concerning a management policy relating to the business adaptation.
- (4) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the business adaptation plan conforms to all of the following items, the minister is to approve the plan:
 - (i) the relevant plan is appropriate in light of the implementation guidelines (if business field-specific implementation guidelines have been established pursuant to the provisions of paragraph (1) of the preceding Article for the field to which the business subject to the relevant plan belongs, the implementation guidelines and the business field-specific implementation guidelines);
 - (ii) the business adaptation under the relevant plan is expected to be carried out smoothly and reliably; and
 - (iii) the improvements in productivity or creation of demand through the business adaptation under the business adaptation plan are expected to be sustainable in light of the market structures in the relevant field of business.
- (5) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the business adaptation plan regarding the approval, as prescribed by orders of the competent ministries.

(Changes to a Business Adaptation Plan)

- Article 21-16 (1) If a person that has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation established in accordance with the business adaptation plan regarding the approval; hereinafter referred to as an "approved business implementing business adaptation") intends to make changes to the business adaptation plan regarding the approval, the person must seek the approval of the competent minister, as prescribed by orders of the competent ministries.
- (2) If the competent minister finds that an approved business implementing business adaptation is not taking measures for business adaptation in accordance with the business adaptation plan regarding the approval (the plan after changes under the preceding paragraph if approval has been granted for

those changes; hereinafter referred to as an "approved business adaptation plan"), the minister may rescind the approval.

- (3) If the competent minister finds that an approved business adaptation plan no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the approved business implementing business adaptation to make changes to the relevant plan or may rescind the approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraphs (5) and (6) of the preceding Article apply *mutatis mutandis* to the approval set forth in paragraph (1).

(The JFC's Business Operations to Facilitate Business Adaptation Promotion)
Article 21-17 (1) Notwithstanding the provisions of Articles 1 and 11 of the Japan Finance Corporation Act (Act No. 57 of 2007; referred to as the "JFC Act" in the following paragraph and Article 35), the JFC may undertake the following business operations (hereinafter referred to as "business operations to facilitate business adaptation promotion"):

- (i) business operations to lend a designated financial institution funds necessary to offer loans for funds that an approved business implementing business adaptation needs in order to undertake R&D, investment necessary for utilizing information technology, introduction of equipment that streamlines production processes, etc. or equipment for production of demand-creating goods, or other measures specified by Cabinet Order, among measures for business adaptation taken in accordance with an approved business adaptation plan (those measures thus undertaken are referred to as "approved business adaptation-related measures" in the following item and Article 21-19, paragraph (1)), and business operations incidental thereto; and
 - (ii) with regard to loans offered by a designated financial institution for funds that an approved business implementing business adaptation (limited to one implementing business adaptation for reducing the environmental load caused by energy use) needs in order to take approved business adaptation-related measures, business operations to provide interest subsidies to that designated financial institution within the budget, and business operations incidental thereto.
- (2) If business operations to facilitate business adaptation promotion are undertaken, those operations are deemed to be business operations to facilitate specified business promotion as prescribed in Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (Act No. 38 of 2010); and the phrases set forth in the middle column of the table of Article 17 of the same Act that are used in the provisions of the JFC Act set forth in the left-hand column of the same table (excluding

the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table) are deemed to be replaced with the phrases set forth in the right-hand column of the table of the same Article, and the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table. In this case, Cabinet Order prescribes the necessary technical replacement of the phrases.

Article 58, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 58, paragraph (2) and Article 59, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness
Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 73, item (i)	this Act	this Act (including as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 73, item (iii)	Article 11	Article 11 of this Act and Article 21-17, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) (including as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)

(Policies for Undertaking Business Operations to Facilitate Business Adaptation Promotion)

Article 21-18 (1) In line with the implementation guidelines (limited to the

particulars set forth in Article 21-13, paragraph (2), item (i), (c), item (ii), (c), and item (iii), (c); the same applies in paragraph (1), item (ii) and paragraph (2) of the following Article), the JFC must specify the methods and conditions for business operations to facilitate business adaptation promotion and other policies for undertaking those operations (hereinafter referred to as "policies for undertaking business operations to facilitate corporate restructuring promotion" in this Article and paragraph (1), item (ii) and paragraph (2) of the following Article), as prescribed by orders of the competent ministries.

- (2) If the JFC intends to specify policies for undertaking business operations to facilitate business adaptation promotion, it must obtain the authorization of the competent minister. This also applies if the JFC intends to make changes to those policies.
- (3) If the JFC has obtained the authorization of the competent minister set forth in the preceding paragraph, it must publicize the policies for undertaking business operations to facilitate business adaptation promotion without delay.
- (4) The JFC must undertake business operations to facilitate business adaptation promotion in accordance with the policies for undertaking business operations to facilitate business adaptation promotion.

(Designation as Designated Financial Institutions)

Article 21-19 (1) With respect to business operations to offer loans for funds necessary for approved business adaptation-related measures taken by an approved business implementing business adaptation, which are to be undertaken by way of borrowing funds necessary for offering those loans from the JFC or receiving provision of interest subsidies (hereinafter referred to as "business operations to promote business adaptation"), the competent minister may designate those that are found to conform to all of the following items as designated financial institutions, upon application from them, as prescribed by orders of the competent ministries:

- (i) they fall under the category of a bank or other financial institutions specified by Cabinet Order;
 - (ii) their business regulations prescribed in the following paragraph are in conformity with laws and regulations, the implementation guidelines, and the policies for undertaking business operations to facilitate business adaptation promotion, and are sufficient for undertaking business operations to promote business adaptation properly and reliably; and
 - (iii) in light of the personnel structure, they have the knowledge and experience for undertaking business operations to promote business adaptation properly and reliably.
- (2) A person intending to receive designation under the preceding paragraph must specify the regulations concerning business operations to promote

business adaptation (referred to as the "business regulations" in the following paragraph and Article 21-21), in line with the implementation guidelines, and the policies for undertaking business operations to facilitate business adaptation promotion, in accordance with the procedures specified by orders of the competent ministries, and submit it to the competent minister together with a written application.

- (3) The business regulations must specify particulars concerning the implementation framework and methods for business operations to promote business adaptation and other particulars specified by orders of the competent ministries.
- (4) Those falling under any of the following items may not receive designation under the provisions of paragraph (1):
 - (i) a person that violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these, and was sentenced to a punishment heavier than a fine, if five years have not yet elapsed since the day on which the execution of the sentence was completed or since the day on which the person ceased to be subject to execution of the sentence;
 - (ii) a person whose designation was rescinded pursuant to the provisions of Article 21-26, paragraph (1) or paragraph (2), if five years have not yet elapsed since the day of the rescission; or
 - (iii) a corporation, any of whose officers in charge of its business fall under either of the following:
 - (a) a person specified by orders of the competent ministries as being unable to properly perform their duties due to a mental or physical disorder or a person that has become subject to an order for bankruptcy proceedings and whose civil rights have not been restored;
 - (b) in cases in which a designated financial institution has had its designation rescinded pursuant to the provisions of Article 21-26, paragraph (1) or paragraph (2), a person who had been an officer of the designated financial institution within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing regarding the rescission of the designation, if five years have not yet elapsed since the day of the rescission.

(Public Notice of a Designation)

Article 21-20 (1) If the competent minister has made a designation under the provisions of paragraph (1) of the preceding Article, the minister is to issue a public notice concerning the trade name or name, and the address of the designated financial institution, as well as the location of its business office or office where it undertakes business operations to promote business adaptation.

- (2) If a designated financial institution intends to change its trade name or name, its address, or the location of its business office or office where it undertakes business operations to promote business adaptation, it must notify the competent minister of that fact in advance.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(Authorization for Changes to Business Regulations)

Article 21-21 (1) If a designated financial institution intends to change the business regulations, it must obtain the authorization of the competent minister.

- (2) If the competent minister finds that the business regulations of a designated financial institution are no longer appropriate for the proper and reliable undertaking of business operations to promote business adaptation, the minister may order the institution to change its business regulations.

(Agreement)

Article 21-22 (1) The JFC is to conclude an agreement containing the following particulars with a designated financial institution, with respect to business operations to facilitate business adaptation promotion, and undertake its business operations in accordance with the agreement:

- (i) particulars concerning the standards for conditions for loans for the designated financial institution's business operations to promote business adaptation (limited to those to be undertaken by way of receiving loans from the JFC);
 - (ii) a requirement for the designated financial institution to prepare a report on its financial situation and on the state of undertaking its business operations to promote business adaptation, and for that designated financial institution to submit it to the JFC; and
 - (iii) the details and methods for the designated financial institution's business operations to promote business adaptation and the JFC's business operations to facilitate business adaptation promotion, and other particulars specified by orders of the competent ministries, beyond what is provided for in the preceding two items.
- (2) If the JFC intends to conclude an agreement as set forth in the preceding paragraph, it must obtain the authorization of the competent ministers. This also applies if the JFC intends to make changes to the agreement.

(Bookkeeping)

Article 21-23 Designated financial institutions must keep books with respect to business operations to promote business adaptation, record the matters

specified by orders of the competent ministries, and preserve them, as prescribed by orders of the competent ministries.

(Supervision Orders)

Article 21-24 If the competent ministers find it necessary for the enforcement of this Act, the ministers may issue orders necessary for supervision with respect to business operations to promote business adaptation to a designated financial institution.

(Suspension or Discontinuation of Business Operations)

Article 21-25 (1) If a designated financial institution intends to suspend or discontinue all or part of the business operations to promote business adaptation, it must notify the competent minister of that fact in advance, as prescribed by orders of the competent ministries.

(2) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(3) If a designated financial institution has discontinued all of the business operations to promote business adaptation, the designation as the designated financial institution ceases to be effective.

(Rescission of Designations)

Article 21-26 (1) If a designated financial institution has come to fall under any of the items (excluding item (ii)) of Article 21-19, paragraph (4), the competent minister is to rescind the designation as the designated financial institution.

(2) If a designated financial institution falls under any of the following items, the competent minister may rescind the designation as the designated financial institution:

(i) if the designated financial institution is found to be incapable of undertaking business operations to promote business adaptation properly and reliably;

(ii) if there has been a wrongful act relating to the designation; or

(iii) if the designated financial institution has violated this Act or an order or disposition based on this Act.

(3) If the competent minister has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice of that fact.

(Completion of Business Operations due to Rescission of Designation)

Article 21-27 If designation as a designated financial institution has ceased to be effective pursuant to the provisions of Article 21-25, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the

preceding Article, a person that was the designated financial institution or its general successor is deemed to be the designated financial institution within the context of its purpose of completing transactions based on the agreement on the designated financial institution's business operations to promote business adaptation undertaken.

(Special Provisions on Taxation)

- Article 21-28 (1) If losses arise with respect to an approved business implementing business adaptation that undertakes business adaptation for achieving growth (limited to such business adaptation confirmed by the competent minister to be in conformity with the standards specified by the competent minister as being implemented to respond to significant changes in the economy and social circumstances), implemented in accordance with an approved business adaptation plan, special measures are to be taken regarding the carryover of losses pertaining to corporation tax, as prescribed by the Act on Special Measures Concerning Taxation (Act No. 26 of 1957).
- (2) As prescribed by the Act on Special Measures Concerning Taxation, special provisions on taxation apply to machines, devices, tools, fixtures, and software which an approved business implementing business adaptation that undertakes business adaptation relating to information technology (limited to such business adaptation confirmed by the competent minister to be in conformity with the standards specified by the competent minister as particularly contributing to the improvements in productivity or creation of demand), implemented in accordance with an approved business adaptation plan, acquires or manufactures to be provided for use in the business adaptation relating to information technology and to software which the approved business uses for implementing the business adaptation relating to information technology.

Section 2 Facilitation of Corporate Restructuring

(Guidelines for the Implementation of Corporate Restructuring)

- Article 22 (1) The Minister of Economy, Trade and Industry and the Minister of Finance are to establish the guidelines for the implementation of corporate restructuring (hereinafter referred to as the "implementation guidelines" in this Section) (for the Minister of Finance, limited to the particulars set forth in item (iii) of the following paragraph; hereinafter the same applies in this Article).
- (2) The implementation guidelines are to specify the following:
- (i) particulars concerning the setting up of goals for improvements in productivity and the soundness of financial conditions through corporate

- restructuring;
 - (ii) particulars concerning the methods for implementing corporate restructuring;
 - (iii) particulars concerning roles to be fulfilled by the JFC and designated financial institutions (meaning the designated financial institutions designated under Article 37, paragraph (1); the same applies in Article 35, paragraph (1)) for facilitating fund raising necessary for conducting a merger, dismantling facilities held or disposing of equipment held, or installing equipment for improving productivity, etc. out of measures for corporate restructuring; and
 - (iv) other important matters relating to corporate restructuring.
- (3) The Minister of Economy, Trade and Industry and the Minister of Finance are to make changes to the implementation guidelines if any need arises due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Finance intend to establish the implementation guidelines or make changes thereto, they are to consult with the head of the relevant administrative organ in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Finance have established the implementation guidelines or have made changes thereto, they are to publicize the established or changed implementation guidelines without delay.

(Approval for Corporate Restructuring Plans)

- Article 23 (1) A business may prepare a plan for corporate restructuring that it intends to start (including corporate restructuring that a corporation established by the business intends to start; hereinafter the relevant plan is referred to as a "corporate restructuring plan"), and submit it to the competent minister to seek approval therefor, as prescribed by order of the competent ministries.
- (2) If two or more businesses intend to coordinate in starting measures for corporate restructuring, those two or more businesses may coordinate in preparing a corporate restructuring plan to seek approval therefor as set forth in the preceding paragraph.
- (3) A corporate restructuring plan must contain the following:
- (i) the goal of the corporate restructuring;
 - (ii) indicators to show the level of improvements in productivity and the soundness of financial conditions through the corporate restructuring;
 - (iii) the details of the corporate restructuring and its implementation period;
 - (iv) the amount of funds necessary for implementing the corporate restructuring and how to raise them; and

- (v) particulars concerning the labor associated with the corporate restructuring.
- (4) A corporate restructuring plan may contain plans for the measures to be taken by related businesses and related foreign corporations for the purpose of the corporate restructuring by the business[es].
- (5) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the corporate restructuring plan conforms to all of the following items, the minister is to approve the plan:
 - (i) the relevant plan is appropriate in light of the implementation guidelines;
 - (ii) the corporate restructuring under the relevant plan is expected to be implemented smoothly and reliably;
 - (iii) the improvements in productivity through the corporate restructuring under the corporate restructuring plan are expected to be sustainable in light of the market structures in the relevant field of business;
 - (iv) if the business subject to the corporate restructuring plan belongs to a field which is in a state of structural oversupply (meaning a state in which the capacity to supply clearly and significantly exceeds demand, and it is expected that this state will continue for a lengthy period; the same applies in Article 46, item (i)), the corporate restructuring under the corporate restructuring plan will contribute to the dissolution of structural oversupply in that field;
 - (v) the corporate restructuring plan will not cause unreasonable damage to the state of employees; and
 - (vi) the corporate restructuring plan conforms to (a) and (b) below:
 - (a) fair competition between the business filing the application and other businesses engaging in business that belongs to the same field as the former will be maintained in light of the situation in domestic and foreign markets; and
 - (b) there is no risk of causing unreasonable damage to the interests of general consumers and related businesses.
- (6) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the corporate restructuring plan regarding the approval, as prescribed by orders of the competent ministries.

(Changes to Corporate Restructuring Plans)

Article 24 (1) If a person that has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation established in accordance with the corporate restructuring plan regarding the approval; hereinafter the relevant person is referred to as an "approved business implementing corporate restructuring") intends to make changes to the corporate restructuring plan regarding the approval, the person must seek the approval of the competent minister as prescribed by orders of the competent ministries.

- (2) If the competent minister finds that an approved business implementing corporate restructuring, or its related business or related foreign corporation is not taking measures for corporate restructuring in accordance with the corporate restructuring plan regarding the approval (the plan after changes under the preceding paragraph if approval has been granted for those changes; hereinafter referred to as an "approved corporate restructuring plan"), the minister may rescind the approval.
- (3) If the competent minister finds that an approved corporate restructuring plan no longer conforms to any of the items of paragraph (5) of the preceding Article, the minister may direct the approved business implementing corporate restructuring to make changes to the relevant plan or may rescind the approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraph (5) and paragraph (6) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Relations with the Fair Trade Commission)

- Article 25 (1) If the competent minister intends to grant approval as set forth in Article 23, paragraph (1) (including the approval for changes set forth in paragraph (1) of the preceding Article; the same applies in paragraph (3)) with respect to a corporate restructuring plan and the measures for the corporate restructuring to be implemented in accordance with the corporate restructuring plan (hereinafter referred to as "corporate restructuring-related measures" in this paragraph) fall under the cases specified by Cabinet Order as cases in which fair competition might not be ensured within the field in which the business[es] filing the application engages in its own business, the competent minister is to forward a copy of the application form regarding the approval to the Fair Trade Commission and consult with the Fair Trade Commission in advance. In this case, the competent minister is to present the opinion with respect to matters concerning the influence that will be exerted by the corporate restructuring-related measures on competition within the field in which the business[es] filing the application engage in its own business, as well as with respect to other necessary matters, and is to indicate the situation in domestic and foreign markets within that field, the level of improvements in productivity through the corporate restructuring-related measures, and any other supporting grounds for that opinion.
- (2) Upon having a consultation as set forth in the preceding paragraph, the competent minister and the Fair Trade Commission are to maintain a close liaison with each other so as to carry out necessary procedures promptly and appropriately, in consideration of the necessity of strengthening industrial

competitiveness.

- (3) With respect to actions taken in accordance with a corporate restructuring plan for which a copy of the application form has been forwarded under paragraph (1) and to which the competent minister has granted approval as set forth in Article 23, paragraph (1), the competent minister and the Fair Trade Commission are to maintain a close liaison with each other so as to prevent damage to fair competitive relations among businesses, as well as unreasonable damage to the interests of general consumers and related businesses, due to fluctuations in the state of the economy after the approval.

(Special Provisions Concerning the Investigation of Capital Contributions in Kind and Property Transactions)

Article 26 (1) If a business newly establishes a stock company through the contribution or transfer of all or part of its assets in accordance with an approved corporate restructuring plan, with respect to the application of the provisions of Article 33, paragraph (10), item (i) of the Companies Act (Act No. 86 of 2005) regarding the incorporators of the newly established stock company, the phrase "does not exceed 5,000,000 yen" in the same item is deemed to be replaced with "does not exceed 5,000,000 yen, and in cases prescribed in Article 26, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

- (2) With respect to the application of the provisions of Article 47, paragraph (2) of the Commercial Registration Act (Act No. 125 of 1963) in the cases set forth in the preceding paragraph, the phrase "the following documents" in the same paragraph is deemed to be replaced with "the following documents (excluding the documents set forth in item (iv)) and a document evidencing that the contribution or transfer of assets was in accordance with an approved corporate restructuring plan prescribed in Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning the Investigation of Capital Contributions in Kind in Relation to the Issuance of Shares)

Article 27 (1) If a business contributes all or part of its assets to another stock company in accordance with an approved corporate restructuring plan (including cases in which share options are exercised), the provisions of Article 207, paragraph (1) through paragraph (8), and Article 284, paragraph (1) through paragraph (8) of the Companies Act do not apply to the relevant other stock company.

- (2) With respect to the application of the provisions of Article 56 and Article 57 of the Commercial Registration Act in the cases set forth in the preceding paragraph, the phrase "the following documents" in these provisions is deemed

to be replaced with "the following documents (excluding the documents set forth in item (iii), (a) and item (iv)) and a document evidencing that the contribution of assets was in accordance with an approved plan prescribed in Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning the Business Transfer, etc. to a Special Controlling Company)

Article 28 (1) With respect to the application of the provisions of Article 468, paragraph (1), Article 469, paragraph (2), item (ii) and paragraph (3), Article 784, paragraph (1), Article 785, paragraph (2), item (ii) and paragraph (3), Article 796, paragraph (1), and Article 797, paragraph (2), item (ii) and paragraph (3) of the Companies Act regarding a stock company that is a specified related business of an approved business implementing corporate restructuring (meaning an related business in which two-thirds or more of the voting rights of all shareholders are held by the approved business implementing corporate restructuring and a stock company all of whose issued shares are held by the approved business implementing corporate restructuring, as well as another approved business implementing corporate restructuring regarding an approved corporate restructuring plan and a stock company all of whose issued shares are held by the relevant other approved business implementing corporate restructuring; hereinafter the same applies in this Article) and which performs any of the following acts (for acts set forth in item (iv) to item (vii), limited to an act performed with another stock company) in accordance with an approved corporate restructuring plan, the phrase "special controlling company (when nine tenths (9/10) (or, when any proportion higher than that is provided for in the articles of incorporation, such proportion) or more of the voting rights of all shareholders of a stock company are held by another company, and by stock companies all of whose issued shares are held by the relevant other company and other corporations prescribed by Ministry of Justice Order as entities equivalent to the above, referring to the relevant other company; the same applies hereinafter)" in Article 468, paragraph (1) of the same Act is deemed to be replaced with "specified special controlling company (when a stock company is a specified related business (meaning the specified related business prescribed in Article 28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); hereinafter the same applies in this Article) in an approved corporate restructuring plan as prescribed in Article 24, paragraph (2) of the same Act, a specified special controlling company means an approved business implementing corporate restructuring prescribed in Article 24, paragraph (1) of the same Act regarding the specified related business, another specified related

business of the approved business implementing corporate restructuring, another approved business implementing corporate restructuring regarding the approved corporate restructuring plan, or a specified related business of the relevant other approved business implementing corporate restructuring; the same applies hereinafter); and the phrase "special controlling company" in Article 469, paragraph (2), item (ii) and paragraph (3), Article 784, paragraph (1), Article 785, paragraph (2), item (ii) and paragraph (3), Article 796, paragraph (1), and Article 797, paragraph (2), item (ii) and paragraph (3) of the Companies Act is deemed to be replaced with "specified special controlling company":

- (i) transfer of business;
 - (ii) transfer of shares or equity in subsidiary (meaning the subsidiary prescribed in Article 2, item (iii) of the Companies Act);
 - (iii) acceptance of all business;
 - (iv) absorption-type merger;
 - (v) absorption-type company split;
 - (vi) succession to all or part of the rights and obligations held by the other company concerning its business through an absorption-type company split;
 - (vii) share exchange; or
 - (viii) acquisition of all issued shares of the other stock company through a share exchange.
- (2) If a specified related business of an approved business implementing corporate restructuring that is a stock company performs either of the following acts in accordance with an approved corporate restructuring plan, the provisions of Article 804, paragraph (1) of the Companies Act do not apply to the specified related business:
- (i) consolidation-type merger (limited to a consolidation-type merger in cases in which a consolidation-type merger is executed with the approved business implementing corporate restructuring, other specified related business of the approved business implementing corporate restructuring, another approved business implementing corporate restructuring regarding the approved corporate restructuring plan, or a specified related business of that other approved business implementing corporate restructuring, and the company established through the consolidation-type merger is a stock company); or
 - (ii) incorporation-type company split (excluding cases in which the company established through an incorporation-type company split is a membership company, and the cases prescribed in Article 805 of the Companies Act).
- (3) With respect to the application of the provisions of Article 806, paragraph (3) and Article 808, paragraph (3) of the Companies Act in the cases set forth in the preceding paragraph, the phrase "the day of resolution at the shareholders meeting set forth in Article 804, paragraph (1)" in Article 806, paragraph (3) of

the same Act is deemed to be replaced with "the day of resolution at the shareholders meeting set forth in Article 804, paragraph (1) (in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)"; and the phrase "and in the cases prescribed in Article 805, the day of the preparation of the incorporation-type company split plan" in Article 808, paragraph (3) of the same Act is deemed to be replaced with "in the cases prescribed in Article 805, the day of the preparation of the incorporation-type company split plan, and in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)".

- (4) With respect to the application of the provisions of Article 80, Article 81, Article 85, Article 86, and Article 89 of the Commercial Registration Act in the cases set forth in paragraph (1) and paragraph (2), the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article +A1:C880	the following documents	the following documents, a document evidencing that the approval set forth in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval for changes set forth in Article 24, paragraph (1) of the same Act; hereinafter simply referred to as the "approval") has been obtained, and a document evidencing that the absorption-type merger was in accordance with the approved plan
Article 81	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the consolidation-type merger was in accordance with the approved plan

Article 81, item (vi)	of the Companies Act	of the Companies Act (in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that it falls under those cases, and a document or the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained)
Article 85	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the absorption-type company split was in accordance with the approved plan or that the succession through the absorption-type company split to all or part of the rights and obligations that another company had in its business was in accordance with the approved plan
Article 86	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the incorporation-type company split was in accordance with the approved plan
Article 86, item (vi)	dummy text	dummy text
	the minutes of board of director evidencing that the consent of the majority of the directors has been obtained	the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained; and in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that it falls under those cases, and a document or the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained
Article 89	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the share exchange was in accordance with the approved plan or that the acquisition of all issued shares of another stock company through the share exchange was in accordance with the approved plan

(5) If an approved business implementing corporate restructuring demands, in

accordance with an approved corporate restructuring plan, that all shareholders of its specified related business that is a stock company sell back all of the shares of the specified related business that they hold, (those shareholders exclude the relevant specified related business and the relevant approved business implementing corporate restructuring (and, also exclude a stock company all of whose issued shares the relevant approved business implementing corporate restructuring holds, another approved business implementing corporate restructuring regarding the approved corporate restructuring plan, or a stock company all of whose issued shares the other relevant approved business implementing corporate restructuring holds, if the relevant approved business implementing corporate restructuring has decided not to make a demand under this paragraph of any of them pursuant to the provisions of the proviso to Article 179, paragraph (1) of the Companies Act as applied by replacing the phrases pursuant to the provisions of this paragraph)), with respect to the application of the provisions of Article 151, paragraph (2); Article 154, paragraph (3); Article 179; Article 179-2, paragraph (1), item (i), item (iv), (a), item (v), and paragraph (2); Article 179-3, paragraph (1), paragraph (2), and paragraph (4); Article 179-4, items of paragraph (1), and paragraph (3), and paragraph (4); Article 179-5, paragraph (1), item (i); Article 179-6, paragraph (1), paragraph (3), and paragraph (7); Article 179-7; Article 179-8, paragraph (2), and paragraph (3); Article 179-9; Article 179-10, paragraph (1); Article 219, paragraph (2), item (ii), and paragraph (4); Article 272, paragraph (4); Article 293, paragraph (2), item (i), and paragraph (4); Article 846-3; and Article 870, paragraph (2), item (v) of the Companies Act, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

Article 151, paragraph (2)	a Special Controlling Shareholder (meaning a Special Controlling Shareholder as prescribed in Article 179, paragraph (1); the same applies in Article 154, paragraph (3))	a specified special controlling shareholder (meaning an approved business implementing corporate restructuring prescribed in Article 28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) regarding the relevant specified affiliated business (meaning the specified affiliated business prescribed in Article 28, paragraph (1) of the same Act; hereinafter the same applies in this Article) if a stock company is a specified affiliated business in an approved plan prescribed in Article 24, paragraph (2) of the same Act; the same applies here in after)
Article 154, paragraph (3)	the Special Controlling Shareholders	the specified special controlling shareholders

<p>Article 179, paragraph (1)</p>	<p>Special Controlling Shareholders of a Stock Company (in cases where a person in cases where not less than nine-tenths (9/10) of the votes of all shareholders of the Stock Company (in cases where a higher proportion is provided for in the articles of incorporation of such Stock Company, such proportion) are held by such person other than such Stock Company and in cases where a corporation prescribed by Order of Ministry of Justice as a Stock Company all of the Issued Shares of which are held by such person or one equivalent thereto (hereinafter referred to as "Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder" in this Article and paragraph (1) of the following Article), meaning such person; the same applies hereinafter)</p>	<p>Specified special controlling shareholders of a stock company</p>
	<p>Special Controlling Shareholder[s]</p>	<p>specified special controlling shareholder[s]</p>

	a Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder (meaning a stock company all of whose issued shares are held by the specified special controlling shareholder, another approved business implementing corporate restructuring pertaining to the approved corporate restructuring plan, or a stock company all of whose issued shares are held by the relevant other approved business implementing corporate restructuring; hereinafter the same applies in this Article and paragraph (1) of the following Article)
Article 179, paragraph (2)	Special Controlling Shareholders	specified special controlling shareholders
	such Special Controlling Shareholders	those specified special controlling shareholders
	a Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder
Article 179, paragraph (3)	Special Controlling Shareholder	specified special controlling shareholder
Article 179-2, paragraph (1), item (i) and item (iv), (a)	a Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder

<p>Article 179-2, paragraph (1), item (v) and paragraph (2); Article 179-3, paragraph (1), paragraph (2) and paragraph (4); items of Article 179-4, paragraph (1), and paragraph (3) and paragraph (4) of the same Article; Article 179-5, paragraph (1), item (i); Article 179-6, paragraph (1), paragraph (3), and paragraph (7); Article 179-7; Article 179-8, paragraph (2) and paragraph (3); Article 179-9; Article 179-10, paragraph (1); Article 219, paragraph (2), item (ii) and paragraph (4); Article 272, paragraph (4); Article 293, paragraph (2), item (i) and paragraph (4); Article 846-3; and Article 870, paragraph (2), item (v)</p>	<p>Special Controlling Shareholder</p>	<p>specified special controlling shareholder</p>
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(Special Provisions Concerning the Consolidation of Shares)

Article 29 (1) With respect to the application of the provisions of Article 180, paragraph (2) of the Companies Act regarding the consolidation of shares which an approved business implementing corporate restructuring or a stock

company that is its related business undertakes, at the same time as a reduction in the amount of stated capital, capital reserves or retained earnings reserves, in accordance with the approved corporate restructuring plan, and which falls under both of the following items, the phrase "a shareholders meeting" in the same paragraph is deemed to be replaced with "a shareholders meeting (for a company with a board of directors, a board of directors meeting)":

- (i) there is a reduction in the number of share units, or a discontinuation of that number, at the same time as the consolidation of shares; and
 - (ii) there is no fall in the number of share units owned by each individual shareholder after the consolidation of shares (when a number of share units is discontinued at the time of the consolidation of shares, the number of shares owned by each individual shareholder), below the number of share units held by each individual shareholder before the consolidation.
- (2) With respect to the application of the provisions of Article 61 of the Commercial Registration Act in the cases set forth in the preceding paragraph, the phrase "documents listed in Article 59, paragraph (1), item (ii)" in the same Article is deemed to be replaced with "documents set forth in Article 59, paragraph (1), item (ii), and a document evidencing that the consolidation of shares was in accordance with the approved corporate restructuring plan prescribed in Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning the Issuance of Shares or the Disposal of Treasury Shares upon Acquisition of Shares, etc. of Another Stock Company in Exchange for Shares)

Article 30 (1) If a stock company that is an approved business implementing corporate restructuring acquires shares of another stock company (including shares, equity, or the equivalent in a foreign corporation; hereinafter the same applies in this paragraph) through transfer in accordance with an approved corporate restructuring plan (limited to cases in which the stock company intends to make that other stock company fall under the category of its own related business through the acquisition, if that other stock company's business does not fall under the category of its own related business, or in which it intends to make the foreign corporation its own related foreign corporation through the acquisition, if the foreign corporation is not its own related foreign corporation; hereinafter the same applies in this paragraph), and it issues shares or disposes of treasury shares in exchange for the acquisition; or a stock company that is an approved business implementing corporate restructuring issues shares or disposes of treasury shares to its subsidiary (meaning the subsidiary prescribed in Article 2, item (iii) of the

Companies Act and limited to stock companies all of whose issued shares are held by the company and other corporations specified by orders of the competent ministries as those equivalent thereto; hereinafter the same applies in this paragraph) in accordance with an approved corporate restructuring plan, and the subsidiary acquires shares of another stock company through transfer in accordance with the approved corporate restructuring plan and issues shares (including securities set forth in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) that indicate the rights regarding those shares and the rights to be indicated on the securities) of the stock company that is the approved business implementing corporate restructuring in exchange for the acquisition; with respect to the application of the provisions of Article 199, Article 201 (excluding paragraph (1) and paragraph (2)), Article 208, and Article 445 of the Companies Act regarding the relevant approved business implementing corporate restructuring, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and Cabinet Order specifies any other necessary technical replacement of the phrases.

The portion other than those set forth the items of Article 199, paragraph (1)	a Stock Company intends to solicit persons to subscribe for shares it issues or for Treasury Shares it disposes of	a stock company that is an approved business implementing corporate restructuring as prescribed in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) intends to solicit persons to subscribe for shares it issues or for treasury shares it disposes of in exchange for the acquisition of shares of another stock company (including shares, equity, or the equivalent in a foreign corporation; hereinafter the same applies in this paragraph) through transfer in accordance with an approved corporate restructuring plan as prescribed in paragraph (2) of the same Article
	the following particulars	the following particulars (excluding the matters set forth in item (iii))

Article 199, paragraph (1), item (i)	the number of Shares for Subscription (or, for a Company with Class Shares, the classes and the number of the Shares for Subscription; hereinafter the same applies in this Section);	the number of shares for subscription (or, for a company with class shares, the classes and the number of the shares for subscription; hereinafter the same applies in this Section) or the method for calculating that number;
Article 199, paragraph (1), item (ii)	the Amount to Be Paid in (meaning the amount of the monies to be paid in in exchange for one of the Shares for Subscription, or the amount of any property other than monies to be contributed; hereinafter the same applies in this Section) for the Shares for Subscription	the number of shares of the relevant other stock company to be contributed in exchange for a single share for subscription (if the relevant company acquires share options or bonds with share options of the relevant other stock company (including the equivalent to share options or bonds with share options of a foreign corporation; hereinafter the same applies in this item) along with shares of the relevant other stock company, including those share options or bonds with share options; hereinafter referred to as "specified shares, etc.")
Article 199, paragraph (1), item (iv)	the payment of the monies in exchange for the Shares for Subscription, or the contribution of the property under the preceding item	the contribution of the specified shares, etc. in exchange for the shares for subscription
Article 201, paragraph (3)	a Public Company	the stock company that is the approved business implementing corporate restructuring
	by a resolution of the board of directors meeting provided for in Article 199(2) applied by the reading of terms pursuant to the provisions of the preceding paragraph	not by a resolution at the board of directors meeting, under Article 796, paragraph (2) as applied mutatis mutandis pursuant to the provisions of Article 30, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of phrases

Article 201, paragraph (5)	Order of the Ministry of Justice	the orders of the competent ministries prescribed in Article 147, paragraph (2) of the Act on Strengthening Industrial Competitiveness (hereinafter simply referred to as "orders of the competent ministries")
Article 208, paragraph (2)	the Properties Contributed in Kind equivalent in value to the entire Amount to Be Paid in of the Shares for Subscription for which the subscribers respectively subscribed	all of the specified shares, etc. to be contributed in exchange for the shares for subscription
Article 445, paragraph (1)	the amount of properties	the amount specified by orders of the competent ministries as the amount of properties
Article 445, paragraph (2)	the amount of contribution	the amount specified by orders of the competent ministries as the amount of the contribution

- (2) With respect to the issuance of shares or disposal of treasury shares undertaken by a stock company that is an approved business implementing corporate restructuring pursuant to the provisions of the preceding paragraph, the provisions of Article 135, paragraph (1), Article 200, Article 201, paragraph (1) and paragraph (2), Article 206-2, and Article 212 of the Companies Act do not apply.
- (3) The provisions of Article 234, Article 309, paragraph (2), Article 796, paragraph (2) and paragraph (3), Article 797, Article 798, Article 868 to Article 876, and Article 940 of the Companies Act apply mutatis mutandis to the cases set forth in paragraph (1). In this case, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

Article 234, paragraph (1)	In cases where a Stock Company delivers shares in such Stock Company to the persons listed in the following items when any act listed in such items is carried out	In cases in which a stock company that is the approved business delivers those shares to persons that have submitted applications for subscription for its shares at the time of the issuance of shares or disposal of treasury shares under Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "issuance, etc. of specified shares")
	the number of the shares of such Stock Company	the number of the shares of the stock company that is the approved business implementing corporate restructuring
the part other than the items below of Article 796, paragraph (2)	paragraphs (1) to (3) of the preceding Article	Article 199, paragraph (2)
	one-fifth (or, in cases where a lesser proportion is prescribed in the articles of incorporation of the Surviving Stock Company, etc., such proportion)	one-fifth
	the cases listed in the items of paragraph (2) of the preceding Article or the proviso to the preceding paragraph	cases in which all or part of the shares to be delivered to persons that have submitted applications for subscription for those shares at the time of the issuance, etc. of specified shares are shares with restrictions on the transfer of the stock company that is the approved business implementing corporate restructuring, and the stock company that is the approved business implementing corporate restructuring is not a public company

Article 796,
 paragraph
 (2), item (i)

<p>the total amount of the amounts listed below:</p>	<p>the amount arrived at if the number of shares of the stock company that is the approved business implementing corporate restructuring to be delivered to persons that have submitted applications for subscription for those shares at the time of the issuance, etc. of specified shares is multiplied by the amount of net assets per share;</p>
<p>(a) the amount obtained by multiplying the number of shares of the Surviving Stock Company, etc. to be delivered to shareholders of the Stock Company Disappearing in an Absorption-type Merger or the Wholly Owned Subsidiary Company in Resulting from a Share Exchange, to members of the Membership Company Disappearing in the Absorption-type Merger or to the Company Splitting in the Absorption-type Split (hereinafter referred to as "Shareholders, etc. of the Disappearing Company, etc." in this item) by the amount of net assets per share;</p>	
<p>(b) the total amount of the book value of Bonds, Share Options or Bonds with Share Options of the Surviving Stock Company, etc. to be delivered to Shareholders, etc. of the Disappearing Company, etc.; and</p>	

	(c) the total amount of the book value of property other than shares, etc. of the Surviving Stock Company, etc. to be delivered to Shareholders, etc. of the Disappearing Company, etc.	
Article 796, paragraph (2), item (ii)	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	Order of the Ministry of Justice	the orders of the competent ministries prescribed in Article 147, paragraph (2) of the Act on Strengthening Industrial Competitiveness (hereinafter simply referred to as the "orders of the competent ministries")
Article 796, paragraph (3)	Order of the Ministry of Justice	orders of the competent ministries
	paragraph (1) of the preceding Article	Article 199, paragraph (2)
	the Absorption-type Merger, etc.	the issuance, etc. of specified shares
	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	such Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	the Effective Day	the date set forth in Article 199, paragraph (1), item (iv) as applied pursuant to the provisions of Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms or the first day of the period set forth in the same item (hereinafter referred to as the "specified date, etc.")
	obtain the approval of the Absorption-type Merger Agreement, etc.	determine the subscription requirements

Article 797, paragraph (1)	an Absorption-type Merger, etc.	the issuance, etc. of specified shares
	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	excluding ...)	excluding ...) or the case where the approved business implementing corporate restructuring is a stock company that issues shares listed on a financial instruments exchange (meaning the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act, including an equivalent thereto established under laws and regulations of a foreign country; the same applies in paragraph (3))
Article 797, paragraph (2), item (i) (limited to the part other than (a) and (b))	the Absorption-type Merger, etc.	the issuance, etc. of specified shares
Article 797, paragraph (2), item (i), (a)	such Absorption-type Merger, etc.	the issuance, etc. of specified shares
	such Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
Article 797, paragraph (3)	A Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	the Effective Day	the specified date, etc.

	that it will effect an Absorption-type Merger, etc. and the trade name and address of the Disappearing Company, etc. (or, in the cases prescribed in Article 795, paragraph (3), the fact that it will effect an Absorption-type Merger, etc., the trade name and address of the Disappearing Company, etc. and the matters concerning shares set forth in that paragraph)	that it will carry out the issuance, etc. of specified shares, and the trade name and address of the relevant other stock company or foreign corporation
	must ... prior to the Effective Day.	must ... prior to the Effective Day; provided, however, that this does not apply in the case where the approved business implementing corporate restructuring is a stock company that issues shares listed on a financial instruments exchange
Article 797, paragraph (4), item (i)	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
Article 797, paragraph (4), item (ii)	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	obtains the approval of the Absorption-type Merger Agreement, etc. by the resolution of a shareholders meeting set forth in Article 795, paragraph (1)	determines subscription requirements by a resolution at the board of directors meeting as set forth in Article 199, paragraph (2)
Article 797, paragraph (5)	the Effective Day	the specified date, etc.
Article 797, paragraph (6) and paragraph (7)	the Surviving Stock Company, etc.	the stock company that is the approved business
Article 797, paragraph (8)	the Absorption-type Merger, etc. is cancelled	the issuance, etc. of specified shares is cancelled in its entirety

Article 798, paragraph (1) and paragraph (2)	the Surviving Stock Company, etc.	the stock company that is the approved business implementing corporate restructuring
	the Effective Day	the specified date, etc.
Article 798, paragraph (3)	the Effective Day	the specified date, etc.
Article 798, paragraph (4)	Surviving Stock Company, etc.	stock company that is the approved business implementing corporate restructuring
Article 798, paragraph (5)	The Surviving Stock Company, etc.	The stock company that is the approved business implementing corporate restructuring
	the Surviving Company, etc.	the stock company that is the approved business implementing corporate restructuring
Article 798, paragraph (6)	the Effective Day	the specified date, etc.

- (4) With respect to the application of the provisions of Article 56 of the Commercial Registration Act in the cases set forth in paragraph (1), the phrase "the following documents" in the same Article is deemed to be replaced with "the following documents (excluding the documents set forth in item (iii) (a) and item (iv)), and a document evidencing that the issuance of shares was in accordance with the plan for which the approval set forth in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval for changes set forth in Article 24, paragraph (1) of the same Act) was obtained".
- (5) The provisions of Article 155 (excluding paragraph (8)) the Act on Book-Entry Transfer of Company Bonds and Shares apply mutatis mutandis to the cases set forth in paragraph (1). In this case, the phrase "intends to perform any of the acts set forth in the items of Article 116, paragraph (1) of the Companies Act, consolidation of shares prescribed in Article 182-2, paragraph (1) of the same Act, business transfer, etc. (meaning the business transfer, etc. prescribed in Article 468, paragraph (1) of the same Act; the same applies in paragraph (4)), merger, conclusion of an absorption-type company split agreement, incorporation-type company split, conclusion of a share exchange agreement, share transfer, or share delivery" in paragraph (1) of the same Article is deemed to be replaced with "intends to undertake the issuance of

shares or disposal of treasury shares under Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "the day when any of the acts set forth in the items of Article 116, paragraph (1) of the Companies Act, consolidation of shares prescribed in Article 182-2, paragraph (1) of the same Act, business transfer, etc., absorption-type merger, absorption-type company split, or a share exchange becomes effective or the day of the establishment of a company through a consolidation-type merger, incorporation-type company split, share transfer, or share delivery" in paragraph (4) of the same Article is deemed to be replaced with "the date set forth in Article 199, paragraph (1), item (iv) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of the terms or the first day of the period set forth in the same item"; and Cabinet Order prescribes any other necessary technical replacement of the phrases.

(Special Provisions Concerning Dividends of Surplus)

Article 31 (1) With respect to the application of the provisions of Article 309, paragraph (2), Article 459, paragraph (1), Article 460, paragraph (1), and Article 465, paragraph (1) of the Companies Act in cases in which a stock company that is an approved business implementing corporate restructuring distributes specified dividends of surplus (meaning dividends of surplus using, as dividend property, shares of a related business of the approved business implementing corporate restructuring or shares, equity, or the equivalent in an related foreign corporation; the same applies in the following paragraph) in accordance with an approved corporate restructuring plan, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

Article 309, paragraph (2), item (x)	limited to the cases where it is to be arranged that the Dividend Property consists of any property other than cash, and that no Right to Demand Distribution of Monies provided for in item (i) of that paragraph is to be granted to the shareholders	excluding cases in which specified dividends of surplus (meaning the specified dividends of surplus prescribed in Article 31, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies in Article 459, paragraph (1), item (iv)) are to be distributed
The portion other than those set forth the items of Article 459, paragraph (1)	A Company with Financial Auditor(s)	A company with financial auditor(s) that is an approved business implementing corporate restructuring prescribed in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 459, paragraph (1), item (iv)	the matters listed in each item of Article 454, paragraph (1) and each item of paragraph (4) of that Article; provided, however, that the cases where the Dividend Property consists of property other than monies and no Right to Demand Distribution of Monies are granted to shareholders are excluded	the matters set forth in the items of Article 454, paragraph (1) and the items of paragraph (4) of the same Article regarding specified dividends of surplus
Article 460, paragraph (1)	the matters listed in each item of that paragraph	the matters set forth in the items of the same paragraph (excluding the matters set forth in paragraph (1), item (iv) of the preceding Article as applied pursuant to the provisions of Article 31, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement fo terms)

The proviso to Article 465, paragraph (1)	this does not apply in cases where such Executives prove that they did not fail to exercise due care with respect to the performance of their duties:	this does not apply in cases where such Executives have acted in bad faith or with gross negligence in discharging their duties:
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(2) In the cases set forth in the preceding paragraph, the articles of incorporation of a stock company that is an approved business implementing corporate restructuring (limited to a stock company that has provisions concerning the articles of incorporation under Article 459, paragraph (1) of the Companies Act) are to be deemed to have provisions to the effect that the board of directors may decide the matters set forth in the items of Article 454, paragraph (1) of the same Act and the items of paragraph (4) of the same Article regarding specified dividends of surplus.

(Demands for Objections by Creditors in Cases of the Transfer of Business)

Article 32 (1) If a resolution at the shareholders meeting or the board of directors or a decision by executive officers has been made with respect to the transfer of all or part of business to be undertaken in accordance with an approved corporate restructuring plan, a business which is a stock company (hereinafter simply referred to as a "company" in this paragraph and paragraph (4)) may give a separate notice to each of its specified creditors (meaning, from among persons holding claims against the company, those who will hold claims against persons taking over all or part of the business and will not hold the claims against the company as a result of the transfer of all or part of the business; hereinafter the same applies in this Article), within two weeks from the date of the resolution or decision, explaining the outline of the transfer of all or part of the business, and may require them to state any objections to the transfer of all or part of the business, if any, within a fixed period of time.

- (2) The period set forth in the preceding paragraph must not be less than one month.
- (3) If a specified creditor that has received a notice as prescribed in paragraph (1) has stated no objection within the period set forth in the same paragraph, the specified creditor is deemed to have approved the transfer of all or part of the business.
- (4) If a specified creditor has stated an objection within the period set forth in paragraph (1), the company must make a payment to the specified creditor, or must provide the reasonable security to the specified creditor or entrust

appropriate assets to a trust company or financial institution engaged in a trust business with the aim of having the specified creditor receive repayment; provided, however, that this does not apply to cases in which there is no risk of damage to the specified creditor even if the transfer of all or part of the business takes place.

(Special Provisions for the Limited Partnership Act for Investment)

- Article 33 (1) Each of the partners of a limited investment partnership may pledge under the terms of a partnership agreement to operate a coordinated business to acquire and hold shares, share options or designated securities issued by, or equity in, a foreign corporation, or their equivalent in a foreign corporation, which pertain to a related foreign corporation (limited to a related foreign corporation, if a plan concerning measures to be taken by the related foreign corporation is included in the approved corporate restructuring plan), for the purpose of facilitating corporate restructuring, in addition to the business activities set forth in the items of the same paragraph.
- (2) With respect to the application of the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment regarding partners of a limited investment partnership who have pledged to operate a business prescribed in the preceding paragraph, the phrase "acts other than the business activities listed in Article 3, paragraph (1)" in Article 7, paragraph (4) of the same Act is deemed to be replaced with "acts other than the business activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 33, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and the phrase "a business other than those set forth in the same paragraph" in Article 7, paragraph (4) of the Limited Partnership Act for Investment is deemed to be replaced with "acts other than the business activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 33, paragraph (1) of the same Act".

(Business Operations to Facilitate Corporate Restructuring, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

- Article 34 For the purpose of facilitating corporate restructuring, the Organization for Small & Medium Enterprises and Regional Innovation is to undertake business operations to guarantee bonds (excluding the short term bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares; the same applies in Article 101, paragraph (1), item (vi)) issued by an approved business implementing corporate restructuring or its related businesses (hereinafter referred to as an "approved business implementing corporate restructuring, etc.") in order to raise funds

necessary for taking measures for corporate restructuring in accordance with an approved corporate restructuring plan, and to guarantee debt obligations regarding the borrowing of the funds.

(The JFC's Business Operations to Facilitate Corporate Restructuring Promotion)

Article 35 (1) Notwithstanding the provisions of Article 1 and Article 11 of the JFC Act, the JFC may undertake business operations to lend a designated financial institution funds necessary to offer loans for funds that an approved business implementing corporate restructuring, etc. needs for conducting a merger, dismantling facilities held or disposing of equipment held, or installing equipment for improving productivity, etc. or taking other measures as specified by Cabinet Order, out of measures for corporate restructuring taken in accordance with an approved corporate restructuring plan (those measures thus undertaken are referred to as "approved corporate restructuring-related measures" in Article 37, paragraph (1)), and business operations incidental thereto (hereinafter referred to as "business operations to facilitate corporate restructuring promotion").

(2) If business operations to facilitate corporate restructuring promotion are undertaken, those operations are deemed to be business operations to facilitate specified business promotion as prescribed in Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products; and the phrases set forth in the middle column of the table of Article 17 of the same Act that are used in the provisions of the JFC Act set forth in the left-hand column of the same table (excluding the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table) are deemed to be replaced with the phrases set forth in the right-hand column of the table of the same Article, and the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table. In this case, Cabinet Order prescribes the necessary technical replacement of the phrases.

Article 58, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 58, paragraph (2) and Article 59, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness

Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 73, item (i)	this Act	this Act (including as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 73, item (iii)	Article 11	Article 11 of this Act and Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) (including as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 47, paragraph (1) of the Supplementary Provisions	business operations of the JFC	business operations of the JFC (excluding the business operations to facilitate corporate restructuring prescribed in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness)

(Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion)

Article 36 (1) In line with the implementation guidelines (limited to the particulars set forth in Article 22, paragraph (2), item (iii); the same applies in paragraph (1), item (ii) and paragraph (2) of the following Article), the JFC must specify the methods and conditions for business operations to facilitate corporate restructuring promotion and other policies for undertaking those operations (hereinafter referred to as "policies for undertaking business operations to facilitate corporate restructuring promotion"), as prescribed by orders of the competent ministries.

- (2) If the JFC intends to specify policies for undertaking business operations to facilitate corporate restructuring promotion, it must obtain the authorization of the competent minister. This also applies if the JFC intends to make changes to those policies.
- (3) If the JFC has obtained the authorization of the competent minister set forth in the preceding paragraph, it must publicize the policies for undertaking business operations to facilitate corporate restructuring promotion without

delay.

- (4) The JFC must undertake business operations to facilitate corporate restructuring promotion in accordance with the policies for undertaking business operations to facilitate corporate restructuring promotion.

(Designation as Designated Financial Institutions)

Article 37 (1) With respect to business operations to offer loans for funds necessary for approved corporate restructuring-related measures taken by an approved business implementing corporate restructuring, etc. in accordance with an approved corporate restructuring plan, which are to be undertaken by way of borrowing funds necessary for offering those loans from the JFC (hereinafter referred to as "business operations to promote corporate restructuring"), the competent minister may designate those that are found to conform to all of the following items as designated financial institutions, upon application from them, as prescribed by orders of the competent ministries:

- (i) they fall under the category of a bank or other financial institutions specified by Cabinet Order;
 - (ii) their business regulations prescribed in the following paragraph are in conformity with laws and regulations, the implementation guidelines, and the policies for undertaking business operations to facilitate corporate restructuring promotion, and are sufficient for undertaking business operations to promote corporate restructuring properly and reliably; and
 - (iii) in light of the personnel structure, they have the knowledge and experience for undertaking business operations to promote corporate restructuring properly and reliably.
- (2) A person intending to receive designation under the preceding paragraph (hereinafter simply referred to as "designation" in this Section) must specify the regulations concerning business operations to promote corporate restructuring promotion (referred to as the "business regulations" in the following paragraph and Article 39), in line with the implementation guidelines, and the policies for undertaking business operations to facilitate corporate restructuring promotion, in accordance with the procedures specified by orders of the competent ministries, and submit it to the competent minister together with a written application.
- (3) The business regulations must specify particulars concerning the implementation framework and methods for business operations to promote corporate restructuring and other particulars specified by orders of the competent ministries.
- (4) Those falling under any of the following items may not receive designation:
- (i) a person that violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on

these, and was sentenced to a punishment heavier than a fine, if five years have not yet elapsed since the day on which the execution of the sentence was completed or since the day on which the person ceased to be subject to execution of the sentence;

- (ii) a person whose designation was rescinded pursuant to the provisions of Article 44, paragraph (1) or paragraph (2), if five years have not yet elapsed since the day of the rescission; or
- (iii) a corporation, any of whose officers in charge of its business fall under either of the following:
 - (a) a person specified by Order of the Ministry of Economy, Trade and Industry as being unable to properly perform duties due to a mental or physical disorder or a person who has become subject to an order for bankruptcy proceedings and whose civil rights have not been restored; or
 - (b) in cases in which a designated financial institution has had its designation rescinded pursuant to the provisions of Article 46, paragraph (1) or paragraph (2), a person who had been an officer of the designated financial institution within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing regarding the rescission of the designation, if five years have not yet elapsed since the day of the rescission.

(Public Notice of a Designation)

Article 38 (1) If the competent minister has made a designation, the minister is to issue a public notice concerning the trade name or name, and the address of the designated financial institution, as well as the location of its business office or office where it undertakes business operations to promote corporate restructuring.

(2) If a designated financial institution intends to change its trade name or name, its address, or the location of its business office or office where it undertakes business operations to promote corporate restructuring, it must notify the competent minister of that fact in advance.

(3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(Authorization for Changes to Business Regulations)

Article 39 (1) If a designated financial institution intends to change the business regulations, it must obtain the authorization of the competent minister.

(2) If the competent minister finds that the business regulations of a designated financial institution are no longer appropriate for the proper and reliable undertaking of business operations to promote corporate restructuring, the minister may order the institution to change its business regulations.

(Agreement)

Article 40 (1) The JFC is to conclude an agreement containing the following particulars with a designated financial institution, with respect to business operations to facilitate corporate restructuring promotion, and undertake its business operations in accordance with the agreement:

- (i) particulars concerning the standards for conditions for loans for the designated financial institution's business operations to promote corporate restructuring;
 - (ii) a requirement for the designated financial institution to prepare a report on its financial situation and on the state of undertaking its business operations to promote corporate restructuring, and for that designated financial institution to submit it to the JFC; and
 - (iii) the details and methods for the designated financial institution's business operations to promote corporate restructuring and the JFC's business operations to facilitate corporate restructuring promotion, and other particulars specified by orders of the competent ministries, beyond what is provided for in the preceding two items.
- (2) If the JFC intends to conclude an agreement as set forth in the preceding paragraph, it must obtain the authorization of the competent ministers. This also applies if the JFC intends to make changes to the agreement.

(Bookkeeping)

Article 41 Designated financial institutions must keep books with respect to business operations to promote corporate restructuring, record the matters specified by orders of the competent ministries, and preserve them, as prescribed by orders of the competent ministries.

(Supervision Orders)

Article 42 If the competent ministers find it necessary for the enforcement of this Act, the ministers may issue orders necessary for supervision with respect to business operations to promote corporate restructuring to a designated financial institution.

(Suspension or Discontinuation of Business Operations)

- Article 43 (1) If a designated financial institution intends to suspend or discontinue all or part of the business operations to promote corporate restructuring, it must notify the competent minister of that fact in advance, as prescribed by orders of the competent ministries.
- (2) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

- (3) If a designated financial institution has discontinued all of the business operations to promote corporate restructuring, the designation as the designated financial institution ceases to be effective.

(Rescission of Designations)

Article 44 (1) If a designated financial institution has come to fall under any of the items (excluding item (ii)) of Article 39, paragraph (4), the competent minister is to rescind the designation as the designated financial institution.

(2) If a designated financial institution falls under any of the following items, the competent minister may rescind the designation as the designated financial institution:

(i) if the designated financial institution is found to be incapable of undertaking business operations to promote corporate restructuring properly and reliably;

(ii) if there has been a wrongful act relating to the designation; or

(iii) if the designated financial institution has violated this Act or an order or disposition based on this Act.

(3) If the competent minister has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice of that fact.

(Completion of Business Operations due to Rescission of Designation)

Article 45 If designation as a designated financial institution has ceased to be effective pursuant to the provisions of Article 45, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a person that was the designated financial institution or its general successor is deemed to be the designated financial institution within the context of its purpose of completing transactions based on the agreement on the designated financial institution's business operations to promote corporate restructuring undertaken.

(Investigations)

Article 46 If the government finds it necessary for facilitating corporate restructuring by businesses, it is to conduct the following investigations and publicize the results thereof:

(i) investigations on the supply and demand trends of goods or services, whether each field of business is in a state of structural oversupply, or other particulars concerning market structures; and

(ii) investigations on coordinated utilization of management resources (meaning the coordinated development of facilities or equipment for R&D activities, the coordinated building of an information system, or the

combining of other management resources effectively among businesses) in and outside Japan.

Section 3 Facilitation of Corporate Rehabilitation

(Approval for Certified Dispute Resolution Businesses)

Article 47 (1) Certified dispute resolution businesses that have specified the scope of disputes set forth in Article 6, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution, while including disputes regarding corporate rehabilitation within that scope, may obtain the approval of the Minister of Economy, Trade and Industry with respect to the fact that they conform to both of the following items, as prescribed by Order of the Ministry of Economy, Trade and Industry:

- (i) they can appoint a person falling under the requirements specified by Order of the Ministry of Economy, Trade and Industry for a person considered to have specialist knowledge and practical experience regarding corporate rehabilitation, as a dispute resolution provider (meaning the dispute resolution provider set forth in Article 2, item (ii) of the Act on Promotion of Use of Alternative Dispute Resolution; the same applies in Articles 49 and 50); and
- (ii) the methods for undertaking certified dispute resolution procedures with respect to disputes on corporate rehabilitation are in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry.

(2) If the Minister of Economy, Trade and Industry finds that the certified dispute resolution business in relation to the application for approval set forth in the preceding paragraph conforms to both of the items of the preceding paragraph, the minister is to grant approval as set forth in the same paragraph.

(3) If the Minister of Economy, Trade and Industry finds that a certified dispute resolution business that has obtained approval as set forth in paragraph (1) no longer conforms to either of the items of the same paragraph, or finds that confirmation regarding the reduction of the amount of bonds to be redeemed set forth in Article 54, paragraph (1), confirmation regarding the borrowing of the funds set forth in Article 56, paragraph (1), or confirmation regarding the claims set forth in Article 59, paragraph (1) is not being made properly, the minister may rescind the approval.

(Special Provisions Concerning Conciliation Authorities)

Article 48 If a business has filed an application for conciliation regarding the arrangement of specified debts, etc. (meaning the arrangement of specified debts, etc. prescribed in Article 2, paragraph (2) of the Act on Special Conciliation Proceedings for Expediting Arrangement of Specified Debts, etc.

(Act No. 158 of 1999)) (this is limited to cases in which a request as set forth in Article 3, paragraph (2) of the same Act was made at the time of the application for conciliation), and specified dispute resolution procedures were undertaken with respect to the subject incident of the application prior to that application, the court is to make a judgment as to whether it is appropriate for the conciliation to be undertaken only by judges pursuant to the provisions of the proviso to Article 5, paragraph (1) of the Civil Conciliation Act (Act No. 222 of 1951), in consideration of the fact that the specified dispute resolution procedures were undertaken.

(Special Provisions Concerning a Supervisor in Rehabilitation Proceedings)
Article 49 If a petition to commence rehabilitation proceedings has been filed, and specified certified dispute resolution procedures were undertaken with respect to the subject dispute of the petition prior to that petition, the court (meaning a judge or panel of judges in charge of the rehabilitation case; the same applies in Article 57, Articles 60 through 62, and Article 65-4), in the case of making the disposition referred to in Article 54, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999), is to appoint a supervisor under the provisions of paragraph (2) of the same Article in consideration of the fact that a dispute resolution provider was arranging settlement through the specified certified dispute resolution procedures.

(Special Provisions Concerning a Supervisor in Reorganization Proceedings)
Article 50 If a petition to commence reorganization proceedings has been filed, and specified certified dispute resolution procedures were undertaken with respect to the subject dispute of the petition prior to that petition, the court (meaning a judge or panel of judges in charge of the reorganization case; the same applies in Article 58 and Articles 63 through 65), in the case of making the disposition referred to in Article 35, paragraph (1) of the Corporate Reorganization Act (Act No. 154 of 2002), is to appoint a supervisor under the provisions of paragraph (2) of the same Article in consideration of the fact that a dispute resolution provider was arranging settlement through the specified certified dispute resolution procedures.

(Business Operations to Facilitate Corporate Rehabilitation, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 51 With respect to corporate rehabilitation participated in by the persons set forth in the following items, the Organization for Small & Medium Enterprises and Regional Innovation guarantees obligations regarding the borrowing of the funds that are indispensable for a business intending to

implement corporate rehabilitation to continue its business, within the period specified respectively in each of the same items (or, until an application for the starting of bankruptcy proceedings, the starting of rehabilitation proceedings, the starting of reorganization proceedings, or the starting of special liquidation is filed, if any of those applications is filed within that period; the relevant period is referred to as the "corporate rehabilitation preparation period" in paragraph (1) of the following Article):

- (i) specified certified dispute resolution businesses: the period between the starting of the specified dispute resolution procedures up to their termination; or
- (ii) the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (meaning the approved support institutions prescribed in Article 134, paragraph (2); the same applies hereinafter): the period between the starting of the provision of guidance or advice (excluding guidance or advice provided under the specified dispute resolution procedures; the same applies in Article 56, paragraph (3) and Article 59, paragraph (3)) with respect to the preparation of a plan for corporate rehabilitation regarding a small or medium-sized enterprise intending to implement corporate rehabilitation, up to the moment when it becomes clear that all of the creditors subject to the plan have reached an agreement, or will not reach an agreement, with respect to the plan.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 52 (1) With respect to the application of the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950) as set forth in the left-hand column of the following table regarding the insurance relationships of ordinary insurance prescribed in Article 3, paragraph (1) of the same Act (hereinafter referred to as "ordinary insurance"), unsecured insurance prescribed in Article 3-2, paragraph (1) of the same Act (hereinafter referred to as "unsecured insurance"), or special petty insurance prescribed in Article 3-3, paragraph (1) of the same Act (hereinafter referred to as "special petty insurance") that pertain to a small or medium-sized enterprise which has received a corporate rehabilitation facilitation-related guarantee (meaning a guarantee for obligations as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1), or Article 3-3, paragraph (1) of the same Act that are related to the borrowing of the funds (limited to the borrowing of the funds within the corporate rehabilitation preparation period) necessary to be allocated as expenses for the purpose of purchasing raw materials by a small or medium-sized enterprise intending to implement corporate rehabilitation or other expenses indispensable for the continuation of its business that are specified

by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Article), the phrases set forth in the middle column of the same table that are used in these provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (1)	the total insurance value per each Small and Medium-sized Enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation facilitation-related guarantee prescribed in Article 52, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as a "corporate rehabilitation facilitation-related guarantee") and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each Small and Medium-sized Enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation facilitation-related guarantee and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (3)	out of the amount of the borrowings	out of the amount of the borrowings for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively
	the debtor	the debtors for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	the borrowings guaranteed for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,
	the debtor	the debtors for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,

- (2) With respect to the application of the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of ordinary insurance that are related to a corporate rehabilitation facilitation-related guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)" in Article 5 of the same Act are deemed to be replaced with "80 percent".
- (3) The amount of insurance premiums relating to the insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance that are related to a corporate rehabilitation facilitation-related guarantee is the amount arrived at if the insurance amount is multiplied by a percentage specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

Article 53 (1) With respect to the application of the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act as set forth in the left-hand column of the following table regarding the insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance that are related to a small or medium-sized enterprise which has received a corporate rehabilitation plan implementation-related guarantee (meaning a guarantee for obligations as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1) or Article 3-3, paragraph (1) of the same Act that is related to funds necessary for corporate rehabilitation to be implemented in accordance with a plan for corporate rehabilitation set forth in Article 51, item (ii) prepared through receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (limited to a plan on which all of the creditors subject to the plan have reached an agreement) or a plan for corporate rehabilitation prepared as prescribed by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Article), the phrases set forth in the middle column of the same table that are used in these provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (1)	the total insurance value per each Small and Medium-sized Enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation plan implementation-related guarantee prescribed in Article 53, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as a "corporate rehabilitation plan implementation-related guarantee") and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each Small and Medium-sized Enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation plan implementation-related guarantee and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (3)	out of the amount of said the borrowings	out of the amount of the borrowings for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively
	the debtor	the debtors for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	out of the borrowings for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively
	the debtor	the debtors for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively,

(2) With respect to the application of the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of ordinary insurance that are related to a corporate rehabilitation plan implementation-related guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond

insurance)" in Article 5 of the same Act are deemed to be replaced with "80 percent".

- (3) The amount of insurance premiums relating to the insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance that are related to a corporate rehabilitation plan implementation-related guarantee is the amount arrived at if the insurance amount is multiplied by a percentage as specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

(Confirmation by a Specified Certified Dispute Resolution Business on the Reduction of the Amount of Bonds to be Redeemed)

Article 54 (1) A business intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures to confirm that the reduction of the amount of bonds to be redeemed based on a resolution at the bondholders meeting is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry and Cabinet Office Order, as being indispensable for the corporate rehabilitation of the business.

- (2) When having made a confirmation as set forth in the preceding paragraph, the specified certified dispute resolution business is to immediately give notice to that effect to the business that sought the confirmation.

(Special Provisions Concerning Decisions in Relation to Authorization for Resolutions at a Bondholders Meeting)

Article 55 (1) If an application has been filed for the authorization prescribed in Article 732 of the Companies Act regarding a resolution at a bondholders meeting to the effect that the amount of bonds to be redeemed is to be reduced, on which a specified certified dispute resolution business has confirmed the reduction pursuant to the provisions of paragraph (1) of the preceding Article, the court is to make a decision as to whether the resolution at the bondholders meeting falls under the cases set forth in Article 733, item (iv) of the same Act, in consideration of the fact that it had been confirmed that the reduction is indispensable for the corporate rehabilitation of the relevant business.

- (2) If an application has been filed for the authorization prescribed in the preceding paragraph, the court may request the specified certified dispute resolution business to present opinions.

(Confirmation by a Specified Certified Dispute Resolution Business in Relation to the Borrowing of Funds)

Article 56 (1) A business intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures to confirm that the borrowing of funds by the relevant business during a period from the starting of the specified certified dispute resolution procedures up to their termination conforms to both of the following items:

- (i) it is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as being indispensable for the continuation of the business affairs of the business; and
 - (ii) the business has obtained the consent of all the creditors that are parties to the dispute under the specified certified dispute resolution procedures for preferential treatment for the payment of claims in relation to its borrowing of the funds over that for the payment of other claims that those creditors have against the business as of the time of its borrowing of the funds.
- (2) When having made a confirmation as set forth in the preceding paragraph, the specified certified dispute resolution business is to immediately give notice to that effect to the business that sought the confirmation.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to a small or medium-sized enterprise intending to implement corporate rehabilitation while receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution with respect to the preparation of a plan for corporate rehabilitation. In this case, the phrase "the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures" in paragraph (1) and the term "the specified certified dispute resolution business" in the preceding paragraph are deemed to be replaced with "the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution", the phrase "during a period from the starting of the specified certified dispute resolution procedures up to their termination" in paragraph (1) is deemed to be replaced with "during the period specified in Article 51, item (ii)", and the phrase "that are parties to the dispute under the specified certified dispute resolution procedures" in item (ii) of the same paragraph is deemed to be replaced with "relating to the corporate rehabilitation".

(Special Provisions Concerning Rehabilitation Proceedings in Relation to the Borrowing of Funds)

Article 57 If a ruling has been rendered on the starting of rehabilitation proceedings with respect to a business that has conducted the borrowing of the funds on which it obtained the confirmation under paragraph (1) of the preceding Article, and a proposed rehabilitation plan (meaning the proposed

rehabilitation plan set forth in Article 163, paragraph (1) of the Civil Rehabilitation Act; the same applies in Article 62) that creates a difference in the details of changes to rights between rehabilitation claims regarding the borrowing of the funds on which it obtained the confirmation under paragraph (1) of the preceding Article and other rehabilitation claims (limited to rehabilitation claims that the creditors set forth in item (ii) of the same paragraph held at the time of giving the consent set forth in the same item) has been submitted or approved, the court is to make a decision as to whether the proposed rehabilitation plan falls under cases in which equality will not be compromised even if the difference is created among the rehabilitation creditors prescribed in the proviso to Article 155, paragraph (1) of the same Act, in consideration of the fact that it was confirmed that the borrowing of the funds conforms to both of the items of paragraph (1) of the preceding Article.

(Special Provisions Concerning Reorganization Proceedings)

Article 58 If a ruling has been rendered on the starting of reorganization proceedings with respect to a business that conducted the borrowing of the funds that it obtained the confirmation under Article 56, paragraph (1), and a proposed reorganization plan that creates a difference in the details of changes to rights between reorganization claims, etc. (meaning the reorganization claims, etc. set forth in Article 2, paragraph (12) of the Corporate Reorganization Act; the same applies in Article 64 and Article 65) regarding the borrowing of the funds on which the business obtained the confirmation under Article 56, paragraph (1) and other reorganization claims, etc. of the same type (limited to reorganization claims, etc. that the creditors set forth in Article 56, paragraph (1), item (ii) held at the time of giving the consent set forth in the same item) has been submitted or approved, the court is to make a decision as to whether the proposed reorganization plan falls under the cases in which equality will not be compromised even if the difference is created among reorganization creditors, etc. (meaning the reorganization creditors, etc. set forth in Article 2, paragraph (13) of the same Act; the same applies in Article 65) that have the rights of the same type prescribed in the proviso to Article 168, paragraph (1) of the same Act, in consideration of the fact that it was confirmed that the borrowing of the funds conforms to both of the items of Article 56, paragraph (1).

(Application Mutatis Mutandis of the Special Provisions Concerning the Borrowing of Funds to Confirmation by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 58-2 The provisions of the preceding two Articles apply mutatis mutandis to the borrowing of funds confirmed under Article 56, paragraph (1) as applied

mutatis mutandis pursuant to paragraph (3) of the same Article. In this case, the phrase "the items of paragraph (1) of the preceding Article" in Article 57 is deemed to be replaced with "the items of Article 56, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the same Article", and the phrase "Article 56, paragraph (1), item (ii)" in the preceding Article is deemed to be replaced with "Article 56, paragraph (1), item (ii) as applied mutatis mutandis pursuant to paragraph (3) of the same Article".

(Confirmation by a Specified Certified Dispute Resolution Business in Relation to Claims)

Article 59 (1) A business intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures to confirm that the claims arising from any causes during a period up to the termination of the specified certified dispute resolution procedures conform to both of the following items:

(i) the claims are small in amount; and

(ii) significant hindrance would be caused to the continuation of the operations of the business, unless the payment of the claims are performed promptly.

(2) When having made a confirmation as set forth in the preceding paragraph, the specified certified dispute resolution business is to immediately give notice to that effect to the business that sought the confirmation.

(3) The provisions of the preceding two paragraphs apply mutatis mutandis to a small or medium-sized enterprise intending to implement corporate rehabilitation while receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution with respect to the preparation of a plan for corporate rehabilitation. In this case, the phrase "the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures" in paragraph (1) and the term "the specified certified dispute resolution business" in the preceding paragraph are deemed to be replaced with "the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution", and the phrase "up to the termination of the specified certified dispute resolution procedures" in paragraph (1) is deemed to be replaced with "up to the termination of the period specified in Article 51, item (ii)".

(Special Provisions Concerning Rehabilitation Proceedings in Relation to the Performance of Claims)

Article 60 If an application for the starting of rehabilitation proceedings has been filed with respect to a business that assumed the obligations regarding the claims confirmed under paragraph (1) of the preceding Article (referred to

as the "confirmed claims" from this Article to Article 65), and the court issues a provisional order under Article 30, paragraph (1) of the Civil Rehabilitation Act, the court is to make a decision as to whether it should prohibit the payment of the confirmed claims with that provisional order, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of paragraph (1) of the preceding Article.

Article 61 If a ruling has been rendered on the starting of rehabilitation proceedings with respect to a business that assumed the obligations regarding the confirmed claims, and a petition has been filed for permission for the payment of these confirmed claims as those falling under cases in which significant hindrance would be caused to the continuation of the business of the rehabilitation debtor, unless the payment of the rehabilitation claims of small amounts are performed promptly, pursuant to the provisions of Article 85, paragraph (5) of the Civil Rehabilitation Act, the court is to make a decision as to whether the payment of the confirmed claims falls under cases in which significant hindrance would be caused to the continuation of the business of the rehabilitation debtor, unless the rehabilitation claims of small amounts are performed promptly, as prescribed in Article 85, paragraph (5) of the same Act, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

Article 62 If a ruling has been rendered on the starting of rehabilitation proceedings with respect to a business that assumed the obligations regarding the confirmed claims, and a proposed rehabilitation plan that creates a difference in the details of changes to rights between the confirmed claims and other rehabilitation claims has been submitted or approved, the court is to make a decision as to whether the proposed rehabilitation plan falls under cases in which equality will not be compromised even if a proposed rehabilitation plan otherwise provides for the rehabilitation claims of small amounts or any other difference is created among rehabilitation creditors, as prescribed in the proviso to Article 155, paragraph (1) of the Civil Rehabilitation Act, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

(Special Provisions Concerning Reorganization Proceedings Regarding the Performance of Claims)

Article 63 If an application for the starting of reorganization proceedings has been filed with respect to a business that assumed the obligations regarding the confirmed claims, and the court issues a provisional order under Article 28, paragraph (1) of the Corporate Reorganization Act, the court is to make a

decision as to whether it should prohibit the payment for the confirmed claims with that provisional order, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

Article 64 If a ruling has been rendered on the starting of reorganization proceedings with respect to a business that assumed the obligations regarding the confirmed claims, and a petition has been filed for permission for the payment of these confirmed claims as those falling under cases in which significant hindrance would be caused to the continuation of the business of the reorganization company, unless the payment of the reorganization claims, etc. of small amounts are performed promptly, pursuant to the provisions of Article 47, paragraph (5) of the Corporate Reorganization Act, the court is to make a decision as to whether the payment of the confirmed claims falls under cases in which significant hindrance would be caused to the continuation of the business of the reorganization company, unless the reorganization claims, etc. of small amounts are performed promptly, as prescribed in Article 47, paragraph (5) of the same Act, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

Article 65 If a ruling has been rendered on the starting of reorganization proceedings with respect to a business that assumed the obligations regarding the confirmed claims, and a proposed reorganization plan that creates a difference in the details of changes to rights between the confirmed claims and other reorganization claims, etc. of the same type has been submitted or approved, the court is to make a decision as to whether the proposed reorganization plan falls under the cases in which equality will not be compromised even if a proposed reorganization plan otherwise provides for the reorganization claims, etc. of small amounts or any other difference is created among reorganization creditors, etc. that have the rights of the same type, as prescribed in the proviso to Article 168, paragraph (1) of the Corporate Reorganization Act, in consideration of the fact that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

(Application Mutatis Mutandis of the Special Provisions Concerning the Performance of Claims to Confirmation by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 65-2 The provisions of Article 60 through the preceding Article apply mutatis mutandis to the performance of claims confirmed under Article 59, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the

same Article. In this case, the phrase "the items of paragraph (1) of the preceding Article" in Article 60 and the phrase "the items of Article 59, paragraph (1)" in Article 61 through the preceding Article are deemed to be replaced with "the items of Article 59, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the same Article".

(Confirmation by a Specified Certified Dispute Resolution Business on the Reduction of the Amount of Claims Relating to a Plan for Corporate Rehabilitation)

- Article 65-3 (1) A business intending to promote corporate rehabilitation through specified certified dispute resolution procedures may, if creditors holding three-fifths or more of the total amount of claims of the creditors that are parties to the dispute under the specified certified dispute resolution procedures give their consent to the plan for corporate rehabilitation regarding the business, request the specified certified dispute resolution business undertaking the specified certified dispute resolution procedures to confirm that the reduction of the amount of claims based on the plan for corporate rehabilitation is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as being indispensable for the corporate rehabilitation of the business.
- (2) When having made a confirmation as set forth in the preceding paragraph, the specified certified dispute resolution business is to immediately give notice to that effect to the business that sought the confirmation.

(Special Provisions Concerning a Petition for Simplified Rehabilitation)

- Article 65-4 If the petition referred to in Article 211, paragraph (1) of the Civil Rehabilitation Act has been filed with regard to a business subject to a reduction of the amount of claims for which a specified certified dispute resolution business has given confirmation pursuant to the provisions of paragraph (1) of the preceding Article, the court is to make a decision as to whether the proposed rehabilitation plan referred to in the second sentence of Article 211, paragraph (1) of the same Act falls under the grounds set forth in Article 174, paragraph (2), item (iv) of the same Act, in consideration of the fact that it had been confirmed that the reduction is indispensable for the corporate rehabilitation of the relevant business.

(Cooperation by Financial Institutions)

- Article 65-5 In order to contribute to the facilitation of corporate rehabilitation of a business intending to promote corporate rehabilitation through specified certified dispute resolution procedures, if a financial institution holding all or part of the claims against the business receives a request from a specified

certified dispute resolution business to participate in the specified certified dispute resolution procedures, it must endeavor to cooperate with this.

(Business Operations to Support Rehabilitation of a Business Developing New Business, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 65-6 At the request of a business developing new business (excluding a small or medium-sized enterprise) that has a difficulty in continuing its business, the Organization for Small & Medium Enterprises and Regional Innovation provides necessary advice regarding measures for business rehabilitation implemented by the business developing new business, such as a merger, company split, transfer or acceptance of business, and fund raising.

Section 4 Utilization of a Shareholders Meeting without a Designated Location

Article 66 (1) If a stock company that issues shares listed on the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (hereinafter referred to as a "listed company" in this Article) has obtained confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice, as prescribed by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order, that the requirements specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order are satisfied for deeming that holding a shareholders meeting (including a general meeting of class shareholders; hereinafter the same applies in this paragraph and the following paragraph) as a shareholders meeting without a designated location (a general meeting of class shareholders without a designated location in the case of a general meeting of class shareholders; hereinafter the same applies in this paragraph and the following paragraph) contributes to strengthening industrial competitiveness while giving consideration to securing the interests of shareholders, the listed company may provide in its articles of incorporation that a shareholders meeting may be held as a shareholders meeting without a designated location.

(2) With respect to the application of the provisions of Article 298, paragraphs (1) and (4), Article 299, paragraph (4), Article 317, and Article 318, paragraph (1) of the Companies Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 325 of the same Act) and the provisions of Article 342-2, paragraph (3) and Article 345, paragraph (3) of the same Act in the case where directors (in the case where shareholders call a shareholders meeting pursuant to the provisions of Article 297, paragraph (4) of the

Companies Act (including as applied mutatis mutandis pursuant to Article 325 of the same Act), those shareholders) of a listed company of which articles of incorporation have the provisions as provided for in the preceding paragraph call a shareholders meeting without a designated location (excluding the case where the requirements specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order as referred to in the preceding paragraph are not satisfied as of the time of determining the calling of the meeting), the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases respectively set forth in the right-hand column of the same table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

The portion other than those set forth in the items of Article 298, paragraph (1)	the following matters	the following matters and matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order as those that contribute to securing the interests of shareholders
Article 298, paragraph (1), item (i)	the date, time and place of the shareholders meeting	the date and time of the shareholders meeting, and the fact that the shareholders meeting will be held as a shareholders meeting without a designated location
Article 298, paragraph (4)	the matters listed in each item of paragraph (1)	the matters set forth in the items of paragraph (1) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms, and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in the same paragraph
Article 299, paragraph (4)	the matters listed in each item of paragraph (1) of the preceding Article	the matters set forth in the items of paragraph (1) of the preceding Article as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms, and other matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order

Article 317	In cases where a resolution for the postponement or adjournment is passed at the shareholders meeting	In cases where a resolution for the postponement or adjournment is passed at the shareholders meeting (including the case where there has been a resolution to the effect that the chairperson of a shareholders meeting without a designated location may decide to postpone or adjourn the shareholders meeting without a designated location if the business of the shareholders meeting without a designated location is significantly hindered due to a failure pertaining to the communications method used for sending and receiving information in the business of the shareholders meeting without a designated location, and the chairperson makes a decision based on that resolution)
Article 318, paragraph (1)	Ministry of Justice Order	Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order
Article 342-2, paragraph (3) and Article 345, paragraph (3)	the matters listed in Article 298, paragraph (1), item (i)	the matters set forth in Article 298, paragraph (1), item (i) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms and other matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order

(3) With respect to the application of the provisions of Article 29, Article 348, paragraph (3), Article 399-13, paragraph (5), Article 416, paragraph (4), Article 482, paragraph (3), and Article 491 of the Companies Act regarding a listed company of which articles of incorporation have the provisions as provided for in paragraph (1), the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases respectively set forth in the right-hand column of the same table, and Cabinet Order prescribes any other necessary technical replacement of the phrases

Article 29	which do not violate any provisions of this Act	which do not violate any provisions of this Act and the matters set forth in Article 66, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 348, paragraph (3), item (iii) and Article 482, paragraph (3), item (iii)	(including the cases where such items are applied mutatis mutandis under Article 325)	(including the cases where such items are applied mutatis mutandis under Article 325) and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in Article 298, paragraph (1) (including as applied mutatis mutandis pursuant to Article 325) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 299-13, paragraph (5), item (iv) and Article 416, paragraph (4), item (iv)	the matters listed in each item of Article 298, paragraph (1)	the matters set forth in the items of Article 298, paragraph (1) and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in Article 298, paragraph (1) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 491	out of the provisions in ... Chapter VII	out of the provisions in ... Chapter VII, out of the provisions of Article 66 of the Act on Strengthening Industrial Competitiveness, and out of the provisions of this Act as applied pursuant to paragraphs (2) and (3) of the same Article following the deemed replacement of terms

Section 5 Promotion of Security Measures of Companies to Prevent Technological Information from Being Compromised

Article 67 (1) The competent minister is to establish the guidelines for promoting the implementation of security measures of companies to prevent technological information from being compromised (hereinafter referred to as the "promotion guidelines").

(2) The promotion guidelines are to specify the following:

(i) the basic direction for promoting the implementation of security measures of

- companies to prevent technological information from being compromised;
- (ii) basic particulars concerning the following policies for promoting the implementation of security measures of companies to prevent technological information from being compromised:
 - (a) policies for deepening understanding on the implementation of security measures of companies to prevent technological information from being compromised;
 - (b) policies for enhancing the knowledge and capacity necessary for appropriately implementing security measures of companies to prevent technological information from being compromised; and
 - (c) other policies necessary for promoting the implementation of security measures of companies to prevent technological information from being compromised;
 - (iii) particulars to be the criteria for approval set forth in paragraph (1) of the following Article with respect to the methods for undertaking business operations to certify security measures of companies to prevent technological information from being compromised;
 - (iv) particulars to be taken into consideration concerning the promotion of the implementation of security measures of companies to prevent technological information from being compromised by small and medium-sized enterprises; and
 - (v) fields of technology in which the implementation of security measures of companies to prevent technological information from being compromised is to be promoted in particular, if those fields of technology are to be specified.
- (3) If the competent minister has established the promotion guidelines or has made changes thereto, the minister is to publicize the established or changed promotion guidelines without delay.

(Approval as Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

- Article 68 (1) A person that undertakes business operations to certify security measures of companies to prevent technological information from being compromised may seek approval of the competent minister.
- (2) A person that intends to seek the approval set forth in the preceding paragraph must submit a written application containing the following and other documents specified by orders of the competent ministries to the competent minister:
- (i) the name and address of the person, and in the case of a corporation, the name of its representative; and
 - (ii) the scope of business operations to certify security measures of companies to prevent technological information from being compromised (or, the fact

that the person seeks approval by limiting the scope to the business operations only targeting small and medium-sized enterprises, if that is the case) and the methods for undertaking them.

- (3) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the methods for undertaking business operations to certify security measures of companies to prevent technological information from being compromised in relation to the application conform to the criteria prescribed in paragraph (2), item (iii) of the preceding Article that are established in the promotion guidelines, the minister is to grant approval.
- (4) Those falling under any of the following items may not obtain the approval set forth in paragraph (1):
- (i) a person that has been sentenced to a punishment heavier than a fine for a violation of the provisions of this Act, if two years have not yet elapsed since the day on which the execution of the sentence has been completed or since the day on which the person ceased to be subject to execution of the sentence;
 - (ii) a person for whom the approval set forth in paragraph (1) has been rescinded pursuant to the provisions of Article 75, paragraph (1), if two years have not yet elapsed since the day of the rescission; or
 - (iii) a corporation, any of whose officers in charge of its business fall under either of the preceding two items.
- (5) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the name, address, scope of business operations, and other particulars specified by orders of the competent ministries.

(Renewal of the Approval as Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

- Article 69 (1) Unless the approval set forth in paragraph (1) of the preceding Article is renewed for each period as specified by Cabinet Order within three years, the relevant approval ceases to be effective upon the lapse of that period.
- (2) The provisions of paragraph (2), paragraph (3), and paragraph (4) (excluding item (ii)) of the preceding Article apply mutatis mutandis to the renewal of the approval set forth in the preceding paragraph.
- (3) If the approval set forth in paragraph (1) of the preceding Article has ceased to be effective pursuant to the provisions of paragraph (1), the competent minister is to publicize that fact.

(Succession of Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

- Article 70 (1) If a person who has obtained approval as set forth in Article 68, paragraph (1) (hereinafter referred to as an "approved entity certifying security measures of companies to prevent technological information from

being compromised") has transferred the entirety of its business to undertake security measures of companies to prevent technological information from being compromised regarding the approval or when there has been inheritance, merger or split (limited to the inheritance, merger or split to cause succession of the entirety of the business to undertake business operations to certify security measures of companies to prevent technological information from being compromised regarding the approval) with respect to an approved entity certifying security measures of companies to prevent technological information from being compromised, the person who has received the entirety of the relevant business through transfer or; the heir (or, the single heir selected to relevant business with the consent of all the heirs, if there are two or more heirs and that single heir is thus selected; hereinafter the same applies in this paragraph); the corporation surviving the merger or corporation established through the merger; or the corporation that has succeeded to the entirety of the relevant business through the split succeeds to the status of the approved entity certifying security measures of companies to prevent technological information from being compromised; provided, however, that this does not apply if the person that has received the entirety of the relevant business through transfer or, the heir, the corporation surviving the merger or corporation established through the merger, or the corporation that has succeeded to the entirety of the relevant business through the split falls under any of the items of paragraph (4) of the same Article.

- (2) A person that has succeeded to the status of an approved entity certifying security measures of companies to prevent technological information from being compromised pursuant to the provisions of the preceding paragraph must notify the competent minister of that fact without delay, as prescribed by orders of the competent ministries.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to publicize that fact.

(Approval for Changes in Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)
Article 71 (1) If an approved entity certifying security measures of companies to prevent technological information from being compromised intends to make changes to the particulars set forth in Article 68, paragraph (2), item (ii), the entity must seek the approval of the competent minister; provided, however, that this does not apply to minor changes specified by orders of the competent ministries.

- (2) The provisions of Article 68, paragraph (2), paragraph (3), and paragraph (4) (excluding item (ii)) apply mutatis mutandis to the approval for changes set forth in the preceding paragraph. In this case, the phrase "the following

particulars" in paragraph (2) of the same Article is deemed to be replaced with "the following particulars (for the particulars set forth in item (ii), limited to those regarding the changes)".

- (3) If there have been any changes to the particulars set forth in Article 68, paragraph (2), item (i), or an approved entity certifying security measures of companies to prevent technological information from being compromised has made minor changes specified by orders of the competent ministries set forth in the proviso to paragraph (1), the entity must notify the competent minister of that fact without delay.
- (4) If the competent minister has granted approval for changes as set forth in paragraph (1) or has received a notification under the preceding paragraph, the minister is to publicize that fact.

(Obligation of Confidentiality by Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

Article 72 Officers or employees of an approved entity certifying security measures of companies to prevent technological information from being compromised, or persons who were once employed as such, must not divulge or misappropriate any confidential information that has come to their knowledge regarding business operations to certify security measures of companies to prevent technological information from being compromised, except if reasonable grounds exist.

(Orders for Improvement to Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

Article 73 If the competent minister determines that improvements are necessary with respect to management of business operations to certify security measures of companies to prevent technological information from being compromised, which are undertaken by an approved entity certifying security measures of companies to prevent technological information from being compromised, the minister may order the relevant entity to take measures necessary for those improvements.

(Notification of Discontinuation of Business Operations to Certify Security Measures of Companies to Prevent Technological Information from Being Compromised)

Article 74 (1) If an approved entity certifying security measures of companies to prevent technological information from being compromised intends to discontinue its business operations to certify security measures of companies to prevent technological information from being compromised, the entity must

notify the competent minister of that fact in advance, as prescribed by orders of the competent ministries.

(2) If the competent minister has received a notification under the preceding paragraph, the minister is to publicize that fact.

(Rescission of Approval as Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

Article 75 (1) If an approved entity certifying security measures of companies to prevent technological information from being compromised falls under any of the following items, the competent minister may rescind their approval:

- (i) if the methods for undertaking business operations to certify security measures of companies to prevent technological information from being compromised have ceased to conform to the criteria prescribed in Article 67, paragraph (2), item (iii) that are established in the promotion guidelines;
- (ii) when any person has come to fall under either of item (i) or item (iii) of Article 68, paragraph (4);
- (iii) if the entity has made changes to the particulars set forth in Article 68, paragraph (2), item (ii), in violation of the provisions of Article 71, paragraph (1);
- (iv) if the entity has violated an order under Article 73; or
- (v) if the entity, by wrongful means, has obtained approval as set forth in Article 68, paragraph (1), has renewed the approval as set forth in Article 69, paragraph (1), or has obtained approval for the changes as set forth in Article 71, paragraph (1).

(2) If the competent minister has rescinded the approval under the preceding paragraph, the minister is to publicize that fact.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 76 Regarding a general incorporated association or general incorporated foundation that has obtained approval as set forth in Article 68, paragraph (1) by limiting the scope of business operations to certify security measures of companies to prevent technological information from being compromised to those only targeting small and medium-sized enterprises (limited to a general incorporated association for which at least half of the voting rights in its general meeting of members are held by small and medium-sized enterprises, and a general incorporated foundation for which at least half of the value of the property contributed upon its incorporation has been contributed by small and medium-sized enterprises; hereinafter referred to as an "approved general incorporated association, etc." in this Article) and has received a guarantee for obligations prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1)

of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for undertaking the business operations to certify security measures of companies to prevent technological information from being compromised, the provisions of Article 3, Article 3-2, and Articles 4 through 8 of the same Act apply by deeming the relevant approved general incorporated association, etc. as the small or medium-sized enterprise set forth in Article 2, paragraph (1) of the same Act. In this case, with respect to the application of the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the same Act, the phrase "the borrowings" in these provisions is deemed to be replaced with "the borrowing of the funds necessary for undertaking the business operations to certify security measures of companies to prevent technological information from being compromised prescribed in Article 2, paragraph (24) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) undertaken by the approved general incorporated association, etc. prescribed in Article 76 of the same Act".

(Business Operations to Offer Cooperation to Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised, Which Are Undertaken by the Information-technology Promotion Agency, Japan)

Article 77 In response to a request from an approved entity certifying security measures of companies to prevent technological information from being compromised, the Information-technology Promotion Agency, Japan, provides information on the relevant approved entity's business operations to certify security measures of companies to prevent technological information from being compromised, or otherwise undertakes business operations to offer necessary cooperation (limited to the provision of information on cybersecurity prescribed in Article 2 of the Basic Act on Cybersecurity (Act No. 104 of 2014) and other business operations that promote the sophistication of information processing in business operations to certify security measures of companies to prevent technological information from being compromised).

(Business Operations to Offer Cooperation to Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 78 In order to promote the implementation of security measures of companies to prevent technological information from being compromised, which small and medium-sized enterprises undertake, in response to a request from an approved entity certifying security measures of companies to prevent technological information from being compromised, the Organization for Small

& Medium Enterprises and Regional Innovation provides information on the business operations set forth in Article 2, paragraph (24), item (ii) which the relevant approved entity undertakes, or otherwise undertakes business operations to offer necessary cooperation.

(Restriction on Indication for Persons Other than Approved Entities Certifying Security Measures of Companies to Prevent Technological Information from Being Compromised)

Article 79 A person that undertakes business operations to certify security measures of companies to prevent technological information from being compromised but has not obtained approval as set forth in Article 68, paragraph (1) with respect to those business operations must not make an indication that could clearly give rise to the misconception that the person is an approved entity certifying security measures of companies to prevent technological information from being compromised.

Chapter IV Support for Specified Business Activities by the Japan Investment Corporation

Section 1 General Provisions

(Purpose of the Japan Investment Corporation)

Article 80 The Japan Investment Corporation is to be a stock company, with the purpose of promoting specified business activities within Japan through making investments or otherwise providing funds and offering other support towards specified investment businesses and specified business activities, in consideration of the fact that innovation in industrial activities by effectively utilizing management resources other than those owned individually has become increasingly important in order for Japanese industries to properly deal with the recent changes in the industrial structure and global competitive conditions, and with an awareness that its business operations will contribute to expanding private investment.

(Number)

Article 81 Only one Japan Investment Corporation (hereinafter referred to as the "JIC") is to be formed.

(Shares Owned by the Government)

Article 82 The government is to ordinarily hold a number of shares equivalent to two-thirds or greater of the total number of shares issued by the JIC (excluding shares of a class specified as those that cannot be used to exercise voting rights with respect to all of the matters for which a resolution can be made at a

shareholders meeting; the same applies in this Article).

(Authorization for Shares, Bonds and Borrowings)

Article 83 (1) If the JIC intends to solicit persons to subscribe for the shares for subscription prescribed in Article 199, paragraph (1) of the Companies Act (referred to as "shares for subscription" in Article 160, item (i)), the share options for subscription prescribed in Article 238, paragraph (1) of the same Act (referred to as "share options for subscription" in the same item), or the bonds for subscription prescribed in Article 676 of the same Act (referred to as "bonds for subscription" in Article 122 and Article 160, item (i)); intends to issue shares, bonds or share options at a share exchange or share delivery; or intends to borrow funds, it must obtain the authorization of the Minister of Economy, Trade and Industry.

(2) After issuing shares through exercising share options, the JIC must notify the Minister of Economy, Trade and Industry of that fact without delay.

(Contributions by the Government)

Article 84 The government may make capital contributions to the JIC within a range of amounts specified in the budget, if the government considers it to be necessary.

(Trade Name)

Article 85 (1) The JIC must use the Japanese characters "株式会社産業革新投資機構" (pronounced "kabushiki gaisha sangyō kakushin tōshiki kikō", meaning "Japan Investment Corporation") in its trade name.

(2) Those other than the JIC must not use the Japanese characters "産業革新投資機構" (pronounced "sangyō kakushin tōshiki kikō", meaning "Japan Investment Corporation") in their names.

Section 2 Incorporation

(Particulars Specified or Recorded in the Articles of Incorporation)

Article 86 (1) Beyond the particulars set forth in the items of Article 27 of the Companies Act, the following particulars must be specified or recorded in the articles of incorporation of the JIC:

- (i) the number of shares issued at the time of the incorporation of the JIC (when the JIC is intended to be incorporated as a company with class shares, their classes and the number of shares in each class) (referred to as "shares issued at incorporation" in the following item, item (iii), and the following Article);
- (ii) the amount to be paid-in for shares issued at incorporation (meaning the

- amount of money paid, or assets other than money contributed, in exchange for one share issued at incorporation);
- (iii) the number of shares issued at incorporation allotted to the government (or, if the JIC is intended to be incorporated as a company with class shares, their classes and the number of shares in each class);
 - (iv) the particulars set forth in Article 107, paragraph (1), item (i) of the Companies Act;
 - (v) the fact that a board of directors and company auditors are to be installed; and
 - (vi) the fact that the JIC is to be dissolved upon the completion of the business operations set forth in the items of Article 101, paragraph (1).
- (2) The following particulars must not be specified or recorded in the articles of incorporation of the JIC:
- (i) the fact that an audit, etc. committee or a nominating committee, etc. prescribed in Article 2, item (xii) of the Companies Act is to be installed; and
 - (ii) the provisions provided otherwise as prescribed in the proviso to Article 139, paragraph (1) of the Companies Act.

(Authorization for Incorporation)

Article 87 The incorporators of the JIC must prepare the articles of incorporation and, after having subscribed for their allotted shares issued at incorporation, they must submit the articles of incorporation and the business plan to the Minister of Economy, Trade and Industry and apply for authorization for the incorporation, promptly.

Article 88 (1) If an application for authorization under the preceding Article has been filed, the Minister of Economy, Trade and Industry is to examine whether the application conforms to all of the following:

- (i) the procedures of the incorporation and the details of the articles of incorporation are in conformity with the provisions of laws and regulations;
 - (ii) false statements are not made or recorded, and false signatures or false names and seals (including measures in lieu of the affixation of signatures or names and seals pursuant to the provisions of Article 26, paragraph (2) of the Companies Act) are not contained in the articles of incorporation; and
 - (iii) it is found to be certain that the JIC's business operations are managed soundly and it contributes to the promotion of specified business activities within Japan.
- (2) If the Minister of Economy, Trade and Industry finds that the application conforms to all of the items of the preceding paragraph as a result of the examination carried out pursuant to the provisions of the same paragraph, the minister is to give authorization for the incorporation.

(Appointment and Dismissal of Directors at Incorporation and Auditors at Incorporation)

Article 89 The appointment and dismissal of the directors at incorporation prescribed in Article 38, paragraph (1) of the Companies Act and the auditors at incorporation prescribed in paragraph (2), item (ii) of the same Article do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

(Deemed Replacement of Phrases in the Provisions of the Companies Act)

Article 90 With respect to the application of the provisions of Article 30, paragraph (2), Article 34, paragraph (1), Article 59, paragraph (1), item (i), and Article 963, paragraph (1) of the Companies Act, the phrase "Articles of incorporation that are certified by a notary public pursuant to the preceding paragraph may not be amended before the formation of the stock company" in Article 30, paragraph (2) of the same Act is deemed to be replaced with "Articles of incorporation may not be amended before the formation of the Japan Investment Corporation after the authorization set forth in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; the phrase "subscription for shares issued at incorporation" in Article 34, paragraph (1) of the same Act is deemed to be replaced with "the authorization set forth in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; the phrase "The date of the certification of the articles of incorporation and the name of the notary public who effected such certification" in Article 59, paragraph (1), item (i) of the same Act is deemed to be replaced with "The date of the authorization set forth in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; and the phrase "Article 34, paragraph (1)" in Article 963, paragraph (1) of the same Act is deemed to be replaced with "Article 34, paragraph (1) (including as applied pursuant to the provisions of Article 90 of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)".

(Exclusion from the Application of Provisions of the Companies Act)

Article 91 The provisions of Article 30, paragraph (1) and Article 33 of the Companies Act do not apply to the incorporation of the JIC.

Section 3 Administration

(Authorization for the Appointment of Directors and Company Auditors)

Article 92 Resolutions on the appointment and dismissal of directors and company auditors do not become effective unless the authorization of the

Minister of Economy, Trade and Industry has been obtained.

(Obligation of Confidentiality by Directors)

Article 93 The directors, accounting advisors (or, a member who is to perform the duties of an accounting advisor, if the accounting advisor is a corporation), company auditors, or employees of the JIC, or persons who were employed as such, must not divulge or misappropriate any confidential information that has come to their knowledge in the performance of their duties.

(Establishment of the Japan Investment Committee)

Article 94 The Japan Investment Committee (hereinafter referred to as the "Committee" in this Chapter) is established in the JIC.

(Authority of the Committee)

Article 95 (1) The Committee makes the following decisions and evaluations:

- (i) decisions on the businesses subject to specified fund provision set forth in Article 103, paragraph (1) (meaning fund provision by the JIC to specified investment businesses through business operations set forth in Article 101, paragraph (1), items (i) through (vii); the same applies hereinafter) and on the details of the specified fund provision;
- (ii) evaluation on the performance of business operations of approved specified investment businesses (meaning the approved specified investment businesses prescribed in Article 106, paragraph (1); the same applies in the following item and Article 101, paragraph (1), item (xii));
- (iii) decisions on the transfer or other dispositions of securities (meaning the securities set forth in the items of Article 2, paragraph (1) of the Financial Instruments and Exchange Act and those deemed to be securities pursuant to the provisions of paragraph (2) of the same Article; hereinafter the same applies except in Article 101, paragraph (1), item (vii)) that the JIC holds in approved specified investment businesses or of claims that the JIC holds against approved specified investment businesses;
- (iv) decisions on businesses subject to direct fund provision set forth in Article 108, paragraph (1) (meaning fund provision by the JIC through its business operations set forth in Article 101, paragraph (1), items (i) through (vii) directly to businesses carrying out specified business activities; the same applies hereinafter), and on the details of the direct fund provision (excluding cases in which the direct fund provision solely consists of the contributions set forth in Article 101, paragraph (1), item (i) and their amount is below a certain amount, and other cases specified by Order of the Ministry of Economy, Trade and Industry);
- (v) decisions on the transfer or other dispositions of securities or claims set

- forth in Article 110, paragraph (1); and
- (vi) beyond what is provided for in the preceding items, decisions on the matters set forth in Article 362, paragraph (4), item (i) and item (ii) of the Companies Act that have been delegated through a resolution at the board of directors to the Committee.
- (2) The Committee is deemed to have received the delegation from the board of directors with respect to decisions on the matters set forth in item (i), and items (iii) through (v) of the preceding paragraph and evaluation set forth in item (ii) of the same paragraph.

(Committee Organization)

- Article 96 (1) The Committee is composed of three to seven members who are directors.
- (2) The majority of the Committee members must be outside directors.
- (3) One or more representative directors must be included within the Committee members.
- (4) Committee members are decided through a resolution at the board of directors.
- (5) Resolutions on the appointment and dismissal of Committee members do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.
- (6) The Committee members perform their duties independently.
- (7) The Committee has a chairperson, for whom the Committee members vote from among themselves.
- (8) The chairperson presides over all of the affairs of the Committee.
- (9) The Committee must designate, in advance, a Committee member to undertake the duties of the chairperson in the event that the chairperson is unable to perform their duties.

(Committee Operations)

- Article 97 (1) The Committee is to be convened by the chairperson (or, if the chairperson is unable to perform duties, by the person who undertakes the duties of the chairperson as prescribed in paragraph (8) of the preceding Article; the same applies in the following paragraph and paragraph (3)).
- (2) The Committee may not hold a meeting or make resolutions without the attendance of the chairperson and at least two-thirds of the total number of incumbent Committee members.
- (3) A resolution by the Committee is made by a majority of the votes of the Committee members present at the meeting. In case of a tie, the chairperson makes the final decision.
- (4) Committee members who have a special interest with respect to a resolution

pursuant to the provisions of the preceding paragraph may not participate in voting on it.

- (5) The number of Committee members who may not participate in voting pursuant to the provisions of the preceding paragraph is not included in the number of incumbent Committee members prescribed in paragraph (2).
- (6) Company auditors must attend Committee meetings and, if the Committee intends to make evaluations set forth in Article 95, paragraph (1), item (ii) or otherwise considers it necessary, they must state their opinions.
- (7) After a resolution has been made pursuant to the provisions of paragraph (3), a member of the Committee who has been appointed by the Committee must notify the board of directors of the details of the resolution without delay.
- (8) Minutes must be prepared with respect to the resolutions at the Committee, as prescribed by Order of the Ministry of Economy, Trade and Industry, and if those minutes are in the form of written documents, the Committee members and company auditors who attended the Committee meeting must sign, or affix their names and seals to those minutes.
- (9) If the minutes set forth in the preceding paragraph have been prepared in the form of electronic or magnetic records (meaning records created in electronic form, magnetic form, or any other form that is impossible to perceive through human senses alone, which are used in information processing by computers; hereinafter the same applies in this paragraph and paragraph (2), item (ii) of the following Article), measures in lieu of the affixation of signatures or names and seals specified by Order of the Ministry of Economy, Trade and Industry must be taken with respect to the particulars recorded in the electronic or magnetic records.
- (10) Beyond what is provided for in the preceding paragraphs and the following Article, the Committee decides on the procedures for resolutions and other necessary matters concerning its own operations.

(Committee Minutes)

Article 98 (1) The JIC must keep the minutes set forth in paragraph (8) of the preceding Article at its head office for ten years from the date of the Committee meeting.

- (2) Shareholders may make the following requests by receiving the permission of the court, if it is necessary for exercising their rights:
 - (i) a request to inspect or copy written documents of the minutes set forth in the preceding paragraph, if those minutes are prepared in the form of written documents; and
 - (ii) a request to inspect or copy anything representing the particulars recorded in the electronic or magnetic records of the minutes set forth in the preceding paragraph in a manner specified by Order of the Ministry of Economy, Trade

and Industry, if those minutes are prepared in the form of electronic or magnetic records.

- (3) Creditors may make requests as set forth in the items of the preceding paragraph with respect to the minutes set forth in paragraph (1) by receiving the permission of the court, if it is necessary for pursuing the liability of a Committee member.
- (4) The court may not give the permission set forth in paragraph (2) or the preceding paragraph if it considers that substantial detriment to the JIC is likely to be caused by the inspection or copying regarding the requests set forth in the items of paragraph (2) or the requests set forth in the preceding paragraph.
- (5) The provisions of Article 868, paragraph (1), Article 869, Article 870, paragraph (2) (limited to the portion regarding item (i)), Article 870-2, the main clause of Article 871, Article 872 (limited to the portion regarding item (v)), Article 872-2, the main clause of Article 873, Article 875 and Article 876 of the Companies Act apply mutatis mutandis to the permission set forth in paragraph (2) and paragraph (3).
- (6) The directors may make requests set forth in the items of paragraph (2) with respect to the minutes set forth in paragraph (1).

(Registration of Committee Members)

- Article 99 (1) If the JIC has appointed Committee members, it must register their names at the location of its head office within two weeks. This also applies if changes to the names of the Committee members have arisen.
- (2) A written application for registration of the appointment of Committee members under the preceding paragraph must be filed with documents evidencing the appointment of Committee members and the appointed Committee members' acceptance of the assumption of office attached to it.
 - (3) A written application for registration of changes due to the resignation of a Committee member must be filed with documents evidencing that fact attached to it.
 - (4) With respect to directors who are appointed as Committee members and who are outside directors, the JIC must register the fact that they are outside directors.

(Changes to the Articles of Incorporation)

Article 100 Resolutions on changes to the articles of incorporation of the JIC do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

Section 4 Business Operations

(Scope of Business Operations)

Article 101 (1) The JIC is to undertake the following business operations, for the purpose of achieving its objective:

- (i) contributions to subject businesses (meaning specified investment businesses and businesses carrying out specified business activities; the same applies hereinafter);
- (ii) contribution of funds (meaning the funds prescribed in Article 131 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)) to subject businesses;
- (iii) loaning of funds to subject businesses;
- (iv) acquisition of securities issued by subject businesses and securities held by subject businesses;
- (v) acquisition of monetary claims against subject businesses and monetary claims held by subject businesses;
- (vi) guaranteeing for bonds issued by subject businesses and their obligations regarding the borrowing of funds;
- (vii) solicitation or private placement of securities (limited to the rights set forth in Article 2, paragraph (2), item (v) or item (vi) of the Financial Instruments and Exchange Act that are deemed to be securities pursuant to the provisions of the same paragraph) for the purpose of a subject businesses;
- (viii) dispatch of experts to businesses that are carrying out or intending to carry out specified business activities;
- (ix) provision of advice to businesses that are carrying out or intending to carry out specified business activities;
- (x) transfer, establishment or authorization of intellectual property rights (meaning the intellectual property rights set forth in Article 2, paragraph (2) of the Basic Act on Intellectual Property (Act No. 122 of 2002), and the equivalent in foreign countries; the same applies in the following item), or disclosure of trade secrets (meaning the trade secrets set forth in Article 2, paragraph (6) of the Unfair Competition Prevention Act (Act No. 47 of 1993) or the equivalent in foreign countries; the same applies in the following item), to businesses that are carrying out or intending to carry out specified business activities;
- (xi) acquisition of intellectual property rights necessary for the business operations set forth in the preceding item or receipt of the transfer, establishment, or authorization of them, or receipt of the disclosure of trade secrets;
- (xii) evaluation on the performance of business operations of approved specified investment businesses;
- (xiii) transfer or other dispositions of securities that the JIC holds;

- (xiv) administration, transfer or other dispositions of claims;
 - (xv) necessary negotiations and investigations relating to the business operations set forth in the preceding items;
 - (xvi) investigations and provision of information necessary for the promotion of specified business activities; and
 - (xvii) business operations incidental to those set forth in the preceding items.
- (2) Beyond what are set forth in the items of the preceding paragraph, the JIC may undertake the following business operations to an extent that does not hinder its business performance:
- (i) specification of basic policies for effectively undertaking business operations regarding contributions by specified government-funded companies;
 - (ii) acceptance and holding of shares issued by specified government-funded companies;
 - (iii) dispatch of experts and provision of advice or other support for ensuring effective undertaking of business operations regarding contributions by specified government-funded companies; and
 - (iv) provision to the competent ministers of information necessary for evaluating the performance of business operations of specified government-funded companies.
- (3) If the JIC intends to undertake business operations contributing to its objective, beyond what is provided for in the preceding two paragraphs, it may undertake those business operations by obtaining the authorization of the Minister of Economy, Trade and Industry in advance.

(Investment Standards to be Complied with by the JIC)

- Article 102 (1) The Minister of Economy, Trade and Industry is to establish the standards that the JIC should comply with if making decisions on specified investment businesses subject to specified fund provision and the details of the specified fund provision (hereinafter referred to as the "investment standards" in this Chapter).
- (2) The investment standards are to specify the following:
- (i) particulars concerning the selection of business fields in which specified fund provision should be conducted especially intensively;
 - (ii) particulars concerning the details of the specified fund provision;
 - (iii) particulars concerning time limits for transfer or other dispositions of securities and claims of specified investment business that the JIC acquires; and
 - (iv) the details of support other than fund provision, such as fostering and utilization of human resources, if the JIC offers it.
- (3) If the Minister of Economy, Trade and Industry intends to establish the investment standards pursuant to the provisions of paragraph (1), the minister

is to hear the opinion of the minister with jurisdiction (meaning the minister with jurisdiction over the business regarding activities subject to specified investment businesses' provision of funds or other support for specified business activities and their provision of funds or other support for business activities to provide funds or other support for specified business activities; the same applies in Article 104, paragraph (3)) in advance.

- (4) If the Minister of Economy, Trade and Industry has established the investment standards pursuant to the provisions of paragraph (1), the minister is to publicize them.
- (5) The Minister of Economy, Trade and Industry is to make changes to the investment standards when any need arises due to fluctuations in the state of the economy.
- (6) The provisions of paragraph (3) and paragraph (4) apply mutatis mutandis to changes to the investment standards under the preceding paragraph.

(Decisions on Specified Fund Provision)

Article 103 (1) If the JIC intends to conduct specified fund provision, it must make a decision on specified investment businesses subject to the fund provision and the details of the specified fund provision in accordance with the investment standards.

- (2) If the JIC intends to make a decision as to whether or not it conducts specified fund provision, it must obtain the authorization of the Minister of Economy, Trade and Industry in advance.
- (3) If the JIC intends to obtain the authorization set forth in the preceding paragraph, it must submit a written application containing the following to the Minister of Economy, Trade and Industry:
 - (i) the details of the specified fund provision;
 - (ii) the details of the specified investment businesses' provision of funds or other support for specified business activities and their provision of funds or other support for business activities to provide funds or other support for specified business activities, and particulars concerning the implementation framework;
 - (iii) particulars concerning time limits for transfer or other dispositions of securities and claims that the JIC acquires in specified investment businesses; and
 - (iv) the details of support other than fund provision, such as fostering and utilization of human resources, if the JIC offers it.

Article 104 (1) If the Minister of Economy, Trade and Industry has received an application for the authorization set forth in paragraph (3) of the preceding Article, the minister is to examine whether the application conforms to both of

the following:

- (i) the application conforms to the investment standards; and
 - (ii) the specified investment businesses' provision of funds or other support for specified business activities and their provision of funds or other support for business activities to provide funds or other support for specified business activities are expected to be carried out smoothly and reliably.
- (2) If the Minister of Economy, Trade and Industry finds that the application conforms to both of the items of the preceding paragraph as a result of the examination carried out pursuant to the provisions of the same paragraph, the minister is to give authorization as set forth in paragraph (2) of the preceding Article.
- (3) If the Minister of Economy, Trade and Industry intends to give authorization as set forth in paragraph (2) of the preceding Article, the minister is to hear the opinion of the minister with jurisdiction in advance.

(Changes to Authorization Concerning Specified Fund Provision)

- Article 105 (1) If the JIC intends to make changes to the particulars set forth in the items of Article 103, paragraph (3), it must obtain the authorization of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) The provisions of the preceding Article apply *mutatis mutandis* to the authorization set forth in the preceding paragraph.

(Evaluations on the Performance of Business Operations of Approved Specified Investment Businesses)

- Article 106 (1) The JIC must evaluate the performance of business operations of approved specified investment businesses (meaning specified investment businesses to which the JIC conducts specified fund provision by obtaining the authorization set forth in Article 103, paragraph (2); the same applies hereinafter) for each business year.
- (2) If the JIC has made evaluation as set forth in the preceding paragraph, it must notify the relevant approved specified investment businesses of the evaluation results and collect funds regarding specified fund provision or otherwise take necessary measures against the approved specified investment businesses in accordance with the evaluation results, without delay.
- (3) If the JIC has made evaluation as set forth in paragraph (1) or has taken measures as set forth in the preceding paragraph, it must report the evaluation results or the details of the measures to the Minister of Economy, Trade and Industry.
- (4) If the Minister of Economy, Trade and Industry has received a report under the preceding paragraph and finds it necessary, the minister is to change the

investment standards.

(Support Standards to be Complied with by the JIC)

Article 107 (1) The Minister of Economy, Trade and Industry is to establish the standards that the JIC should comply with if making decisions on businesses subject to direct fund provision and the details of the direct fund provision (referred to as the "support standards" in the following paragraph and paragraph (3) of this Article, and paragraph (1) of the following Article).

(2) If the Minister of Economy, Trade and Industry intends to establish the support standards pursuant to the provisions of the preceding paragraph, the minister is to hear the opinion of the minister with jurisdiction (meaning the minister with jurisdiction over the business regarding the activities subject to direct fund provision; the same applies in paragraph (4) and paragraph (5) of the following Article) in advance.

(3) If the Minister of Economy, Trade and Industry has established the support standards pursuant to the provisions of paragraph (1), the minister is to publicize them.

(4) The Minister of Economy, Trade and Industry is to make changes to the support standards if any need arises due to fluctuations in the state of the economy.

(5) The provisions of paragraph (2) and paragraph (3) apply mutatis mutandis to changes to the support standards under the preceding paragraph.

(Decisions on Direct Fund Provision)

Article 108 (1) If the JIC intends to conduct direct fund provision, it must make a decision on businesses subject to it and the details of the direct fund provision, in accordance with the support standards.

(2) If the JIC intends to make a decision as to whether it conducts direct fund provision or not, it must notify the Minister of Economy, Trade and Industry of that fact and specify a reasonable period of time for the minister to state the opinion, in advance; provided, however, that this does not apply if direct fund provision solely consists of contributions (limited to contributions whose amount is below a certain amount and other contributions specified by Cabinet Order).

(3) If the JIC has made a decision to conduct direct fund provision in cases prescribed in the proviso to the preceding paragraph, it must promptly report to the Minister of Economy, Trade and Industry to that effect and on the details thereof.

(4) If the Minister of Economy, Trade and Industry has received a notification under paragraph (2), the minister is to promptly notify the minister with jurisdiction of the details of the notification.

(5) If the minister with jurisdiction has received a notification under the preceding paragraph, and finds it to be necessary in view of the situation in the field of business to which the relevant business belongs, the minister may state the opinion to the JIC within the period of time set forth in paragraph (2).

(Revocation of Decisions on Direct Fund Provision)

Article 109 (1) In the following cases, the JIC must promptly revoke a decision on direct fund provision:

- (i) if a business subject to direct fund provision does not carry out specified business activities; and
- (ii) if a business subject to direct fund provision has received a ruling on the starting of bankruptcy proceedings, a ruling on the starting of rehabilitation proceedings, a ruling on the starting of reorganization proceedings, an order to start special liquidation, or an approval for foreign insolvency proceedings.

(2) If the JIC has revoked a decision on direct fund provision pursuant to the provisions of the preceding paragraph, it must immediately notify the business subject to direct fund provision of that fact.

(Transfer or Other Disposal of Securities)

Article 110 (1) If the JIC intends to make a decision on the transfer or other disposal of securities or claims that it holds regarding a business subject to direct fund provision, it must notify the Minister of Economy, Trade and Industry of that fact and specify a reasonable period of time for the minister to state their opinion in advance.

- (2) The JIC must endeavor to transfer or otherwise dispose of all securities and claims that it holds by March 31, 2034, in consideration of the economic situation and the state of the business of subject businesses.
- (3) The redemption date for loans that are subject to a guarantee for obligations by the JIC must be not later than March 31, 2034.

(Requests for Acceptance of Shares from the Competent Minister of Specified Government-Funded Companies)

Article 111 Upon consulting with the Minister of Finance, the competent minister is to request the JIC to accept all shares that the government holds in specified government-funded companies (referred to as "specified shares" in the following Article and Article 114) at the value evaluated by the evaluation committee members as set forth in paragraph (3) of the following Article.

(Acceptance of Specified Shares by the JIC)

Article 112 (1) If the JIC has received a request pursuant to the provisions of the preceding Article, it must accept all of the specified shares within a period of

time designated by the Minister of Economy, Trade and Industry within three months from the request. In this case, those specified shares that the JIC has accepted are deemed to be held by the government with respect to the application of the provisions of Article 2, paragraph (27) of this Act and the provisions of other laws and regulations that provide that those specified shares should be held by the government.

- (2) If the JIC accepts specified shares under the preceding paragraph, and issues shares or disposes of treasury shares in exchange for the acceptance, with respect to the application of the provisions of Article 199, paragraph (2) of the Companies Act to the JIC, the phrase "a shareholders meeting" in the same paragraph is deemed to be replaced with "a board of directors" and the following proviso is to be added to the same paragraph: "; provided, however, that the board of directors must decide the amount to be paid or the method for calculating the relevant amount as set forth in item (ii) of the preceding paragraph based on the evaluation by the evaluation committee members set forth in Article 112, paragraph (3) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".
- (3) The value of the specified shares that the JIC accepts pursuant to the provisions of paragraph (1) is to be the value evaluated by the evaluation committee members.
- (4) If the evaluation committee members set forth in the preceding paragraph (simply referred to as the "evaluation committee members" in Article 114, paragraph (2) and paragraph (3)) intend to make an evaluation as set forth in the preceding paragraph, they are to use, as the basis, the market value of the specified shares as of the day on which the acceptance of all of the specified shares becomes effective; provided, however, that they may decide not to depend on the market value of the specified shares if they find it inappropriate to do so in consideration of the types of the specified shares and other particulars.
- (5) Beyond what is provided for in the preceding paragraphs, Cabinet Order prescribes necessary particulars concerning the acceptance of specified shares by the JIC.

Article 113 The provisions of Article 469, paragraph (1) (limited to the part other than what is listed in the items therein), paragraph (3), and paragraph (5) to paragraph (9), Article 470, and Article 868 to Article 876 of the Companies Act apply mutatis mutandis to the cases set forth in paragraph (1) of the preceding Article. In this case, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and any other necessary technical

replacement of the phrases is to be specified by Cabinet Order.

Article 469, paragraph (1)	In cases where Business Transfer, etc. is to be effected (excluding the following cases)	If the Japan Investment Corporation (hereinafter referred to as the "JIC") accepts all of the specified shares set forth in Article 111 of the Act on Strengthening Industrial Competitiveness pursuant to the provisions of Article 112, paragraph (1) of the same Act (hereinafter referred to as the "acceptance of specified shares")
	dissenting shareholders	shareholders of the JIC other than the government
	the Stock Company effecting the Business Transfer, etc.	the JIC
Article 469, paragraph (3)	A Stock Company that intends to effect the Business Transfer, etc.	The JIC
	the Effective Day	the day on which the acceptance of specified shares becomes effective (hereinafter referred to as the "effective day of the acceptance")
	the Special Controlling Company in the cases prescribed in paragraph (1) of the preceding Article	the government
	it intends to effect the Business Transfer, etc. (or, in the cases provided for in Article 467, paragraph (2), to the effect that the Stock Company will carry out the act listed in paragraph (1), item (iii) of that Article and of the matters regarding shares under paragraph (2) of that Article)	it intends to effect the acceptance of specified shares

Article 469, paragraph (5)	a demand under the provisions of paragraph (1) (hereinafter in this Chapter referred to as the "Exercise of Appraisal Rights")	a demand under the provisions of paragraph (1) as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "exercise of appraisal rights against the JIC")
	the Effective Day	the effective day of the acceptance
	a dissenting shareholder must indicate the number of shares with regard to which the shareholder is Exercising Appraisal Rights	a shareholder of the JIC other than the government must indicate the number of shares with regard to which the shareholder is exercising appraisal rights against the JIC
Article 469, paragraph (6) and paragraph (7)	Exercise[Exercising] Appraisal Rights	exercise[exercising] appraisal rights against the JIC
	the Stock Company that effects the Business Transfer, etc.	the JIC
Article 469, paragraph (8)	Business Transfer, etc.	acceptance of specified shares
	shareholders Exercising Appraisal Rights	shareholders exercising appraisal rights against the JIC
Article 469, paragraph (9)	Exercise of Appraisal Rights	exercise of appraisal rights against the JIC
Article 470, paragraph (1)	Exercises Appraisal Rights	exercises appraisal rights against the JIC
	the Stock Company effecting the Business Transfer, etc.	the JIC
	the Stock Company	the JIC
	the Effective Day	the effective day of the acceptance
Article 470, paragraph (2)	the Effective Day	the effective day of the acceptance
	the Stock Company under the preceding paragraph	the JIC
Article 470, paragraph (3)	paragraph (7) of the preceding Article	paragraph (7) of the preceding Article as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness
	the Effective Day	the effective day of the acceptance

	Exercising Appraisal Rights	exercising appraisal rights against the JIC
Article 470, paragraph (4)	Stock Companies under paragraph (1)	The JIC
	that paragraph	paragraph (1) as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness
Article 470, paragraph (5)	The Stock Company under paragraph (1)	The JIC
	the Stock Company	the JIC
Article 470, paragraph (6)	Exercise of Appraisal Rights	exercise of appraisal rights against the JIC
	the Effective Day	the effective day of the acceptance
Article 470, paragraph (7)	Exercises Appraisal Rights / Exercise of the Appraisal Rights	exercises appraisal rights against the JIC / exercise of the appraisal rights against the JIC

(Transfer of Specified Shares by the JIC)

Article 114 (1) If the JIC intends to transfer specified shares, it must obtain the authorization of the Minister of Economy, Trade and Industry.

(2) When the JIC intends to transfer the specified shares by obtaining authorization as set forth in the preceding paragraph, the value of those shares is that evaluated by the evaluation committee members.

(3) If the evaluation committee members intend to make an evaluation as set forth in the preceding paragraph, they are to use, as the basis, the market value of the specified shares as of the day on which the transfer of the specified shares becomes effective; provided, however, that they may decide not to depend on the market value of the specified shares if they find it inappropriate to do so in consideration of the types of the specified shares and other particulars.

(4) Beyond what is provided for in the preceding three paragraphs, Cabinet Order prescribes necessary particulars concerning the transfer of specified shares by the JIC.

Section 5 State Assistance

Article 115 (1) The Minister of Economy, Trade and Industry and heads of national administrative organs are to endeavor to provide the JIC and subject businesses with advice or other assistance necessary for the JIC and subject businesses to implement their business smoothly and reliably.

(2) Beyond what is provided for in the preceding paragraph, the Minister of Economy, Trade and Industry and heads of national administrative organs are to cooperate and develop mutual coordination so as to encourage the JIC and

subject businesses to implementation their business smoothly and reliably.

Section 6 Finance and Accounting

(Budget Authorization)

Article 116 (1) Before the start of each business year, the JIC must submit the budget for the relevant business year to the Minister of Economy, Trade and Industry, and obtain the authorization of the minister. This also applies if the JIC intends to make changes to the budget.

(2) The JIC must attach documents concerning the business plan and financial plan for that relevant business year to the budget set forth in the preceding paragraph.

(Resolutions on Dividends of Surplus)

Article 117 Resolutions at the JIC on dividends of surplus and other dispositions of surplus do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

(Financial Statements)

Article 118 The JIC must submit a balance sheet, profit and loss statement, and business report within three months from the end of each business year, for the relevant business year to the Minister of Economy, Trade and Industry.

(Government Guarantees)

Article 119 Notwithstanding the provisions of Article 3 of the Act on the Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946), the government may provide guarantees for obligations regarding the JIC's bonds or borrowing set forth in Article 83, paragraph (1), within the limit of the amount approved by the Diet.

(Remuneration for Directors and Salary for Employees)

Article 120 (1) The JIC must establish standards for remuneration and severance pay for directors and salary for employees, notify the Minister of Economy, Trade and Industry of those standards, and also publicize them. This also applies if the JIC has made changes to them.

(2) With respect to salary or other treatment for employees solely engaging in business operations to make capital contributions (referred to as "employees solely engaging in contributions" in this paragraph), the JIC is to pay attention to securing excellent personnel, fostering young employees solely engaging in contributions, and promoting their activities, within the budget authorized pursuant to the provisions of Article 116, paragraph (1).

Section 7 Supervision

(Supervision)

Article 121 (1) The Minister of Economy, Trade and Industry supervises the JIC, in accordance with what is provided for by this Act.

(2) If the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may issue orders to the JIC as necessary for its supervision with respect to business operations of the JIC and approved specified investment businesses.

(Consultations with the Minister of Finance)

Article 122 If the Minister of Economy, Trade and Industry intends to give the authorization set forth in Article 83, paragraph (1) (limited to cases in which the JIC intends to solicit persons to subscribe for the shares for subscription, issue bonds at a share exchange or share delivery, or borrow funds), Article 88, paragraph (2), Article 100, Article 101, paragraph (3), Article 103, paragraph (2), Article 105, paragraph (1), Article 114, paragraph (1), Article 116, paragraph (1), Article 117, or Article 125; establishes the investment standards pursuant to the provisions of Article 102, paragraph (1); or makes changes to the investment standards pursuant to the provisions of paragraph (5) of the same Article or Article 106, paragraph (4), the minister is to consult with the Minister of Finance.

(Evaluation on the Performance of Business Operations)

Article 123 (1) The Minister of Economy, Trade and Industry is to make evaluation with respect to the performance of business operations by the JIC for each business year.

(2) If the Minister of Economy, Trade and Industry has made evaluation as set forth in the preceding paragraph, the minister is to give notice concerning the evaluation results to the JIC and publicize them, without delay.

(3) Upon making evaluation as set forth in paragraph (1), the Minister of Economy, Trade and Industry is to take into account the fact that the JIC is required to utilize highly professional and practical knowledge in its business operations in order to deal with the changes in the industrial structure and global competitive conditions.

Section 8 Dissolution

(Dissolution of the JIC)

Article 124 The JIC is to be dissolved upon the completion of the business

operations set forth in the items of Article 101, paragraph (1).

(Resolutions on Mergers)

Article 125 Resolutions on mergers, company splits, transfer or acceptance of business, and dissolution of the JIC do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

Chapter V Revitalization of Small and Medium-Sized Enterprises

Section 1 Support for Start-ups

(Guidelines for the Implementation of Programs for Supporting Start-ups, etc.)

Article 126 (1) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to establish guidelines for the implementation of programs for supporting start-ups, etc. (hereinafter referred to as the "implementation guidelines" in this Article and paragraph (4), item (i) of the following Article) for the purpose of properly supporting start-ups through programs for supporting start-ups, etc. and proactively carrying out dissemination and awareness-raising activities concerning start-ups, thereby contributing to the revitalization of small and medium-sized enterprises.

(2) The implementation guidelines are to specify the following:

(i) particulars concerning the setting-up of goals for the promotion of start-ups through programs for supporting start-ups, etc.;

(ii) particulars concerning the methods for implementing programs for supporting start-ups, etc.;

(iii) particulars concerning roles to be fulfilled by municipalities (including special wards; the same applies hereinafter) regarding the implementation of programs for supporting start-ups, etc.; and

(iv) other important particulars relating to programs for supporting start-ups, etc.

(3) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to make changes to the implementation guidelines if any need arises due to fluctuations in the state of the economy.

(4) If the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications intend to establish the implementation guidelines or make changes thereto, they are to consult with the ministers with jurisdiction over the businesses of small and medium-sized enterprises, and hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance; provided, however, that this does not apply to minor changes specified by Order of the Ministry of Economy, Trade and Industry and Order of the Ministry of Internal Affairs and Communications.

- (5) If the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications have established the implementation guidelines or have made changes thereto, they are to publicize the established or changed implementation guidelines, without delay.

(Approval for Plans for Programs for Supporting Start-ups, etc.)

Article 127 (1) A municipality may prepare a plan for a program for supporting start-ups, etc. it intends to implement (including a program for supporting start-ups, etc. that a person other than the municipality intends to implement in collaboration with the municipality's program for supporting start-ups, etc.; the same applies hereinafter) (hereinafter the relevant plan is referred to as a "plan for a program for supporting start-ups, etc."), and submit it to the competent minister to seek approval therefor, as prescribed by orders of the competent ministries.

- (2) If two or more municipalities intend to jointly implement their program for supporting start-ups, etc., those two or more municipalities may jointly prepare a plan for a program for supporting start-ups, etc. to seek approval therefor as set forth in the preceding paragraph.
- (3) A plan for a program for supporting start-ups, etc. must contain the following:
- (i) the goal of the program for supporting start-ups, etc.;
 - (ii) the details of the program for supporting start-ups, etc. that the municipalities intend to implement (including the fact that all or part of the program for supporting start-ups, etc. falls under a specified program for supporting start-ups, etc., if that is the case), and particulars concerning the implementation methods therefor;
 - (iii) the following if there is any program for supporting start-ups, etc. that a person other than the municipalities intends to implement in collaboration with the municipalities' program for supporting start-ups, etc.:
 - (a) the name and address of the person who implements the program for supporting start-ups, etc. and in the case of a corporation, the name of its representative;
 - (b) the details of the program for supporting start-ups, etc. (including the fact that all or part of the program for supporting start-ups, etc. falls under a specified program for supporting start-ups, etc., if that is the case), and particulars concerning the implementation methods therefor; and
 - (c) particulars concerning the collaboration with the program for supporting start-ups, etc. that the municipalities intend to implement; and
 - (d) particulars concerning the collaboration that the municipality (or municipalities) seeks collaboration with schools or other educational institutions prescribed in Article 1 of the School Education Act (Act No. 26 of 1947) upon implementing a program for supporting start-ups, etc.

(limited to a program regarding Article 2, paragraph (30), item (ii)), if that is the case; and

(iv) period for the plan.

(4) If the competent minister has received an application for approval as set forth in paragraph (1) and finds that the plan for a program for supporting start-ups, etc. conforms to both of the following items, the minister is to approve the plan:

(i) the relevant plan is appropriate in light of the implementation guidelines;

and

(ii) the program for supporting start-ups, etc. under the relevant plan is expected to be implemented smoothly and reliably.

(5) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the plan for a program for supporting start-ups, etc. regarding the approval, as prescribed by orders of the competent ministries.

(Changes to Plans for Programs for Supporting Start-ups, etc.)

Article 128 (1) If a municipality that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "approved municipality") intends to make changes to the plan for a program for supporting start-ups, etc. regarding the approval, the municipality must seek the approval of the competent minister, as prescribed by orders of the competent ministries.

(2) If the competent minister finds that an approved municipality (including a person that implements the program by a person other than the municipality in collaboration with the program for supporting start-ups, etc. that the approved municipality implements under a plan for a program for supporting start-ups, etc. regarding the approval (or the plan after changes if an approval has been granted for those changes under the preceding paragraph; hereinafter referred to as an "approved plan for a program for supporting start-ups, etc."); the relevant collaborative program is referred to as an "approved collaborative program for supporting start-ups, etc." in Article 130, and the relevant person is referred to as a "business implementing approved collaborative program for supporting start-ups, etc." in Article 131, paragraph (1) and Article 141, paragraph (1)) is not implementing the program for supporting start-ups, etc. in accordance with the approved plan for a program for supporting start-ups, etc., the minister may rescind the approval.

(3) If the competent minister finds that an approved plan for a program for supporting start-ups, etc. no longer conforms to either of the items of paragraph (4) of the preceding Article, the minister may direct the approved municipality to make changes to the approved plan for a program for supporting start-ups, etc. or may rescind the approval.

- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize that fact.
- (5) The provisions of paragraph (4) and paragraph (5) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 129 (1) With respect to the application of the provisions of Article 3-2, paragraph (1) and paragraph (3) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of unsecured insurance that pertain to a small or medium-sized enterprise which is a founder (including the founders set forth in Article 2, paragraph (29), item (i), item (iii), and item (v); the same applies hereinafter) having received a start-up-related guarantee (meaning a guarantee for obligations prescribed in Article 3-2, paragraph (1) of the same Act regarding the required funds of a founder that are specified by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Article), the phrase "small or medium-sized enterprise" in Article 3-2, paragraph (1) of the same Act is deemed to be replaced with "small or medium-sized enterprise (including the founders set forth in Article 2, paragraph (29), item (i), item (iii), and item (v) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies hereinafter)"; the phrase "the total insurance value per each small or medium-sized enterprise" in the same paragraph is deemed to be replaced with "the total insurance value of the insurance relationships regarding a start-up-related guarantee prescribed in Article 129, paragraph (1) of the same Act (hereinafter referred to as a "start-up-related guarantee") and the total insurance value for other insurance relationships per each small or medium-sized enterprise, respectively,"; and the phrase "80,000,000 yen" in the same paragraph is deemed to be replaced with "35,000,000 yen and 80,000,000 yen"; and the phrase "the amount guaranteed out of the amount of the borrowings" in paragraph (3) of the same Article is deemed to be replaced with "the amount guaranteed out of the amount of the borrowings, for each of the start-up-related guarantee and other guarantees, respectively,"; the phrase "exceed 80,000,000 yen" in the same paragraph is deemed to be replaced with "exceed 35,000,000 yen and 80,000,000 yen"; the phrase "a small or medium-sized enterprise that is the debtor" in the same paragraph is deemed to be replaced with "a small or medium-sized enterprise that is the debtor, for each of the start-up-related guarantee and other guarantees"; and the phrase "from 80,000,000 yen" in the same paragraph is deemed to be replaced with "from 35,000,000 yen and 80,000,000 yen, respectively".

- (2) If the founder set forth in Article 2, paragraph (29), item (ii) that has

established a new company (limited to a small or medium-sized enterprise; hereinafter the same applies in this paragraph) (such founder is hereinafter referred to as the "company-establishing founder" in this paragraph) causes the company to succeed to all or part of the founder's business through a business transfer, the provisions of the preceding paragraph apply by deeming the company as the founder set forth in paragraph (29), item (iv) of the same Article until five years elapse from the day on which the company-establishing founder started business. In this case, the phrase "with '35,000,000 yen and 80,000,000 yen';" in the preceding paragraph is deemed to be replaced with "with '35,000,000 yen (if the insurance relationships regarding a start-up-related guarantee has already been established for the company-establishing founder (meaning the company-establishing founder prescribed in paragraph (2) of the same Article, and if the company-establishing founder establishes another new company (limited to a small or medium-sized enterprise) and causes that other company to succeed to all or part of the founder's business through a business transfer, it includes that other company; the same applies in paragraph (3)) that established the small or medium-sized enterprise, an amount that remains after deducting the total insurance value of the insurance relationships from 35,000,000 yen) and 80,000,000 yen';", and the phrase "a small or medium-sized enterprise that is the debtor, for each of the start-up-related guarantee and other guarantees" in the same paragraph is deemed to be replaced with "a small or medium-sized enterprise and a company-establishing founder that are the debtors with regard to the start-up-related guarantee, and a small or medium-sized enterprise that is the debtor with regard to other guarantees".

- (3) The founder set forth in Article 2, paragraph (29), item (i), item (iii), and item (v) that has received a start-up-related guarantee is deemed to be a small or medium-sized enterprise as set forth in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3-2 and Articles 4 through 8 of the same Act apply to the relevant founder.
- (4) With respect to the application of the provisions of Article 3-2, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of unsecured insurance from among those regarding start-up-related guarantees that are related to a small or medium-sized enterprise which is a founder falling under both of the following items, the phrase "80 percent" in Article 3-2, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent, for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific

corporate bond insurance)" in Article 5 of the same Act are deemed to be replaced with "90 percent":

- (i) the relevant person falls under either of the following:
 - (a) if the relevant person falls under the categories of persons set forth in Article 2, paragraph (29), items (i) through (iii), it has experienced the discontinuation of a business that the person operated in the past due to a worsening of its circumstances, or the person was an officer conducting the business of a company that was dissolved due to a worsening of its circumstances as of the day on which the dissolution occurred; or
 - (b) if the relevant person falls under the categories of persons set forth in Article 2, paragraph (29), item (iv) (including companies that are deemed to be such persons pursuant to the provisions of paragraph (2)), the individual who established the company has experienced the discontinuation of a business that the individual operated in the past due to a worsening of its circumstances, or the individual was an officer conducting the business of a company that was dissolved due to a worsening of its circumstances as of the day on which the dissolution occurred; and
 - (ii) the relevant person made an offer for the entrustment of a guarantee for obligations regarding the insurance relationships prior to the date on which five years have elapsed from the date of the discontinuation of business or prior to the date of dissolution prescribed in (a) and (b) of the preceding item.
- (5) Cabinet Order prescribes the limit on the total of the insurance values of the insurance relationships of unsecured insurance that are designated by Cabinet Order for a person that has received a start-up-related guarantee.
- (6) The amount of insurance premiums relating to the insurance relationships of unsecured insurance that is related to a start-up-related guarantee is an amount arrived at if the insurance amount is multiplied by a percentage specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

Article 130 Regarding a general incorporated association or general incorporated foundation (limited to a general incorporated association in which at least half of the voting rights in its general meeting of members are held by small and medium-sized enterprises and to a general incorporated foundation for which at least half of the value of the property contributed upon its incorporation has been contributed by small and medium-sized enterprises) or a specified nonprofit corporation prescribed in Article 2, paragraph (2) of the Act to Promote Specified Non-profit Activities (Act No. 7 of 1998) (limited to a specified nonprofit corporation for which at least half of the rights to vote in its

general meeting of members are held by small and medium-sized enterprises) that implements approved collaborative program for supporting start-ups, etc. and has received a guarantee for obligations prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for implementing the approved collaborative program for supporting start-ups, etc. (hereinafter referred to as an "approved general incorporated association, etc." in this Article), the approved general incorporated association, etc. is deemed to be the small or medium-sized enterprise set forth in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3, Article 3-2, and Articles 4 through Article 8 of the same Act apply to the relevant approved general incorporated association, etc. In this case, with respect to the application of the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the same Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for implementing the approved collaborative program for supporting start-ups, etc. prescribed in Article 128, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Provision of Information to Approved Municipalities)

- Article 131 (1) In response to a request from an approved municipality or a business implementing approved collaborative program for supporting start-ups, etc., the Organization for Small & Medium Enterprises and Regional Innovation provides information concerning the relevant program for supporting start-ups, etc. or other necessary cooperation.
- (2) Prefectures may provide municipalities that intend to prepare a plan for a program for supporting start-ups, etc. or approved municipalities with information concerning programs for supporting start-ups, etc. or other assistance.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

- Article 132 (1) The obligations of a small or medium-sized enterprise based on a specified letter of credit issuance contract are deemed to be debt obligations due to the borrowing prescribed in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3 and Articles 4 through 8 of the same Act apply thereto. In this case, with respect to the application of the provisions of Article 3, paragraph (1) of the same Act regarding the insurance relationships of ordinary insurance that are related to a small or medium-sized enterprise which has received a specified letter of credit-related guarantee (meaning a guarantee for obligations based

on a specified letter of credit issuance contract; hereinafter the same applies in this Article), the phrase "the total insurance value per each small or medium-sized enterprise" in the same paragraph is deemed to be replaced with "the total insurance value of the insurance relationships regarding a specified letter of credit-related guarantee prescribed in Article 132, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and the total insurance value for other insurance relationships per each small or medium-sized enterprise, respectively,"; the phrase "the total amount guaranteed out of the amount of the borrowings" in the same paragraph is deemed to be replaced with "the total amount guaranteed (or the maximum amount in the case of a special guarantee) out of the amount of obligations based on a specified letter of credit issuance contract (meaning the specified letter of credit issuance contract set forth in Article 2, paragraph (33) of the same Act) (limited to the amount equivalent to the amount of borrowings from a foreign bank, etc. (meaning the foreign bank, etc. set forth in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of an related foreign corporation (meaning the related foreign corporation set forth in Article 2, paragraph (16) of the Act on Strengthening Industrial Competitiveness) of the small or medium-sized enterprise) and the total amount guaranteed out of the amount of the borrowings"; and the phrase "reaches" in the same paragraph is deemed to be replaced with ", respectively, reaches".

(2) With respect to the application of the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act set forth in the left-hand column of the following table regarding the insurance relationships of ordinary insurance that are related to a specified letter of credit-related guarantee, the phrases set forth in the middle column of the same table that are used in these provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (1)	this paragraph	this paragraph and paragraph (3)
Article 3, paragraph (2)	70 percent	80 percent

Article 3,
paragraph (3)

<p>the amount of the borrowings</p>	<p>the amount of obligations based on a specified letter of credit issuance contract (meaning the specified letter of credit issuance contract set forth in Article 2, paragraph (33) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies hereinafter) (limited to the amount equivalent to the amount of the borrowings from a foreign bank, etc. (meaning the foreign bank, etc. set forth in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981); the same applies hereinafter) of a related foreign corporation (meaning the affiliated foreign corporation set forth in Article 2, paragraph (16) of the Act on Strengthening Industrial Competitiveness; the same applies hereinafter) of a small and medium-sized enterprise; the same applies hereinafter)</p>
<p>amount guaranteed</p>	<p>amount guaranteed (or the maximum amount in the case of a special guarantee)</p>
<p>payment of borrowings (or, in case of the discounting of bills, payment of bills; or, in case of the discounting of electronically recorded monetary claims, payment of the obligations regarding electronically recorded monetary claims)</p>	<p>performance of obligations based on a specified letter of credit issuance contract</p>

Article 3, paragraph (4)	Borrowings (or, in case of the discounting of bills, funds receiving financing through the discounting of bills; or, in case of the discounting of electronically recorded monetary claims, funds receiving financing through the discounting of electronically recorded monetary claims) for which the establishment of the insurance relationships set forth in paragraph (1) has been guaranteed	Borrowings from a foreign bank, etc. of the related foreign corporation of a small and medium-sized enterprise as prescribed in the preceding paragraph in cases in which the establishment of the insurance relationships set forth in paragraph (1) has been guaranteed
	a Small and Medium-sized Enterprise	the small or medium-sized enterprise
Article 5	performed (or paid in case of the discounting of bills or the discounting of electronically recorded monetary claims; the same applies hereinafter)	performed
	borrowings (or, in case of the discounting of bills, bill obligations; or in case of the discounting of electronically recorded monetary claims, obligations regarding electronically recorded monetary claims; the same applies hereinafter), obligations regarding bonds (excluding those pertaining to interest; the same applies hereinafter), or specified payables	obligations based on a specified letter of credit issuance contract

	70 percent (or 80 percent for Unsecured Insurance, Special Petty Insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)"	80 percent
Article 5, item (i) and item (iii) and Article 8, item (i) and item (iii)	borrowings or obligations regarding bonds	obligations based on a specified letter of credit issuance contract

Section 2 Development of the Support System for Small and Medium-Sized Enterprise Revitalization

(Guidelines Concerning Support for Business Rehabilitation of Small and Medium-Sized Enterprises)

Article 133 (1) For the purpose of properly supporting the business rehabilitation of small and medium-sized enterprises through SME business rehabilitation through succession or other efforts, and thereby contributing to their revitalization, the Minister of Economy, Trade and Industry is to establish basic guidelines concerning support measures to be taken by the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation, and approved support institutions (hereinafter referred to as the "support guidelines" in this Article and paragraph (1) of the following Article).

(2) The support guidelines are to specify the following:

- (i) basic particulars concerning support for the revitalization of small and medium-sized enterprises;
- (ii) particulars concerning the details of support for the revitalization of small and medium-sized enterprises;
- (iii) particulars concerning the support system for the revitalization of small and medium-sized enterprises; and
- (iv) other particulars to be taken into consideration concerning support for the

- revitalization of small and medium-sized enterprises.
- (3) The Minister of Economy, Trade and Industry is to make changes to the support guidelines if any need arises due to fluctuations in the state of the economy.
 - (4) If the Minister of Economy, Trade and Industry intends to establish the support guidelines or make changes thereto, the minister is to consult with the minister who has jurisdiction over the businesses of small and medium-sized enterprises, and to hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance; provided, however, that this does not apply to minor changes specified by Order of the Ministry of Economy, Trade and Industry.
 - (5) If the Minister of Economy, Trade and Industry has established the support guidelines or has made changes thereto, the minister is to publicize the established or changed support guidelines without delay.

(Approved Support Institutions)

- Article 134 (1) Based on the support guidelines and as prescribed by Order of the Ministry of Economy, Trade and Industry, the Minister of Economy, Trade and Industry may approve a society of commerce and industry, a prefectural federation of societies of commerce, a chamber of commerce, or a designated corporation prescribed in Article 7, paragraph (1) of the Small and Medium-Sized Enterprise Support Act (Act No. 147 of 1963) that is considered to be able to undertake the business operations prescribed in the following paragraph (hereinafter referred to as "business operations to support small and medium-sized enterprise revitalization") in all or part of the area of a prefecture, properly and reliably, as a person undertaking business operations to support small and medium-sized enterprise revitalization, upon application therefrom.
- (2) A person that has obtained approval as set forth in the preceding paragraph (hereinafter referred to as an "approved support institution") is to undertake the following business operations in the area set forth in paragraph (4), item (iv), (c) regarding the approval, beyond what is provided for by other laws and regulations:
 - (i) provision of necessary guidance or advice upon request from a small or medium-sized enterprise undertaking or intending to undertake either of the following (including an individual not currently engaged in business, if that individual undertakes or intends to undertake what are set forth in (a)):
 - (a) streamlining of the production or the sale of goods or the provision of services, by effectively combining and integrally utilizing existing management resources and new management resources regarding the businesses to be succeeded to from other small or medium-sized enterprise[s] (including one that had been a small or medium-sized

- enterprise[s]) through a merger, acceptance of business, or the equivalent thereto;
- (b) rehabilitation of business by SME business rehabilitation through succession or by other efforts; or
 - (c) restructuring of guaranteed obligations held by a person that guarantees obligations of a small or medium-sized enterprise with extensive obligations or a small or medium-sized enterprise that has already undergone restructuring of obligations (excluding restructuring of the guaranteed obligations through bankruptcy proceedings or rehabilitation proceedings);
 - (ii) provision of necessary guidance or advice in response to a request by a person that acquires, in line with a change in the representative of a small or medium-sized enterprise which is a company, assets that are essential for the implementation of its business, and streamlines or intends to streamline the production or the sale of goods or the provision of services by utilizing those assets;
 - (iii) mediation concerning a merger, transfer or acceptance of business, or the equivalent thereto regarding what are set forth in item (i), (a);
 - (iv) provision of training concerning what are set forth in item (i), (a) through (c) or item (ii) to small and medium-sized enterprises, persons implementing programs for supporting improvements to their management, and their employees;
 - (v) collection, investigation and research of necessary information related to the business operations set forth in the preceding items, and dissemination of the results thereof; and
 - (vi) investigation necessary for undertaking the business operations set forth in Article 140, item (i), based on an entrustment from the Organization for Small & Medium Enterprises and Regional Innovation.
- (3) An approved support institution may undertake private dispute resolution procedures (meaning the procedures prescribed in Article 2, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution) on disputes regarding corporate rehabilitation, by obtaining the certification set forth in Article 5 of the same Act and the approval set forth in Article 49, paragraph (1) of this Act, beyond the business operations specified by other laws and regulations and the business operations set forth in the items of the preceding paragraph.
- (4) A person intending to obtain approval as set forth in paragraph (1) must submit a written application for approval containing the following to the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry:
- (i) the name and address;
 - (ii) location of the office;

- (iii) candidates for council members whom the person intends to appoint as members of the Small and Medium-Sized Enterprise Revitalization Support Council prescribed in paragraph (1) of the following Article; and
- (iv) the following particulars concerning business operations to support small and medium-sized enterprise revitalization:
 - (a) the details of business operations to support small and medium-sized enterprise revitalization;
 - (b) a framework for undertaking business operations to support small and medium-sized enterprise revitalization;
 - (c) areas in which to undertake business operations to support small and medium-sized enterprise revitalization; and
 - (d) other particulars specified by Order of the Ministry of Economy, Trade and Industry.
- (5) If there have been any changes to the particulars set forth in item (i) and item (ii) of the preceding paragraph, an approved support institution must notify the Minister of Economy, Trade and Industry of that fact without delay, and if it intends to make changes (excluding minor changes specified by Order of the Ministry of Economy, Trade and Industry) to the particulars set forth in item (iv) of the same paragraph, it must notify the Minister of Economy, Trade and Industry of that fact in advance.

(Small and Medium-Sized Enterprise Revitalization Support Councils)

Article 135 (1) A Small and Medium-Sized Enterprise Revitalization Support Council is established in an approved support institution.

- (2) A Small and Medium-Sized Enterprise Revitalization Support Council must be composed of the head of the approved support institution and the council members appointed by the head.
- (3) Members of a Small and Medium-Sized Enterprise Revitalization Support Council must be appointed from among persons who have practical experience or relevant knowledge and experience regarding business operations to support small and medium-sized enterprise revitalization.
- (4) If the head of an approved support institution has appointed members of a Small and Medium-Sized Enterprise Revitalization Support Council, the head must notify the Minister of Economy, Trade and Industry of that fact, as prescribed by Order of the Ministry of Economy, Trade and Industry. This also applies if changes have arisen in the membership of the Small and Medium-Sized Enterprise Revitalization Support Council.
- (5) A Small and Medium-Sized Enterprise Revitalization Support Council must deliberate and decide on the specific details, necessary particulars concerning the securing of the framework for undertaking business operations, and other important particulars for the execution of the approved support institution's

business operations to support small and medium-sized enterprise revitalization, and must provide specialist advice to the approved support institution.

- (6) Beyond what are provided for in the preceding items, Cabinet Order prescribes necessary particulars concerning the organization and operation of Small and Medium-Sized Enterprise Revitalization Support Councils.

(Obligation of Confidentiality)

Article 136 (1) Officers or employees of approved support institutions or members of Small and Medium-Sized Enterprise Revitalization Support Councils, or persons who were employed as such, must not divulge or misappropriate any confidential information that has come to their knowledge regarding business operations to support small and medium-sized enterprise revitalization.

- (2) The provisions of the preceding paragraph do not apply to the following information:

(i) information that officers or employees of an approved support institution or members of its Small and Medium-Sized Enterprise Revitalization Support Council provide to the Organization for Small & Medium Enterprises and Regional Innovation concerning the business operations set forth in Article 140, item (iv), if the Organization for Small & Medium Enterprises and Regional Innovation needs to receive information from the approved support institution for the purpose of smoothly undertaking those business operations;

(ii) information that officers or employees of an approved support institution or members of its Small and Medium-Sized Enterprise Revitalization Support Council provide to the Organization for Small & Medium Enterprises and Regional Innovation, concerning the business operations set forth in Article 134, paragraph (2), item (i) (limited to those regarding what are set forth in (b) and (c) of the same item) and the business operations set forth in items (ii) and (iii) of the same paragraph, if the approved support institution needs to receive advice from the Organization for Small & Medium Enterprises and Regional Innovation or have experts dispatched to itself, for the purpose of smoothly undertaking those businesses; and

(iii) information that officers or employees of an approved support institution or members of its Small and Medium-Sized Enterprise Revitalization Support Council provide to officers or employees of another approved support institution or members of its Small and Medium-Sized Enterprise Revitalization Support Council, concerning the business operations set forth in Article 134, paragraph (2), items (ii) and (iii), if that approved support institution needs to receive information from that other approved support

institution for the purpose of smoothly undertaking those operations.

(Orders for Improvement)

Article 137 If the Minister of Economy, Trade and Industry determines that improvements are necessary with respect to an approved support institution's management of its business operations to support small and medium-sized enterprise revitalization, the minister may order the approved support institution to take measures necessary for those improvements.

(Rescission of Approval)

Article 138 If an approved support institution has violated an order under the preceding Article, the Minister of Economy, Trade and Industry may rescind its approval.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 139 Regarding an approved support institution that has received a guarantee for obligations as prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for undertaking a specified program for supporting small and medium-sized enterprise revitalization (meaning a program regarding business operations to support small and medium-sized enterprise revitalization that have been decided on by a Small and Medium-Sized Enterprise Revitalization Support Council), the approved support institution is deemed to be the small or medium-sized enterprise set forth in Article 2, paragraph (1) of the same Act, and the provisions of Article 3, Article 3-2, and Article 4 to Article 8 of the same Act apply to the relevant institution. In this case, with respect to the application of the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the same Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for implementing the program for supporting specified small and medium-sized enterprise revitalization prescribed in Article 139 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Business Operations to Support Revitalization, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 140 The Organization for Small & Medium Enterprises and Regional Innovation undertakes the following business operations for the purpose of supporting the revitalization of small and medium-sized enterprises:

- (i) providing limited investment partnerships (limited to those specified by Cabinet Order as partnerships providing funds to businesses that implement

- corporate restructuring or SME business rehabilitation through succession; the relevant partnerships are referred to as "specified limited investment partnerships" in paragraph (2) of the following Article) that implement investment programs targeting small and medium-sized enterprises with the necessary funds for the investments;
- (ii) undertaking the business operations set forth in Article 134, paragraph (2), items (i) through (v);
 - (iii) dispatching experts and offering other necessary cooperation for the undertaking of business operations to support small and medium-sized enterprise revitalization in response to requests from approved support institutions; and
 - (iv) evaluating the state of undertaking of business operations to support small and medium-sized enterprise revitalization and reporting the results thereof to the Minister of Economy, Trade and Industry.

Chapter VI Miscellaneous Provisions

(Securing of Funds)

Article 141 (1) The State is to endeavor to secure funds necessary for approved businesses implementing corporate restructuring to take measures for the purpose of business reconstruction in accordance with approved corporate restructuring plans, or funds necessary for approved implementers of the testing of new technology, etc., approved implementers of new business activities, approved partnerships implementing specified investment programs for developing new business, approved investment businesses promoting utilization of external management resources, approved businesses supporting the utilization of specified research results, approved implementers of business activities utilizing innovative technology research results, approved businesses implementing business adaptation, approved municipalities, or businesses implementing approved collaborative programs for supporting start-ups, etc. to implement testing of new technology, etc., new business activities, specified investment programs for developing new business, investment programs for promoting utilization of external management resources, programs for supporting the utilization of specified research results, business activities utilizing innovative technology research results, business adaptation, or programs for supporting start-ups, etc., in accordance with approved plans for the testing of new technology, etc., approved plans for new business activities, approved plans for specified investment program for developing new business, approved plans for investment programs for promoting utilization of external management resources, approved plans for program for supporting the utilization of specified research results, approved plans for business activities

utilizing innovative technology research results, approved business adaptation plans, or approved plans for program for supporting start-ups, etc.

- (2) The State is to endeavor to secure funds necessary for specified limited investment partnerships to enhance the equity capital of businesses implementing corporate restructuring.

(Stability of Employment)

Article 142 (1) If approved businesses implementing corporate restructuring implement their corporate restructuring in accordance with their approved corporate restructuring plans, they must gain the understanding and cooperation of the workers in their employment, and must endeavor to take necessary measures for preventing unemployment or otherwise promoting the stability of employment, with respect to the workers.

- (2) The State is to endeavor to take necessary measures for preventing unemployment or otherwise promoting the stability of employment, with respect to workers who are employed by approved businesses implementing corporate restructuring.
- (3) The State is to endeavor to take necessary measures for providing job placement or otherwise contributing to the stability of work and lifestyle, with respect to workers who were employed by approved businesses implementing corporate restructuring.
- (4) The State and prefectures are to endeavor to take necessary measures for providing vocational training or otherwise promoting the development and improvement of skills, with respect to workers who are employed by approved businesses implementing corporate restructuring and workers who were employed by approved businesses implementing corporate restructuring.
- (5) The State and prefectures are to endeavor to take necessary measures for contributing to the facilitation of responses towards the new economic environments, with respect to the related small and medium-sized enterprises of approved businesses implementing corporate restructuring.

(Consideration towards Small and Medium-Sized Enterprises)

Article 143 For the purpose of strengthening the business foundations of small and medium-sized enterprises that are significantly affected by corporate restructuring implemented by another business, the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation, chambers of commerce, and chambers of commerce and industry are to endeavor to provide the relevant small and medium-sized enterprises with advice, training, or information concerning methods for management or technologies regarding their businesses, and promote other necessary measures, comprehensively.

(Collection of Reports)

- Article 144 (1) The competent ministers may request reports from approved implementers of the testing of new technology, etc. with respect to the state of implementation of the approved plans for the testing of new technology, etc., request reports from approved implementers of new business activities with respect to the state of implementation of the approved plans for new business activities, request reports from approved investment businesses promoting utilization of external management resources (when the relevant approved investment business promoting utilization of external management resources is a limited investment partnership, an unlimited liability partner of the limited investment partnership) with respect to the state of implementation of the approved plans for investment programs for promoting utilization of external management resources, request reports from approved businesses supporting the utilization of specified research results (when the relevant approved business supporting the utilization of specified research results is a limited investment partnership, an unlimited liability partner of the limited investment partnership) with respect to the state of implementation of the approved plans for program for supporting the utilization of specified research results, request reports from approved implementers of business activities utilizing innovative technology research results with respect to the state of implementation of the approved plans for business activities utilizing innovative technology research results, request reports from approved businesses implementing business adaptation with respect to the state of implementation of the approved business adaptation plans, or request reports from approved businesses implementing corporate restructuring with respect to the state of implementation of the approved corporate restructuring plans.
- (2) The competent ministers may request reports from approved municipalities, with respect to the state of implementation of the approved plans for program for supporting start-ups, etc.
- (3) The Minister of Economy, Trade and Industry may request reports from unlimited liability partners of approved partnerships implementing specified investment program for developing new business, with respect to the state of implementation of the approved plans for specified investment program for developing new business.
- (4) The Minister of Economy, Trade and Industry may request reports from approved support institutions, with respect to the state of undertaking business operations to support small and medium-sized enterprise revitalization.
- (5) The Minister of Economy, Trade and Industry may request specified certified dispute resolution businesses to report on the state of undertaking their

business operations for specified certified dispute resolution procedures, their business operations for confirmation regarding the reduction on the amount of bonds to be redeemed as prescribed in Article 54, paragraph (1), their business operations for confirmation regarding the borrowing of funds as prescribed in Article 56, paragraph (1), their business operations for confirmation regarding the claims as prescribed in Article 59, paragraph (1), or their business operations for confirmation on the reduction of the amount of claims prescribed in Article 65-3, to the extent necessary for the purpose of the enforcement of this Act.

(Collection of Reports from Designated Financial Institutions)

- Article 145 (1) If the competent minister finds it necessary for the enforcement of this Act, the minister may have a person designated under the provisions of Article 21-6, paragraph (1), Article 21-19, paragraph (1), or Article 37, paragraph (1) (hereinafter referred to as a "designated financial institution, etc." in this paragraph) report on its business operations to support business activities utilizing innovative technology research results, business operations to promote business adaptation, or business operations to promote corporate restructuring, or may direct the officials of the ministry to enter the business office or office of the designated financial institution, etc., and to perform inspections of its account books, documentation and other items.
- (2) If the competent minister finds it necessary for the enforcement of this Act, the minister may have an approved entity certifying security measures of companies to prevent technological information from being compromised report on its business operations to certify security measures of companies to prevent technological information from being compromised, or may direct the officials of the ministry to enter the office of the approved entity certifying security measures of companies to prevent technological information from being compromised, and to perform inspections of its account books, documentation and other items.
- (3) If the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may have the JIC report on its business operations, or may direct the officials of the ministry to enter the business office, office, or other workplaces of the JIC, and to perform inspections of its account books, documentation and other items.
- (4) Officials conducting on-site inspections pursuant to the provisions of the preceding three paragraphs must carry a certificate of identification and display it to the persons concerned.
- (5) The authority to conduct on-site inspections under paragraphs (1) through (3) must not be construed as being approved for the purpose of a criminal investigation.

(Liaison and Cooperation)

Article 146 On enforcement of this Act, the competent ministers and the Minister of Health, Labour and Welfare are to maintain a close liaison and cooperate with each other with respect to particulars concerning the employment of workers regarding approved businesses implementing corporate restructuring.

(Competent Ministers)

Article 147 (1) The competent ministers under this Act are to be the ministers specified in the following items for each category of the particulars set forth respectively therein:

- (i) particulars concerning requests under the provisions of Article 6, paragraph (1): the ministers with jurisdiction over the businesses regarding the new technology, etc. or new business activities to which the requests pertain and the heads of administrative organs with jurisdiction over Acts and orders based on Acts relating to the new special measures on regulations to which the requests pertain;
- (ii) particulars concerning requests under the provisions of Article 7, paragraph (1): the ministers with jurisdiction over the businesses regarding the new technology, etc. or new business activities to which the requests pertain and the heads of administrative organs with jurisdiction over Acts and orders based on Acts to which the requests pertain;
- (iii) particulars concerning plans for the testing of new technology, etc.: the ministers with jurisdiction over the businesses regarding the new technology, etc. recorded in the plans for the testing of new technology, etc. and the heads of administrative organs with jurisdiction over the Acts and orders based on Acts prescribed in Article 8-2, paragraph (3), item (vi) which are recorded in the plans for the testing of new technology, etc.;
- (iv) particulars concerning plans for new business activities (excluding those set forth in the following item): the ministers with jurisdiction over the businesses regarding the new business activities recorded in the plans for new business activities and the heads of administrative organs with jurisdiction over the Acts and orders based on Acts relating to the special measures on regulations prescribed in Article 9, paragraph (3), item (iv) which are recorded in the plans for new business activities;
- (iv)-2 particulars concerning plans for new business activities (limited to the particulars regarding the special measures on regulations prescribed in Article 11-2): the Minister of Economy, Trade and Industry and the Minister of Justice;
- (v) particulars concerning plans for program for supporting the utilization of

- specified research results: the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology;
- (vi) particulars concerning business adaptation plans: the ministers with jurisdiction over the businesses regarding the business adaptation plans;
 - (vii) particulars concerning business operations to facilitate business adaptation promotion and business operations to promote business adaptation: the Minister of Economy, Trade and Industry and the Minister of Finance;
 - (viii) particulars concerning corporate restructuring plans: the ministers with jurisdiction over the businesses regarding corporate restructuring plans;
 - (ix) particulars concerning business operations to facilitate corporate restructuring promotion and business operations to promote corporate restructuring: the Minister of Economy, Trade and Industry and the Minister of Finance;
 - (x) particulars concerning security measures of companies to prevent technological information from being compromised: the ministers with jurisdiction over the operations of the businesses subject to the promotion guidelines and the Minister of Economy, Trade and Industry;
 - (xi) particulars concerning requesting the JIC to accept shares in specified government-funded companies: the minister who has given authorization for the establishment of the relevant specified government-funded company; and
 - (xii) particulars concerning plans for program for supporting start-ups, etc.: the Minister of Economy, Trade and Industry, the Minister of Internal Affairs and Communications, and the ministers with jurisdiction over programs for supporting start-ups, etc. under plans for program for supporting start-ups, etc.
- (2) Orders of the competent ministries under this Act are to be orders issued by the competent ministers.
- (3) Notwithstanding the provisions of the preceding paragraph, orders of the competent ministries in Article 2, paragraph (2), Article 8-2, paragraph (3), Article 9, paragraph (3), and Article 12 are to be Cabinet Secretariat Orders (including public notices) of the Cabinet Secretariat, which has jurisdiction over Acts or orders based on Acts that provide for regulations, Cabinet Office Orders (including public notices) of the Cabinet Office, which has jurisdiction over Acts or orders based on Acts that provide for regulations, Digital Agency Orders (including public notices) of the Digital Agency, which has jurisdiction over Acts or orders based on Acts that provide for regulations, or Ministerial Orders (including public notices) of each ministry that has jurisdiction over Acts or orders based on Acts that provide for regulations (those Acts or those orders based on Acts exclude the Rules of the National Personnel Authority, Rules of the Fair Trade Commission, Rules of the National Public Safety

Commission, Rules of the Personal Information Protection Commission, Rules of the Japan Casino Regulatory Commission, Rules of the Environmental Disputes Coordination Commission, Rules of the Public Security Examination Commission, Rules of the Central Labor Relations Commission, Rules of the Japan Transport Safety Board, and Rules of the Nuclear Regulation Authority); provided, however, that orders of the competent ministries with respect to regulations under the jurisdiction of the National Personnel Authority are the Rules of the National Personnel Authority, those with respect to regulations under the jurisdiction of the Fair Trade Commission are the Rules of the Fair Trade Commission, those with respect to regulations under the jurisdiction of the National Public Safety Commission are the Rules of the National Public Safety Commission, those with respect to regulations under the jurisdiction of the Personal Information Protection Commission are the Rules of the Personal Information Protection Commission, those with respect to regulations under the jurisdiction of the Japan Casino Regulatory Commission are the Rules of the Japan Casino Regulatory Commission, those with respect to regulations under the jurisdiction of the Environmental Disputes Coordination Commission are the Rules of the Environmental Disputes Coordination Commission, those with respect to regulations under the jurisdiction of the Public Security Examination Commission are the Rules of the Public Security Examination Commission, those with respect to regulations under the jurisdiction of the Central Labor Relations Commission are the Rules of the Central Labor Relations Commission, those with respect to regulations under the jurisdiction of the Japan Transport Safety Board are the Rules of the Japan Transport Safety Board, and those with respect to regulations under the jurisdiction of the Nuclear Regulation Authority are the Rules of the Nuclear Regulation Authority.

(Delegation of Authority)

Article 148 The authority of the competent ministers under this Act may be delegated to the head of a local branch or department, as prescribed by orders of the competent ministries.

(Relationship between the JIC and Approval for Plans for Business Activities)

Article 149 If the JIC provides support for specified business activities, it must, as necessary, take measures such as encouraging subject businesses to file applications for the approval for plans for the testing of new technology, etc. set forth in Article 8-2, paragraph (1), the approval for plans for new business activities set forth in Article 9, paragraph (1), the approval for plans for investment programs for promoting utilization of external management resources set forth in Article 17-2, paragraph (1), the approval for plans for

business activities utilizing innovative technology research results set forth in Article 21-3, paragraph (1), the approval for business adaptation plans set forth in Article 21-15, paragraph (1), or the approval for special corporate restructuring plans set forth in Article 23, paragraph (1), and thereby endeavor to effectively provide that support in conjunction with those measures.

(Transitional Measures)

Article 150 If enacting, amending or repealing an order under this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order to the extent considered reasonably necessary for the enactment, amendment or repeal thereof.

Chapter VII Penal Provisions

Article 151 (1) If a director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), company auditor or employee of the JIC has accepted or has solicited a bribe, or has promised to accept a bribe, in connection with duties, the relevant person is subject to imprisonment for not more than three years. If the relevant person has conducted unlawful acts, or has failed to act appropriately for this reason, the person is subject to imprisonment for not more than five years.

(2) In the cases set forth in the preceding paragraph, bribes accepted by the offender are to be confiscated. If all or part of the bribes could not be confiscated, a corresponding amount of money is to be confiscated.

Article 152 (1) A person who has given a bribe as set forth in paragraph (1) of the preceding Article, or has offered or has promised to give that bribe, is subject to imprisonment for not more than three years or a fine of not more than 1,000,000 yen.

(2) If a person who has committed the crime set forth in the preceding paragraph surrenders to the authorities, the punishment may be reduced, or the person may be exempted from punishment.

Article 153 (1) The crime set forth in Article 151, paragraph (1) also applies to persons who have committed the crime set forth in the same paragraph outside of Japan.

(2) The crime set forth in paragraph (1) of the preceding Article is governed by Article 2 of the Penal Code (Act No. 45 of 1907).

Article 154 If a director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation),

company auditor or employee of the JIC, or a person who was employed as such has divulged or misappropriated confidential information that has come to their knowledge in the performance of duties, in violation of the provisions of Article 93, the relevant person is subject to imprisonment for not more than one year, or a fine of not more than 500,000 yen.

Article 155 If a report has not been made pursuant to the provisions of Article 145, paragraph (3), or a false report has been made, or an inspection pursuant to the provisions of the same paragraph has been refused, obstructed or evaded, the director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), company auditor or employee of the JIC, which has committed the violation, is subject to a fine of not more than 500,000 yen.

Article 156 If falling under any of the following items, the person that has committed the violation is subject to a fine of not more than 300,000 yen:

- (i) if a person has failed to keep books, or failed to record particulars in books, or has recorded false statements in books, or has failed to preserve books on record, in violation of the provisions of Article 21-23 or Article 41;
- (ii) if a person has suspended or discontinued all or part of business operations to promote business adaptation or business operations to promote corporate restructuring without making a notification under Article 21-25, paragraph (1) or Article 43, paragraph (1), or has made a false notification;
- (iii) if a person has failed to make a report under Article 144, paragraph (1) or paragraphs (3) through (5), or has made a false report; or
- (iv) if a person has failed to make a report under Article 145, paragraph (1) or paragraph (2), or has made a false report, or has refused, obstructed or evaded an inspection to be conducted pursuant to the provisions of the same paragraph.

Article 157 If the representative of a corporation or an agent, employee or any other worker of a corporation or an individual has committed a violation as set forth in the preceding two Articles in relation to the business of the corporation or individual, in addition to the offender, the corporation or the individual is also subject to the punishment set forth in those Articles.

Article 158 If a stock company has failed to make a public notice or notification or has made a false public notice or notification, in violation of the provisions of Article 797, paragraph (3) or paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) following the deemed replacement of terms, the director, executive officer, liquidator, or liquidator's

agent; the person appointed to perform duties on behalf of the director, executive officer, or a liquidator, based on a provisional disposition order prescribed in Article 56 of the Civil Provisional Remedies Act (Act No. 91 of 1989); the person who is temporarily to perform the duties of the director, representative director, executive officer, or representative executive officer as prescribed in Article 960, paragraph (1), item (v) of the Companies Act; the person who is temporarily to perform the duties of the liquidator or representative liquidator as prescribed in paragraph (2), item (iii) of the same Article; or the manager of the stock company that has committed the violation is subject to a civil fine of not more than 1,000,000 yen.

Article 159 If the JFC has failed to obtain the approval of the competent minister, in violation of the provisions of Article 21-18, paragraph (2), Article 21-22, paragraph (2), Article 36, paragraph (2) or Article 40, paragraph (2), the director or executive officer of the JFC, which has committed the violation, is subject to a civil fine of not more than 1,000,000 yen.

Article 160 If the JIC has fallen under any of the following items, the director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), or company auditor of the JIC, which has committed the violation, is subject to a civil fine of not more than 1,000,000 yen:

- (i) if the JIC has solicited subscribers to shares for subscription, share options for subscription, or bonds for subscription; or has issued shares, bonds or share options at a share exchange or share delivery; or has borrowed funds, in violation of the provisions of Article 83, paragraph (1);
- (ii) if the JIC has failed to make a notification of the issuance of shares, in violation of the provisions of Article 83, paragraph (2);
- (iii) if the JIC has neglected to make a registration, in violation of the provisions of Article 99, paragraph (1) or paragraph (4);
- (iv) if the JIC has undertaken business operations, in violation of the provisions of Article 101, paragraph (3);
- (v) if the JIC has failed to obtain authorization for fund provision, in violation of the provisions of Article 103, paragraph (2) or Article 105, paragraph (1);
- (vi) if the JIC has failed to make a report or has made a false report, in violation of the provisions of Article 106, paragraph (3);
- (vii) if the JIC has failed to make a notification to the Minister of Economy, Trade and Industry, in violation of the provisions of Article 108, paragraph (2) or Article 110, paragraph (1);
- (viii) if the JIC has failed to obtain authorization for transfer of shares, in violation of the provisions of Article 114, paragraph (1);

- (ix) if the JIC has failed to obtain the budget authorization, in violation of the provisions of Article 116, paragraph (1);
- (x) if the JIC has failed to submit a balance sheet, profit and loss statement, or business report, or has submitted any of those documents containing false statements or records, in violation of the provisions of Article 118; or
- (xi) if the JIC has violated an order issued under Article 121 paragraph (2).

Article 161 If the JIC has fallen under either of the following items, the director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), or company auditor of the JIC, which has committed the violation, is subject to a civil fine of not more than 200,000 yen:

- (i) if the JIC has failed to make a notification or has made a false notification, in violation of the provisions of Article 120, paragraph (1); or
- (ii) if the JIC has failed to make a publication or has made a false publication, in violation of the provisions of Article 120, paragraph (1).

Article 162 A person falling under any of the following items is subject to a civil fine of not more than 100,000 yen:

- (i) a person that has made a change to any of the matters prescribed in Article 11-3, paragraph (2) without making a notification under the provisions of the same paragraph, or has made a false notification;
- (ii) a person that has discontinued the new business activities prescribed in Article 11-3, paragraph (4) without making a notification under the provisions of the same paragraph, or has made a false notification;
- (iii) a person that has made an indication that could clearly give rise to the misconception that the person is an approved entity certifying security measures of companies to prevent technological information from being compromised with respect to business operations to certify security measures of companies to prevent technological information from being compromised, in violation of the provisions of Article 79; or
- (iv) a person that has used the Japanese characters "産業革新投資機構" (pronounced "sangyo kakushin toushi kikou", meaning "Japan Investment Corporation") in its name, in violation of the provisions of Article 85, paragraph (2).

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation;

provided, however, that the provisions set forth in the following items come into effect as of the date specified therein:

- (i) provisions of Article 28 and Article 39 of the Supplementary Provisions: the date of promulgation;
- (ii) provisions of Article 16 (limited to the portion on programs for supporting the utilization of specified research results), Articles 20 through 22, Article 75, Article 134 (limited to the portion on programs for supporting the utilization of specified research results), Article 137, paragraph (1) (limited to the portion on programs for supporting the utilization of specified research results), Article 150, item (iii) (limited to the portion on the same paragraph (limited to the portion on programs for supporting the utilization of specified research results)), and Article 152 (limited to the portion on the same item (limited to the portion on the same paragraph (limited to the portion on programs for supporting the utilization of specified research results))), as well as Article 26 and Article 36 of the Supplementary Provisions: the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation.

(Review)

- Article 2 (1) The government is to examine the state of enforcement of the provisions of Chapter V, within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and take necessary measures based on the results thereof.
- (2) The government is to examine the state of enforcement of this Act (excluding the provisions of Chapter V), within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and review it based on the results thereof, without excluding the possibility of repeal.

(Measures Concerning Orders or Notices)

- Article 3 With respect to orders or notices issued by the heads of relevant administrative organs that relate to new business activities, necessary measures are to be taken in accordance with the provisions of this Act, in consideration of the necessity of strengthening industrial competitiveness.

(Repeal of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities)

- Article 4 The Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) is repealed.

(Transitional Measures Concerning Business Reconstruction Plans)

Article 5 (1) Prior laws continue to govern the granting of the approval as set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities prior to the repeal under the preceding Article (hereinafter referred to as the "Former Industrial Revitalization Act") for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved business reconstruction businesses set forth in Article 6, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): approval for changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind for the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; the special provisions concerning the issuance and acquisition of shares subject to class-wide call; demands for objections by creditors in cases of transfer of business; the special provisions for the Limited Partnership Act for Investment; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Reutilization Plans)

Article 6 (1) Prior laws continue to govern the granting of the approval set forth in Article 7, paragraph (1) of the Former Industrial Revitalization Act, for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved management resource reutilization businesses set forth in Article 8, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind for the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation

of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; the special provisions concerning the issuance and acquisition of shares subject to class-wide call; demands for objections by creditors in cases of transfer of business; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Integration Plans)

Article 7 (1) Prior laws continue to govern the granting of approval set forth in Article 9, paragraph (1) of the Former Industrial Revitalization Act for which for an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved management resource integration businesses set forth in Article 10, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind for the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; the special provisions concerning the issuance and acquisition of shares subject to class-wide call; demands for objections by creditors in cases of transfer of business; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Resource Productivity Innovation Plans)

Article 8 (1) Prior laws continue to govern the granting of approval set forth in Article 11, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved resource productivity innovation businesses set forth in Article 12, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans,

direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind for the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; the special provisions concerning the issuance and acquisition of shares subject to class-wide call; demands for objections by creditors in cases of transfer of business; the special provisions for the Consigned Freight Forwarding Business Act (Act No. 82 of 1989); the special provisions of the Motor Truck Transportation Business Act (Act No. 83 of 1989); the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Installation Plans of New Goods
Production Equipment for Business Innovation)

Article 9 (1) Prior laws continue to govern the granting of approval set forth in Article 14, paragraph (1) of the Former Industrial Revitalization Act for an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved businesses for new goods production equipment installation for business innovation set forth in Article 15, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans, direction of changes, and rescission of approval; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Production Equipment Installation Plans
for Goods in Response to Resource Constraints)

Article 10 (1) Prior laws continue to govern the granting of approval set forth in Article 16, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be determined as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved businesses installing production equipment for goods in response to resource constraints

set forth in Article 17, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans, direction of changes, and rescission of approval; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Business Operations to Facilitate Business Reconstruction, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 11 The provisions of Article 24 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, with respect to the business operations of the Organization for Small & Medium Enterprises and Regional Innovation for the guarantee for obligations set forth in the same Article that have already been undertaken at the time of the enforcement of this Act.

(Transitional Measures Concerning the JFC's Business Operations to Compensate Losses)

Article 12 The provisions of Article 24-2, paragraph (1) of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, with respect to business operations of the JFC for the compensation of losses set forth in the same Article that have already been undertaken at the time of the enforcement of this Act.

(Transitional Measures Concerning the JFC's Business Operations to Facilitate the Promotion of Business Reconstruction)

Article 13 The provisions of Article 24-3 as well as Article 24-4 and Article 24-8 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, with respect to the JFC's business operations to facilitate business reconstruction promotion prescribed in Article 24-3, paragraph (1) of the Former Industrial Revitalization Act that it has been undertaking at the time of the enforcement of this Act. In this case, the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; hereinafter referred to as the "Act on Special Measures")" in the row of Article 58, paragraph (1) of the table of Article 24-3, paragraph (2) of the Former Industrial Revitalization Act is deemed to be replaced with "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; hereinafter referred to as the "Former Act on Special Measures")" prior

to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the same Act"; and the phrase "Act on Special Measures" in the row of Article 58, paragraph (2) and Article 59, paragraph (1), the row of Article 71, the row of Article 73, item (i), the row of Article 73, item (iii), the row of Article 73, item (vii), as well as the row of Article 47, paragraph (1) of the Supplementary Provisions in the same table is deemed to be replaced with "Former Act on Special Measures".

(Transitional Measures Concerning Business Operations to Promote Business Reconstruction, Which Are Undertaken by Designated Financial Institutions Prescribed in Article 24-5, Paragraph (1) of the Former Industrial Revitalization Act)

Article 14 The provisions of Articles 24-5 through 24-13 of the Former Industrial Revitalization Act and Article 73-2 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, with respect to the business operations to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act to be undertaken by designated financial institutions prescribed in the same paragraph that have already been undertaken at the time of the enforcement of this Act.

(Transitional Measures Concerning the Innovation Network Corporation of Japan)

Article 15 (1) The Innovation Network Corporation of Japan in existence at the time of the enforcement of this Act is to keep its identity as the Innovation Network Corporation of Japan based on the provisions of this Act and the Companies Act.

(2) Persons who are the chairperson or members of the former Innovation Network Committee as of the time of the enforcement of this Act are deemed to have been appointed as the chairperson or members of the new Innovation Network Committee based on the provisions of this Act, pursuant to the provisions of Article 92, on the date of enforcement of this Act.

(3) The Innovation Network Corporation of Japan must make necessary changes to the articles of incorporation associated with the enforcement of this Act and obtain the authorization of the Minister of Economy, Trade and Industry, as prescribed in Article 82, by the date of enforcement of this Act.

(4) Authorization or other dispositions given by the Minister of Economy, Trade and Industry to the Innovation Network Corporation of Japan, pursuant to the provisions of the Former Industrial Revitalization Act or orders based thereon,

prior to the enforcement of this Act, for which the corresponding provisions exist in this Act or orders based thereon, are deemed to be authorization or other dispositions given pursuant to the corresponding provisions of this Act or orders based thereon, except as otherwise provided in these Supplementary Provisions, and applications filed or other procedures undertaken by the Innovation Network Corporation of Japan, pursuant to the provisions of the Former Industrial Revitalization Act or orders based thereon, prior to the enforcement of this Act, for which the corresponding provisions exist in this Act or orders based thereon, are deemed to be applications filed or other procedures undertaken pursuant to the corresponding provisions of this Act or orders based thereon, except as otherwise provided in these Supplementary Provisions.

(Transitional Measures Concerning the Obligation of Confidentiality by Directors)

Article 16 Even after the enforcement of this Act, prior laws continue to govern the obligation not to divulge or misappropriate any confidential information that has come to knowledge of persons who were employed as the directors, accounting advisors (or, a member who is to perform the duties of an accounting advisor, if the accounting advisor is a corporation), company auditors, or employees of the Innovation Network Corporation of Japan, in the course of their duties.

(Transitional Measures Concerning Small and Medium-Sized Enterprise Management Resource Utilization Plans)

Article 17 (1) Prior laws continue to govern the granting of approval set forth in Article 32, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved small and medium-sized enterprise management resource utilization businesses set forth in Article 32, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans and rescission of approval; the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act; the special provisions for the Act on Equipment Installation Support for Small Enterprises (Act No. 115 of 1956) prior to the repeal under Article 9 of the Act for Partial Amendment, etc. of the Basic Act on the Small and Medium-Sized Enterprises for the Purpose of Revitalizing Business Activities of Small

Enterprises (Act No. 57 of 2013); the special provisions for the Small and Medium-Sized Enterprise Investment Business Corporation Act; the special provisions for cases in which the relevant person is deemed to be a small or medium-sized enterprise implementing small and medium-sized enterprise management resource utilization in accordance with an approved small and medium-sized enterprise management resource utilization plan; and the collection of reports.

(Transitional Measures Concerning Start-up-related Guarantees)

Article 18 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act as prescribed in Article 33 of the Former Industrial Revitalization Act, with respect to start-up-related guarantees prescribed in paragraph (1) of the same Article that were provided prior to the enforcement of this Act.

(Transitional Measures Concerning Specified Letter of Credit-related Guarantees)

Article 19 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act as prescribed in Article 34 of the Former Industrial Revitalization Act, with respect to specified letter of credit-related guarantees prescribed in paragraph (1) of the same Article that were provided prior to the enforcement of this Act.

(Transitional Measures Concerning Plans for SME Business Rehabilitation through Succession)

Article 20 (1) Prior laws continue to govern the granting of approval set forth in Article 39-2, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed prior to the enforcement of this Act and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of this Act.

(2) Prior laws continue to govern the following regarding approved businesses implementing SME business rehabilitation through succession set forth in Article 39-3, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that govern, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval for changes to plans, direction of changes, rescission of approval; succession, etc. of state based on a specified permission, etc.; the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act; the special provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Approved Support Institutions)

Article 21 (1) Those who have already obtained the approval set forth in Article 41, paragraph (1) of the Former Industrial Revitalization Act at the time of the enforcement of this Act are deemed to have obtained the approval set forth in Article 127, paragraph (1) on the date of enforcement of this Act.

(2) With respect to the application of the provisions of paragraph (5) of Article 127, paragraph (5) to changes that the persons deemed to obtain the approval set forth in paragraph (1) of the same Article pursuant to the provisions of the preceding paragraph need to make on the particulars set forth in paragraph (4), item (iv) of the same Article in relation to the enforcement of this Act, the phrase "in advance" in paragraph (5) of the same Article is deemed to be replaced with "within 30 days from the date of enforcement of this Act".

(Transitional Measures Concerning the Obligation of Confidentiality by Officers)

Article 22 Even after the enforcement of this Act, prior laws continue to govern the obligation not to divulge any confidential information that has come to knowledge of persons who were employed as officers or employees of approved support institutions prescribed in Article 41, paragraph (2) of the Former Industrial Revitalization Act or as members of Small and Medium-Sized Enterprise Revitalization Support Councils set forth in Article 42, paragraph (1) of the Former Industrial Revitalization Act, in relation to business operations to support small and medium-sized enterprise revitalization prescribed in Article 41, paragraph (1) of the Former Industrial Revitalization Act.

(Transitional Measures Concerning Specified Certified Dispute Resolution Businesses)

Article 23 Those who have already obtained the approval set forth in Article 48, paragraph (1) of the Former Industrial Revitalization Act at the time of the enforcement of this Act are deemed to have obtained the approval set forth in Article 51, paragraph (1).

(Transitional Measures Concerning Business Operations to Facilitate Corporate Rehabilitation, Which Are Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 24 The provisions of Article 50 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, with respect to the business operations of the Organization for Small & Medium Enterprises and Regional Innovation regarding guarantee for obligations set forth in the same Article that have already been undertaken at the time of the enforcement of

this Act.

(Transitional Measures Concerning Corporate Rehabilitation Facilitation-related Guarantees)

Article 25 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act prescribed in Article 51 of the Former Industrial Revitalization Act for corporate rehabilitation facilitation-related guarantees prescribed in paragraph (1) of the same Article that were provided prior to the enforcement of this Act.

(Transitional Measures Concerning Special Provisions Concerning Patent Fees)

Article 26 (1) The provisions of Article 75, paragraph (1) apply to patent fees for patent applications of which a request for examination is filed after the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions, and prior laws continue to govern patent fees for patent applications of which a request for examination has been filed prior to the enforcement of the provisions set forth in the same item.

(2) The provisions of Article 75, paragraph (3) apply to fees for international applications to be filed after the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions, and prior laws continue to govern fees for international applications that have been filed prior to the enforcement of the provisions set forth in the same item.

(Transitional Measures Concerning Penal Provisions)

Article 27 Prior laws continue to govern the application of penal provisions for acts committed prior to the enforcement of this Act, and for acts committed after the enforcement of this Act in which prior laws are to continue to govern or are to remain in force pursuant to the provisions of these Supplementary Provisions.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 28 Beyond what are prescribed in these Supplementary Provisions, Cabinet Order specifies necessary transitional measures associated with the enforcement of this Act.

(Partial Amendment of the Act on Special Measures Concerning Taxation)

Article 29 The Act on Special Measures Concerning Taxation (Act No. 26 of 1957) is partially amended as follows.

In the title of Article 80, the phrase "Approved Business Reconstruction Plans" is to be replaced with "Approved Corporate Restructuring Plans"; and the part in paragraph (1) of the same Article other than what is listed in items

therein is to be amended as follows.

In the case of accepting registration for the following particulars, the rate for registration and license tax is that specified in the following items for each category of the particulars set forth in that respective item, notwithstanding the provisions of Article 9 of the Registration and License Tax Act; if those listed as following particulars are related to the approval set forth in Article 24, paragraph (1) or Article 25, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) as an approved corporate restructuring plan prescribed in Article 25, paragraph (2) of the same Act (limited to a plan that contains the statement on corporate restructuring prescribed in Article 2, paragraph (11) of the same Act that is specified by Cabinet Order), the approval set forth in Article 26, paragraph (1) or Article 27, paragraph (1) of the same Act as an approved specified corporate restructuring plan prescribed in Article 27, paragraph (2) of the same Act, or the approval set forth in Article 121, paragraph (1) or Article 122, paragraph (1) of the same Act as an approved plan for SME business rehabilitation through succession prescribed in Article 122, paragraph (3) of the same Act, which has been granted within a period from the enforcement of this Act to March 31, 2016; and only if the relevant registration is made within one year from the date of these approvals as prescribed by Order of the Ministry of Finance:

The following one item is to be added in Article 80, paragraph (1).

(vi) acquisition of ownership of real estate or a vessel in cases of the establishment of a corporation as a result of company split or an increase in the amount of stated capital or capital contributions: the proportion specified in (a) or (b) for each category of the particulars set forth in that respective item:

(a) acquisition of ownership of real estate: 4/1000;

(b) acquisition of ownership of a vessel: 23/1000.

Article 80, paragraph (2) is to be Article 80, paragraph (3) and the following one paragraph is to be added after paragraph (1) of the same Article.

(2) If an individual has established a stock company by receiving support under a specified start-up support program prescribed in Article 2, paragraph (25) of the Act on Strengthening Industrial Competitiveness, which has been recorded in the approved start-up support plan prescribed in Article 114, paragraph (2) of the same Act, within the area of a municipality (including a special ward) that has obtained the approval set forth in Article 113, paragraph (1) or Article 114, paragraph (1) of the same Act regarding that approved start-up support plan, the amount of registration and license tax for the registration of the establishment of the stock company is the amount arrived at if the amount of stated capital of the stock company is multiplied

by 3.5/1000 (or 75,000 yen, if the amount thus arrived at is less than 75,000 yen), notwithstanding the provisions of Article 9 of the Registration and License Tax Act, as long as the relevant registration is made within a period from the enforcement of this Act to March 31, 2016, as prescribed by the Ministry of Finance Order.

In Article 81, paragraph (5), the phrase "Article 80, paragraph (1) (excluding item (i) to item (iv)), or" is to be deleted; the phrase "the phrase 'merger' in Article 80, paragraph (1), item (v) is deemed to be replaced with 'company split', the phrase '2/1000' in (a) in the same item is deemed to be replaced with '4/1000', the phrase '3/1000' in (b) of the same item is deemed to be replaced with '23/1000'," is to be deleted; and the phrase "paragraph (1), item (iv) of the preceding Article" is to be altered to "paragraph (1), item (iv) of the same Article".

In Article 84-6, paragraph (4), the phrase "Article 30-21, paragraph (1) (Registration) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 95, paragraph (1) (Registration of Committee Members) of the Act on Strengthening Industrial Competitiveness".

(Transitional Measures Associated with the Partial Amendment of the Act on Special Measures Concerning Taxation)

Article 30 Prior laws continue to govern registration and license tax for the registration of the particulars set forth in the items of Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation prior to the amendment under the preceding Article regarding the approval prescribed in the same paragraph (including the approval in case in which prior laws are to continue to govern pursuant to the provisions of Articles 5 through 8 or Article 20 of the Supplementary Provisions).

(Adjustment Provisions Associated with the Partial Amendment of the Act on Special Measures Concerning Taxation)

Article 31 If the date of enforcement of this Act is prior to the date of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions of the Act for Partial Amendment of the Financial Instruments and Exchange Act (Act No. 45 of 2013), the phrase "Article 80, paragraph (2)" in the provisions amending Article 80, paragraph (2) of the Act on Special Measures Concerning Taxation in Article 19 of the Supplementary Provisions of the Act for the Partial Amendment of the Financial Instruments and Exchange Act is deemed to be replaced with "Article 80, paragraph (3)".

(Partial Amendment of the Basic Act on Small and Medium-Sized Enterprises)

Article 32 The Basic Act on Small and Medium-Sized Enterprises (Act No. 154 of 1963) is partially amended as follows.

In Article 29, paragraph (3), the phrase ", the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be deleted; the phrase "and the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts" is to be altered to ", the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts"; and after the phrase "(Act No. 80 of 2009)", the phrase "and the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)" is to be added.

(Partial Amendment of the Registration and License Tax Act)

Article 33 The Registration and License Tax Act (Act No. 35 of 1967) is partially amended as follows.

In item (cxxv) of Appended Table 1, the phrases ", Article 22-4, paragraph (1) or paragraph (2) (Special Provisions for the Act on Service of Cargo Transportation by Automobiles) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" and "approval for resource productivity innovation plans under Article 11, paragraph (1) (Approval for Resource Productivity Innovation Plans) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval for changes to resources productivity innovation plans under Article 12, paragraph (1) (Changes to Resource Productivity Innovation Plans) of the same Act" are to be deleted; in item (cxxxix) of the same table, the phrases ", Article 22-2, paragraph (1) or paragraph (2) (Special Provisions for the Cargo Forwarder Service Act) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities", "approval for resource productivity innovation plans under Article 11, paragraph (1) (Approval for Resource Productivity Innovation Plans) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval for changes to resources productivity innovation plans under Article 12, paragraph (1) (Changes to Resource Productivity Innovation Plans) of the same Act", ", Article 22-3, paragraph (1) or paragraph (2) (Special Provisions for the Cargo Forwarder Service Act) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities", and "approval for resource productivity innovation plans under Article 11, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval for changes to resources productivity innovation plans under Article 12, paragraph (1) of the same Act" are to be

deleted.

(Partial Amendment of the Act to Facilitate Technology Transfer from Universities to the Private Sector)

Article 34 (1) The Act to Facilitate Technology Transfer from Universities to the Private Sector (Act No. 52 of 1998) is partially amended as follows.

Article 7 is to be deleted, Article 8 is to be altered to Article 7, and the following Article is to be added after Article 7.

(Special Provisions Concerning Patent Fees)

Article 8 If an accredited technology licensing organization (TLO) undertakes specified university technology transfer, the Commissioner of the Japan Patent Office may grant a reduction of, exemption from, or a grace period for the payment of patent fees for each year from the first to the tenth year under Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959), as prescribed by Cabinet Order.

(2) If an accredited TLO undertakes specified university technology transfer, the Commissioner of the Japan Patent Office may reduce or exempt payment of the fees for requests for examination of the application that are to be paid pursuant to the provisions of Article 195, paragraph (2) of the Patent Act, with respect to the patent application of the accredited TLO, as prescribed by Cabinet Order.

In Article 12, paragraph (4) and paragraph (9), the phrase "(Act No. 121 of 1959)" is to be deleted.

(Partial Amendment of the Act on the Organization for Small & Medium Enterprises and Regional Innovation, Japan, Independent Administrative Agency)

Article 35 The Act on the Organization for Small & Medium Enterprises and Regional Innovation, Japan, Independent Administrative Agency (Act No. 147 of 2002) is partially amended as follows.

In Article 15, paragraph (1), item (v), the phrase "from item (viii) to item (x)" is to be altered to "item (viii), item (ix), and item (xiv)"; item (x) of the same paragraph is to be deleted; item (xi) is to be altered to item (x); item (xii), item (xii) and item (xiv) are to be altered to item (xi), item (xii) and item (xiii), respectively; and the following item is to be added before item (xv).

(xiv) undertaking business operations to provide guarantee for obligations pursuant to the provisions of Article 13, Article 19, Article 38, and Article 53 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), provide cooperation pursuant to the provisions of Article 117, paragraph (1) of the same Act, or make capital contributions pursuant to

the provisions of Article 133 of the same Act, or other business operations;

In Article 15, paragraph (5), the phrase "paragraph (1), item (xi) and item (xiii)" is to be altered to "paragraph (1), item (x) and item (xii)".

In Article 17, paragraph (1), item (ii), the phrase "and from item (viii) to item (x) of the same paragraph" is to be altered to "and item (viii), item (ix), and item (xiv) of the same paragraph"; and in item (iii) of the same paragraph, the phrase "from item (vii) to item (x)" is to be altered to "from items (vii) through (ix), and item (xiv)".

In Article 18, paragraph (1), item (i), the phrase "business operations set forth in item (x) of the same paragraph (limited to business operations to make capital contributions prescribed in Article 47 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities), business operations set forth in item (xi) to item (xiv) of the same paragraph" is to be altered to "business operations set forth in item (x) to item (xiii) of the same paragraph, business operations set forth in item (xiv) of the same paragraph (limited to business operations to provide cooperation prescribed in Article 117, paragraph (1) of the Act on Strengthening Industrial Competitiveness, and make capital contributions prescribed in Article 133 of the same Act, or other business operations)"; and in item (ii) of the same paragraph, the phrase "item (x) of the same paragraph" is to be altered to "item (xiv) of the same paragraph".

In Article 21, paragraph (1), the phrase "item (x)" is to be altered to "item (xiv)".

In Article 22, paragraph (1), the phrase "Article 15, paragraph (1), item (xi)" is to be altered to "Article 15, paragraph (1), item (x)".

In Article 8-5, item (iv) of the Supplementary Provisions, the phrase "the preceding three items" is to be altered to "the preceding items"; the same item is to be altered to item (vi) of the same Article; and the following two items are to be added after item (iii) of the same Article.

(iv) business operations set forth in Article 24 and Article 50 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (hereinafter the former Act is referred to as the "Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities Prior to Repeal"), which are to remain in force pursuant to the provisions of Article 11 and Article 24 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness regarding loan guarantee contracts that the JIC had concluded prior to the enforcement of the same Act;

(v) management and disposition of shares regarding the contributions made

pursuant to the provisions of Article 47 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities Prior to Repeal;

In the row of Article 18, paragraph (1), item (i) of the table of Article 14 of the Supplementary Provisions, the phrase "in up to item (xiv)" is to be replaced with "in item (xvii) of the same paragraph".

(Partial Amendment of the National University Corporation Act)

Article 36 The National University Corporation Act is partially amended as follows.

In Article 22, paragraph (1), item (vi), the phrase "making contributions" is to be altered to "making contributions (excluding those falling under the following item)"; item (vii) of the same paragraph is to be altered to item (viii) of the same paragraph; and the following item is to be added after item (vi) of the same paragraph.

(vii) making contributions and providing personnel and technical assistance pursuant to the provisions of Article 22 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013);

In Article 22, paragraph (2), the phrase "and business operations set forth in item (vii) of the same paragraph, which relate to contributions" is to be added after the phrase "business operations set forth in item (vi) of the preceding paragraph".

In Article 29, paragraph (1), item (v), the phrase "making contributions" is to be altered to "making contributions (excluding those falling under the following item)"; item (vi) of the same paragraph is to be altered to item (vii) of the same paragraph; and the following item is to be added after item (v) of the same paragraph.

(vi) making contributions and providing personnel and technical assistance pursuant to the provisions of Article 22 of the Act on Strengthening Industrial Competitiveness;

In Article 29, paragraph (2), the phrase "and business operations set forth in item (vi) of the same paragraph, which relate to contributions" is to be added after the phrase "business operations set forth in item (v) of the preceding paragraph".

(Partial Amendment of the Act on the Regional Economy Revitalization Corporation of Japan)

Article 37 The Act on the Regional Economy Revitalization Corporation of Japan (Act No. 63 of 2009) is partially amended as follows.

In Article 24, paragraph (2), the phrase "(referred to as the "minister with jurisdiction" in the following paragraph)" is to be deleted; paragraph (3) of the

same Article is to be deleted; and paragraph (4) is to be altered to paragraph (3).

In Article 25, paragraph (3), the phrase "approved support institutions (meaning the approved support institutions prescribed in Article 41, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities)" is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (meaning the approved support institutions prescribed in Article 127, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and in paragraph (4) of the same Article, the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

In Article 32, paragraph (2), the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

The title of Article 61 is to be altered to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the same Article, the phrase "business reconstruction plans set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "corporate restructuring plans set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval for management resource reutilization plans set forth in Article 7, paragraph (1) of the same Act, approval for management resource integration plans set forth in Article 9, paragraph (1) of the same Act, approval for resource productivity innovation plans set forth in Article 11, paragraph (1) of the same Act" is to be altered to "approval for specified corporate restructuring plans set forth in Article 26, paragraph (1)"; and the phrase "Article 39-2, paragraph (1)" is to be altered to "Article 121, paragraph (1)"; in paragraph (2) of the same Article, the phrase "approved support institutions, pursuant to the provisions of Article 41, paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion regarding Article 127, paragraph (2), item (i) of the same Act), and approved support institutions, pursuant to the provisions of item (i) of the same paragraph,".

In Article 63, the phrase "Article 2, paragraph (24) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 2, paragraph (15) of the Act on Strengthening Industrial Competitiveness"; and the phrase "and approved

support institutions" is to be altered to ", the Organization for Small & Medium Enterprises and Regional Innovation, and approved support institutions".

(Partial Amendment of the Act on the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake)
Article 38 The Act on the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake (Act No. 113 of 2011) is partially amended as follows.

In Article 19, paragraph (3), the phrase "approved support institutions (meaning the approved support institutions prescribed in Article 41, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (meaning the approved support institutions prescribed in Article 127, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and in paragraph (4) of the same Article, the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

In Article 26, paragraph (2), the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

The title of Article 59 is to be altered to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the same Article, the phrase "business reconstruction plans set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "corporate restructuring plans set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval for management resource reutilization plans set forth in Article 7, paragraph (1) of the same Act, approval for management resource integration plans set forth in Article 9, paragraph (1) of the same Act, approval for resource productivity innovation plans set forth in Article 11, paragraph (1) of the same Act" is to be altered to "approval for specified corporate restructuring plans set forth in Article 26, paragraph (1)"; the phrase "Article 39-2, paragraph (1)" is to be altered to "Article 121, paragraph (1)"; and the phrase "Article 47" is to be altered to "Article 133, item (i)"; in paragraph (2) of the same Article, the phrase "approved support institutions, pursuant to the provisions of Article 41, paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be altered to "the Organization for Small & Medium Enterprises and Regional

Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion regarding Article 127, paragraph (2), item (i) of the same Act), and approved support institutions, pursuant to the provisions of item (i) of the same paragraph,".

In Article 61, the phrase "Article 2, paragraph (24) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 2, paragraph (15) of the Act on Strengthening Industrial Competitiveness"; and the phrase "and approved support institutions" is to be altered to ", the Organization for Small & Medium Enterprises and Regional Innovation, and approved support institutions".

(Partial Amendment of the Act for Partial Amendment, etc. of the Basic Act on the Small and Medium-Sized Enterprises for the Purpose of Revitalizing Business Activities of Small Enterprises)

Article 39 The Act for Partial Amendment, etc. of the Basic Act on the Small and Medium-Sized Enterprises for the Purpose of Revitalizing Business Activities of Small Enterprises is partially amended as follows.

In Article 1, item (ii) of the Supplementary Provisions, the phrase ", Article 14 (limited to the provisions amending Article 36 and Article 38 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)), Article 15" is to be deleted; and the phrase "Article 24" is to be altered to "Article 25".

In Article 14 of the Supplementary Provisions, the provisions amending Article 36 and Article 38 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities are to be deleted.

Article 15 of the Supplementary Provisions is to be amended as follows.

Article 15 Deleted

In Article 18 of the Supplementary Provisions, the phrase "small enterprises" is to be altered to "small enterprises set forth in Article 2, paragraph (1) of the Former Support Act (hereinafter simply referred to as "small enterprises")".

The following Article is to be added to the Supplementary Provisions.

(Partial Amendment of the Act on Strengthening Industrial Competitiveness)
Article 25 The Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) is partially amended as follows.

In Article 17, paragraph (2) of the Supplementary Provisions, the phrase "the Act on Equipment Installation Support for Small Enterprises" is to be altered to "the Act on Equipment Installation Support for Small Enterprises prior to the repeal under Article 9 of the Act for Partial Amendment, etc. of the Basic

Act on the Small and Medium-Sized Enterprises for the Purpose of Revitalizing Business Activities of Small Enterprises (Act No. 57 of 2013)".

In Article 39 of the Supplementary Provisions, the phrase "(Act No. 57 of 2013)" is to be deleted.

(Partial Amendment of the Local Tax Act)

Article 40 The Local Tax Act (Act No. 226 of 1950) is partially amended as follows.

In Article 51-2, paragraph (1) and Article 56-2, paragraph (1) of the Supplementary Provisions, the phrase "Article 15, paragraph (1), item (xiii)" is to be altered to "Article 15, paragraph (1), item (xii)".

(Partial Amendment of the Stamp Tax Act)

Article 41 The Stamp Tax Act (Act No. 23 of 1967) is partially amended as follows.

In the column of document titles of Appended Table 3, the phrase "item (xii), and item (xiv) to item (xvi)" is to be altered to "item (xi), item (xiii), item (xv) and item (xvi)".

(Partial Amendment of the Act on Temporary Special Provisions for Acts Related to National Tax, in Relation to Victims, etc. of the Great East Japan Earthquake)

Article 42 The Act on Temporary Special Provisions of Acts Related to National Tax, in Relation to Victims, etc. of the Great East Japan Earthquake (Act No. 29 of 2011) is partially amended as follows.

In Article 40-4 and Article 52, paragraph (1), the phrase "Article 15, paragraph (1), item (xiii)" is to be altered to "Article 15, paragraph (1), item (xii)".

(Partial Amendment of the Act for Partial Amendment of the Income Tax Act, etc.)

Article 43 The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 5 of 2013) is partially amended as follows.

In the provisions amending Article 80, paragraph (2) of the Act on Special Measures Concerning Taxation in Article 8, and in Article 1, item (vi), (c) of the Supplementary Provisions, the phrase "Article 80, paragraph (2)" is to be altered to "Article 80, paragraph (3)".

(Partial Amendment of the Act for Establishment of the Reconstruction Agency)

Article 44 The Act for Establishment of the Reconstruction Agency (Act No. 125

of 2011) is partially amended as follows.

The following is to be added after the row of the Act for Implementation of the Convention on the Civil Aspects of International Child Abduction (Act No. 48 of 2013) in the table of Article 3, paragraph (1) of the Supplementary Provisions.

Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)	Article 140, paragraph (3)	or Cabinet Office Orders of respective ministries	, Cabinet Office Orders (including public notices) of the Reconstruction Agency or respective ministries, the Reconstruction Agency Order
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Supplementary Provisions [Act No. 80 of July 27, 2018] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three years from the date of promulgation; provided, however, that the provisions set forth in the following items come into effect as of the dates respectively specified in those items:

(i) and (ii) (Omitted)

(iii) the provisions of Chapter XI, Article 235, Article 239, paragraph (1) (limited to the portion regarding item (xliv)), Article 243, paragraph (1) (limited to the portion regarding item (iv) (limited to the portion regarding Article 239, paragraph (1), item (xliv))) and paragraph (3), and Article 251, as well as the provisions of Article 5, Articles 7 through 10, Article 12, Article 14 (limited to the provisions amending Article 19, paragraph (2) of the Act on Promotion of Development of Specified Integrated Resort Districts), and Articles 15 and 16 of the Supplementary Provisions: a day specified by Cabinet Order within a period not exceeding one year and six months from the date of promulgation.

Supplementary Provisions [Act No. 16 of May 31, 2019] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding nine months from the date of promulgation.

Supplementary Provisions [Act No. 37 of June 14, 2019] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions set forth in the following items come into effect as of the dates respectively specified in those items:

- (i) the provisions of Articles 40, 59, and 61, Article 75 (limited to the provisions amending Article 34-20 of the Child Welfare Act), Articles 85 and 102, Article 107 (limited to the provisions amending Article 26 of the Act for Protection of Children Adopted Through Private Adoption Agencies), Articles 111, 143, 149, and 152, Article 154 (limited to the provisions amending Article 25, item (vi) of the Act on Real Estate Appraisal), and Article 168, as well as the provisions of the following Article and Articles 3 and 6 of the Supplementary Provisions: the date of promulgation;
- (ii) the provisions of Articles 3 and 4, Article 5 (excluding the provisions amending Article 19-2, paragraph (1) of the Act on National Strategic Special Zones), Chapter II, Sections 2 and 4, Article 41 (excluding the provisions amending Article 252-28 of the Local Autonomy Act), Articles 42 through 48, Articles 50, 54, 57, 60, and 62, Articles 66 through 69, Article 75 (excluding the provisions amending Article 34-20 of the Child Welfare Act), Articles 76, 77, 79, 80, 82, 84, 87, and 88, Article 90 (excluding the provisions amending Article 30-19, paragraph (2), item (i) of the Vocational Abilities Development Promotion Act), Articles 95 and 96, Articles 98 through 100, Articles 104, 108, 109, 112, 113, 115, 116, 119, 121, 123, 133, 135, 138, and 139, Articles 161 through 163, Articles 166, 169, and 170, Article 172 (limited to the provisions amending Article 29, paragraph (1), item (i) of the Act on Rational Use and Proper Management of Fluorocarbons), and Article 173, as well as the provisions of Articles 16, 17, 20, and 21 and Articles 23 through 29 of the Supplementary Provisions: the day on which six months have elapsed from the date of promulgation;

(Transitional Measures Concerning Acts of Administrative Authorities)

Article 2 Prior laws continue to govern the effect of acts, such as dispositions, of administrative authorities that were conducted or made prior to the date of enforcement of this Act (in the case of the provisions set forth in the items of the preceding Article, those provisions; hereinafter the same applies in this Article and the following Article) based on the provisions of laws prior to amendment by this Act or orders based on those laws (limited to provisions that provide for measures concerning restriction of rights, such as disqualifying clauses) and the effect of disqualification that occurred pursuant to those provisions prior to the enforcement of this Act.

(Transitional Measures Concerning Penal Provisions)

Article 3 Prior laws continue to govern the application of penal provisions for acts committed prior to the enforcement of this Act.

(Review)

Article 7 Approximately within one year after the promulgation of this Act, the government is to review the provisions in the Companies Act (Act No. 86 of 2005) and the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) that restrict the qualifications of officers of corporations on the grounds that they are adult wards or persons under curatorship, and based on the results, delete those provisions or take other necessary legislative measures.

(Adjustment Provisions Associated with the Partial Amendment of the Act on Strengthening Industrial Competitiveness)

Article 26 If the date of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions (hereinafter referred to as the "effective date of item (ii)") is prior to the date of enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 26 of 2018), the phrase "Article 41, paragraph (4), item (iii), (a)" in Article 139 is deemed to be replaced with "Article 39, paragraph (4), (iii), (a)". In this case, the phrase "an adult ward, a person under curatorship" in Article 41, paragraph (4), item (iii), (a) of the Act on Strengthening Industrial Competitiveness prior to amendment by the provisions of Article 1 of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. that are to remain in force pursuant to the provisions of Article 8 of the Supplementary Provisions of the same Act is deemed to be replaced with "a person specified by orders of the competent ministries as being unable to properly perform their duties due to a mental or physical disorder".

Supplementary Provisions [Act No. 58 of June 19, 2020] [Extract]

(Effective Date)

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

(i) and (ii) (Omitted)

(iii) in Article 5, the provisions amending Article 134, paragraph (2) of the Act on Strengthening Industrial Competitiveness (excluding the portion making the following addition to item (i) of the same paragraph and the portion altering the phrase "or (b)" in item (iii) of the same paragraph to "through

(c)", the provisions amending Article 136, paragraph (2) of the same Act (excluding the portion adding "and (c)" after "set forth in (b)" in item (ii) of the same paragraph), and the provisions amending Article 140, item (ii) of the same Act: the day specified by Cabinet Order within a period not exceeding one year and six months from the date of promulgation;

(Transitional Measures Concerning Penal Provisions)

Article 11 Prior laws continue to govern the application of penal provisions for acts committed prior to the enforcement of this Act (in the case of the provisions set forth in the items of Article 1 of the Supplementary Provisions, those provisions), and for acts committed after the enforcement of this Act in the case where prior laws are to continue to govern pursuant to the provisions of these Supplementary Provisions.

(Delegation to Cabinet Order)

Article 12 Beyond what is provided for in these Supplementary Provisions, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act (including transitional measures concerning penal provisions).

(Review)

Article 13 Approximately five years after this Act comes into effect, if the government finds it necessary in consideration of the implementation status of the provisions amended by this Act, the government is to review the provisions and take necessary measures based on the results.

Supplementary Provisions [Act No. 36 of May 19, 2021] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of September 1, 2021; provided, however, that the provisions of Article 60 of the Supplementary Provisions come into effect as of the date of promulgation.

(Transitional Measures Concerning Dispositions, etc.)

Article 57 (1) Acts, such as dispositions of certification, etc., conducted or made by a former national government organ prior to the enforcement of this Act pursuant to the provisions of the respective laws prior to amendment by this Act (including orders based on them; hereinafter referred to as "former laws and regulations" in this Article and the following Article) are, unless otherwise provided for in laws and regulations, deemed to be acts, such as dispositions of certification, etc., conducted or made by a corresponding national government

organ pursuant to the corresponding provisions of the respective laws amended by this Act (including orders based on them; hereinafter referred to as "new laws and regulations" in this Article and the following Article), after the enforcement of this Act.

- (2) Acts, such as application and notification, that have been conducted or made with a former national government organ pursuant to the provisions of former laws and regulations as of the time of the enforcement of this Act are, unless otherwise provided for in laws and regulations, deemed to be acts, such as application and notification, that have been conducted or made with a corresponding national government organ pursuant to the corresponding provisions of the new laws and regulations, after the enforcement of this Act.
- (3) With respect to particulars for which procedures, such as application or notification, are required to be taken with a former national government organ prior to the enforcement of this Act pursuant to the provisions of the former laws and regulations, and for which those procedures have not been taken with the former national government organ prior to the date of enforcement of this Act, unless otherwise provided for in laws and regulations, the provisions of the new laws and regulations apply by deeming such particulars to be particulars for which those procedures have not been taken with the corresponding national government organ pursuant to the corresponding provisions of the new laws and regulations, after the enforcement of this Act.

(Transitional Measures Concerning the Effect of Orders)

Article 58 The Cabinet Office Order referred to in Article 7, paragraph (3) of the Act for Establishment of the Cabinet Office or the Ministerial Order referred to in Article 12, paragraph (1) of the National Government Organization Act issued pursuant to the provisions of the former laws and regulations, unless otherwise provided for in laws and regulations, is to remain in force after the enforcement of this Act as the corresponding Digital Agency Order referred to in Article 7, paragraph (3) or Ministerial Order referred to in Article 12, paragraph (1) of the National Government Organization Act issued under the corresponding provisions of the new laws and regulations.

(Transitional Measures Concerning Application of Penal Provisions)

Article 59 Prior laws continue to govern the application of penal provisions for acts committed prior to the enforcement of this Act.

(Delegation to Cabinet Order)

Article 60 Beyond what is provided for in Articles 15, 16, and 51 of the Supplementary Provisions and the preceding three Articles, Cabinet Order prescribes necessary transitional measures associated with the enforcement of

this Act (including transitional measures concerning penal provisions).

Supplementary Provisions [Act No. 70 of June 16, 2021] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions set forth in the following items come into effect as of the dates respectively specified in those items:

- (i) in Article 1, the provisions amending the table of contents of the Act on Strengthening Industrial Competitiveness (limited to the portion altering "Intellectual Property Rights in Business Activities" to "Shareholders Meeting without a Designated Location") and the provisions amending Chapter III, Section 4 of the same Act, as well as the provisions of Articles 3, 19, and 20 of the Supplementary Provisions: the date of promulgation; and
- (ii) the provisions of Article 1 (excluding the amendment provisions set forth in the preceding item), the provisions of Article 3, the provisions of Article 8 (excluding the amendment provisions set forth in the following item), and the provisions of Article 10, as well as the provisions of Articles 4 through 6, Articles 12 through 18, and Articles 23, 24, 26, 28, 30, 32, 33, and 35 of the Supplementary Provisions: June 5, 2021 or the date of promulgation of this Act, whichever is later.

(Review)

Article 2 Approximately three years after this Act comes into effect, the government is to review the status of enforcement of the provisions amended by this Act while taking into account the changes in the economic and social situations, and take necessary measures based on the results.

(Transitional Measures Associated with the Partial Amendment of the Act on Strengthening Industrial Competitiveness)

Article 3 (1) If a stock company that has issued shares listed on the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (hereinafter referred to as a "listed company" in this Article) as of the time of the enforcement of the provisions set forth in Article 1, item (i) of the Supplementary Provisions or a stock company that becomes a listed company during the period from the date of enforcement of the provisions set forth in the same item (hereinafter referred to as the "effective date of item (i)") until the day on which two years elapse from that date obtains the confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice prescribed in Article 66,

paragraph (1) of the Act on Strengthening Industrial Competitiveness amended by the provisions of Article 1 (limited to the amendment provisions set forth in Article 1, item (i)) (referred to as the "new Act on Strengthening Industrial Competitiveness" in the following paragraph) during the period from the effective date of item (i) until the day on which two years elapse from that date (in the case of a stock company that ceases to be a listed company by that date, until the day of ceasing to be a listed company), the stock company, notwithstanding the provisions of its articles of incorporation (limited to the provisions of articles of incorporation that designate the location of the shareholders meeting or the general meeting of class shareholders), may be deemed to have the provisions provided for in the same paragraph in its articles of incorporation, with regard to that period.

(2) At a shareholders meeting without a designated location which directors (in the case where shareholders call a shareholders meeting pursuant to the provisions of Article 297, paragraph (4) of the Companies Act (Act No. 86 of 2005), those shareholders) of a stock company that is deemed to have the provisions provided for in Article 66, paragraph (1) of the new Act on Strengthening Industrial Competitiveness in its articles of incorporation pursuant to the provisions of the preceding paragraph, no resolution may be adopted to change the articles of incorporation to establish the provisions provided for in Article 66, paragraph (1) of the new Act on Strengthening Industrial Competitiveness.

Article 4 With regard to a request under the provisions of Article 6, paragraph (1) of the Act on Strengthening Industrial Competitiveness prior to amendment by the provisions of Article 1 (excluding the amendment provisions set forth in Article 1, item (i) of the Supplementary Provisions) (hereinafter referred to as the "former Act on Strengthening Industrial Competitiveness") that was made prior to the date of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions (hereinafter referred to as the "effective date of item (ii)"), for which the determination on whether it is necessary to take new special measures on regulations (meaning the special measures on regulations prescribed in Article 2, paragraph (2) of the former Act on Strengthening Industrial Competitiveness; hereinafter the same applies in this Article) has not been made as of the time of the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions, prior laws continue to govern the procedure of the determination (including publicizing the details of the new special measures on regulations in the case of deciding to take the new special measures on regulations) and the notice to the person that has made the request.

Article 5 With regard to a request under the provisions of Article 7, paragraph (1) of the former Act on Strengthening Industrial Competitiveness that was made prior to the effective date of item (ii), for which response has not been made as of the time of the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions, prior laws continue to govern the response to that request (including publicizing the details of the response) and the notice to the person that has made the request.

Article 6 (1) Prior laws continue to govern the granting of the approval referred to in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness for which an application was filed prior to the effective date of item (ii) and of which the disposition of the granting has yet to be rendered as of the time of the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions.

(2) Prior laws continue to govern the following regarding the plans for new business activities prescribed in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness (hereinafter referred to as "plans for new business activities" in this Article) for which the approval referred to in the same paragraph has been obtained as of the time of the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions and plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness is obtained after the effective date of item (ii) pursuant to prior laws that continue to govern, based on the provisions of the preceding paragraph: the approval for changes to plans; direction of changes; rescission of approval; special measures on regulations prescribed by Cabinet Order, etc.; and the collection of reports.

(3) The provisions of Article 12 of the former Act on Strengthening Industrial Competitiveness remain in force even after the effective date of item (ii), with respect to the new business activities prescribed in Article 2, paragraph (3) of the former Act on Strengthening Industrial Competitiveness that are implemented in accordance with plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the same Act has been obtained as of the time of the enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions and plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the same Act is obtained after the effective date of item (ii) pursuant to prior laws that continue to govern, based on the provisions of paragraph (1).

(Transitional Measures Concerning Penal Provisions)

Article 19 Prior laws continue to govern the application of penal provisions for

acts committed prior to the enforcement of this Act (in the case of the provisions set forth in Article 1, items (ii) through (iv) of the Supplementary Provisions, those provisions; hereinafter the same applies in this Article and the following Article), and for acts committed after the enforcement of this Act in the case where prior laws are to continue to govern or remain in force pursuant to the provisions of these Supplementary Provisions.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 20 Beyond what is provided for in these Supplementary Provisions, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act (including transitional measures concerning penal provisions).

Supplementary Provisions [Act No. 68 of June 17, 2022] [Extract]

(Effective Date)

- (1) This Act comes into effect as of the day on which the Act for Partial Amendment of the Penal Code, etc. comes into effect; provided, however, that the provisions set forth in the following items come into effect as of the dates respectively specified in those items:
 - (i) the provisions of Article 509: the date of promulgation;