

# **Act on Land and Building Leases**

(Act No. 90 of October 4, 1991)

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## **Chapter I General Provisions**

(Purpose)

Article 1 This Act, in addition to prescribing the special provisions concerning the duration and effect, etc. of superficies and the right to lease land for the purpose of building ownership, the renewal of contracts and the effect, etc. of building leases, provides for the necessary matters in connection with court proceedings required for changes to the land lease terms, etc.

(Definitions)

Article 2 In this Act, the meanings of the terms set forth in the following items are as prescribed in each respective item:

- (i) the term "land leasehold right" means superficies or a right to lease land for the purpose of building ownership;
- (ii) the term "land leasehold right holder" means a person who has a land leasehold right;
- (iii) the term "lessor" means a person who establishes a land leasehold right for a land leasehold right holder;
- (iv) the term "land sublease right" means a right to lease land for the purpose of building ownership which is established by a land leasehold right holder; and
- (v) the term "land sublease right holder" means a person who has a land

sublease right.

## **Chapter II Land Lease**

### **Section 1 Duration of Land Leasehold Rights**

(Duration of Land Leasehold Rights)

Article 3 The duration of the land leasehold right is thirty years; provided, however, that if a period longer than this is prescribed by contract, that period applies.

(Period of Land Leasehold Rights After Renewal)

Article 4 If the parties renew the land lease contract, the period is to be ten years from the day of the renewal (twenty years in the case of the first renewal after the establishment of the land leasehold right); provided, however, that if the parties prescribe a period longer than this, that period applies.

(Request for Renewal of Land Lease Contracts)

Article 5 (1) If the land leasehold right holder requests the renewal of the contract when the duration of the land leasehold right expires, the contract is deemed to have been renewed with the same terms and conditions as those of the prior contract in addition to what is prescribed in the provisions of the preceding Article, as long as there is a building; provided, however, that this does not apply when the lessor makes an objection without delay.

(2) The provisions of the preceding paragraph also apply when the land leasehold right holder continues to make use of the land after the expiration of the duration of the land leasehold right, as long as there is a building.

(3) If a land sublease right has been established, the continued use of land by a land sublease right holder is deemed to be the continued use of land by a land leasehold right holder, and the provisions of the preceding paragraph apply to the relationship between the land leasehold right holder and the lessor.

(Requirements for Refusing Renewal of Land Lease Contracts)

Article 6 The objection referred to in the preceding Article may not be raised unless it is found that there are justifiable grounds for doing so, taking into account of the circumstances in which the lessor and the land leasehold right holder (including the land sublease right holder; hereinafter the same applies in this Article) requires the use of land, the history of the leased land and the state of land use, and the offer made by the lessor when the lessor has made an offer to provide payment of monetary considerations to the land leasehold right holder as a condition for vacating the land or in exchange for vacating the land.

(Extension of Period of Land Leasehold Rights Due to Rebuilding of Buildings)

- Article 7 (1) If the buildings are lost before the duration of the land leasehold right expires (including demolition by the land leasehold right holder or the land sublease right holder; the same applies hereinafter), and the land leasehold right holder constructs a building that is to last past the remaining period of existence, as long as the lessor gives consent to the construction of the building, the land leasehold right continues to exist for twenty years from the day of the consent or the day the building is constructed, whichever comes earlier; provided, however, that when the remaining period of existence is longer than this or when the parties have determined a longer period, that period applies.
- (2) If the land leasehold right holder notifies the lessor the fact that the land leasehold right holder intends to newly construct a building that is to last past the remaining period of existence and the lessor does not state an objection within two months after receiving the notice, it is deemed that the lessor referred to in the preceding paragraph has consented to the construction of the building; provided, however, that this does not apply if notice has been given after the contract was renewed (if the duration of the land leasehold right has been extended pursuant to the provisions of that paragraph, after the date that the initial duration of the land leasehold right is to expire; hereinafter the same applies in the following Article and Article 18).
- (3) If a land sublease right has been established, building construction that the land sublease right holder undertakes is deemed to be building construction that the land leasehold right holder undertakes, and the provisions of paragraph (1) apply between the land leasehold right holder and the lessor.

(Termination Due to Loss of Buildings After Renewal of Land Lease Contracts)

- Article 8 (1) If the buildings are lost after the contract has been renewed, the land leasehold right holder may waive the superficies or give a notice of termination of the land lease.
- (2) In the case prescribed in the preceding paragraph, if the land leasehold right holder has constructed a building that is to last past the remaining period of existence without receiving the consent of the lessor, the lessor may request the extinction of superficies or give a notice of termination of the land lease.
- (3) In the case referred to in the preceding two paragraphs, the land leasehold right is extinguished when three months have passed from the day the waiver of the superficies or the request for extinction of superficies, or the notice of termination of the land lease was made.
- (4) The right to waive the superficies or to give a notice of termination of the land lease provided for in paragraph (1) may be restricted only if the right to request the extinction of superficies or to give a notice of termination of the

land lease provided for in paragraph (2) is restricted.

- (5) If a land sublease right has been established, building construction that the land sublease right holder undertakes is deemed to be building construction that the land leasehold right holder undertakes, and the provisions of paragraph (2) apply to the relationship between the land leasehold right holder and the lessor.

#### (Mandatory Provisions)

Article 9 A special agreement that runs counter to the provisions of this Section which is disadvantageous to the land leasehold right holder is void.

### **Section 2 Effect of Land Leasehold Rights**

#### (Perfection of Land Leasehold Rights)

- Article 10 (1) Even if the land leasehold right is not registered, when the land leasehold right holder owns registered buildings on the land, the land leasehold right may be asserted against a third party.
- (2) In the case referred to in the preceding paragraph, even if a building has been destroyed, when the land leasehold right holder posts a notice of the necessary matters to identify the building, the day the building was lost, and the intent to construct a new building, in a clearly visible location on the land, the land leasehold right is effective as referred to in that paragraph; provided, however, that if two years have passed since the day the building was destroyed, this is limited to the case in which the building was newly constructed and registered before the notice was posted.

#### (Right to Request Increase or Decrease in Land Rent)

- Article 11 (1) When land rent or rental fee for land (hereinafter referred to as "land rent, etc." in this Article and the following Article) becomes unreasonable, due to the increase or decrease in tax and other public charges related to the land, the rise or fall of land prices or changes in other economic conditions, or in comparison to the rent, etc. of similar land in the vicinity, the parties may request the increase or decrease in the amount of land rent, etc. in the future, notwithstanding the contract terms and conditions; provided however, that when there is a special agreement stating that land rent, etc. will not be increased for a certain period of time, the provisions of the special agreement prevail.
- (2) If no agreement is reached between the parties regarding the increase in the amount of land rent, etc., until the judicial decision establishing that the increase of the amount is valid becomes final and binding, it is sufficient for the party that has received the request to pay a land rent, etc. in an amount

that is found to be reasonable; provided, however, that when the judicial decision becomes final and binding, if the amount that has already been paid is insufficient, the amount of the shortfall must be paid with the addition of interest on late payments at the rate of ten percent per year.

- (3) If no agreement is reached between the parties regarding the decrease in the amount of land rent, etc., until the judicial decision establishing that the decrease of the amount is valid becomes final and binding, the party that has received the request may request payment of land rent, etc. in an amount that is found to be reasonable; provided, however, that when that judicial decision becomes final and binding, if the amount that has already been paid exceeds the amount of land rent, etc. considered to be valid, the amount of the excess must be returned with the addition of interest at the rate of ten percent per year from the time the payment was received.

#### (Statutory Liens of Lessors)

Article 12 (1) With respect to the final two years of rent, etc. the term of which has become due, the lessor has a statutory lien on the building that the land leasehold right holder owns on that land.

- (2) The effect of the statutory lien referred to in the preceding paragraph is preserved by registering the superficies or the land lease.
- (3) The statutory lien referred to in paragraph (1) has the effect of prevailing over other rights; provided, however, that the statutory lien for expenses for common benefit, preservation of immovables and construction work for immovables, and the right of pledge and mortgage registered prior to the registration of superficies or land leases prevail over the statutory lien referred to in that paragraph.
- (4) The provisions of the preceding three paragraphs apply mutatis mutandis to buildings that the land sublease right holder owns on that land.

#### (Right to Request Purchase of Buildings)

Article 13 (1) When the duration of land leasehold right expires and the contract is not renewed, the land leasehold right holder may request that the lessor purchase the building and other objects that the land leasehold right holder has attached to the land by title at the market value.

- (2) In the case referred to in the preceding paragraph, when the building has been newly constructed prior to the expiration of the duration of land leasehold right without the consent of the lessor with the intention that they last past the remaining period of the land leasehold right, the court, if the lessor so requests, may impose a reasonable time frame for the payment of all or part of the purchase money.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis

between the land sublease right holder and the lessor when the duration of land leasehold right has expired.

(Right of a Third Party to Request Purchase of Buildings)

Article 14 If a third party has acquired the buildings and other items on the land that is the object of the lease interest that the land leasehold right holder has duly attached to the land, and the lessor does not consent to the transfer of the lease interest or to a sublease, the third party may request that the lessor purchase the buildings and other items that the land leasehold right holder has duly attached to the land at the prevailing market value.

(Leasehold Right for One's Own Land)

Article 15 (1) Establishment of a land leasehold right does not preclude the lessor from personally owning the land leasehold right only when the interest is jointly held with another party.

(2) Even if the land leasehold right has been returned to the lessor, when the interest is held in common with another party, the land leasehold right is not extinguished.

(Mandatory Provisions)

Article 16 A special agreement that runs counter to the provisions of Article 10, Article 13, and Article 14 and that is disadvantageous to the land leasehold right holder or the land sublease right holder is void.

### **Section 3 Changes to Land Lease Terms**

(Changes to Land Lease Terms and Permission for Improvements)

Article 17 (1) If there are land lease terms that limit the type, construction, size, or use of buildings, if, notwithstanding the fact that an object of owning the buildings which is different from the land lease terms is reasonable in actually establishing the land leasehold right due to changes in control of land use pursuant to laws and regulations, changes to the conditions of use of land in the vicinity, or changes in other circumstances, no agreement is reached between the parties regarding the changes to the land lease terms, the court may change the land lease terms pursuant to the petition of the parties.

(2) If there are land lease terms that limit remodeling and expansion of buildings, if no agreement is reached between the parties regarding the remodeling and expansion for normal use of land, the court may grant permission for the remodeling and expansion in lieu of the consent of the lessor pursuant to the petition of the land leasehold right holder.

(3) When rendering a judicial decision referred to in the preceding two

paragraphs, when it is necessary for facilitating equitable benefit between the parties, the court may change other land lease terms, order the payment of monetary considerations, or enact other reasonable dispositions.

- (4) When making the judicial decision referred to in the preceding three paragraphs, the court must take into account of the remaining period of the land leasehold right, the situation of the land, the history of the leased land, and all other circumstances.
- (5) When a land sublease right has been established, when it is necessary, the court may make the judicial decisions referred to in paragraphs (1) through (3) concerning the land leasehold right as well as the land sublease right pursuant to the petition of the land sublease right holder,.
- (6) Unless found unnecessary, prior to making the judicial decisions referred to in paragraphs (1) through (3) or the judicial decision referred to in the preceding paragraph, the court must hear the opinion of a committee of experts.

#### (Permission to Rebuild Buildings After Renewal of Land Lease Contracts)

Article 18 (1) If, notwithstanding the fact that there are unavoidable circumstances for a land leasehold right holder to newly construct a building that is to last past the remaining period of existence, the lessor does not consent to the construction of that building, excluding the cases in which it is specified that the lessor may not demand the superficies to be extinguished or give a notice of the termination of the land lease, the court may grant permission in lieu of the consent of the lessor, pursuant to the petition of the land leasehold right holder. In such a case, when it is necessary for facilitating equitable benefit between the parties, the court may specify a period different from the period specified under the provisions of Article 7, paragraph (1) as a period of the land leasehold right required to be extended, change other land lease terms, order the payment of monetary considerations, or make other reasonable dispositions.

- (2) When making the judicial decision referred to in the preceding paragraph, the court must take into account of the building condition, the circumstances leading to the loss of the building in cases of the loss, the history of the leased land, the circumstances for a lessor and a land leasehold right holder (including the land sublease right holder) to require the use of the land and all other circumstances.
- (3) The provisions of paragraph (5) and paragraph (6) of the preceding Article apply mutatis mutandis to cases in which the judicial decision referred to in paragraph (1) is to be made.

#### (Permission to Transfer or Sublease Right to Lease Land)

Article 19 (1) If the land leasehold right holder intends to transfer building on

the land that is the object of right of lease to a third party, and the lessor does not consent to the transfer or sublease of the right of lease, notwithstanding the fact that it is unlikely that the acquisition of the right of lease by the third party or the sublease of the right of lease to the third party to be disadvantageous to the lessor, the court may grant permission in lieu of the lessor's consent pursuant to the petition by a land leasehold right holder. In such a case, if it is necessary for facilitating equitable benefit between the parties, the court may order changes to the land lease terms for which the transfer or sublease of the right of lease is the condition for making the changes, or may require the payment of monetary considerations for the permission.

- (2) When making the judicial decision referred to in the preceding paragraph, the court must take into account the remaining period of the right of lease, the prior history concerning the leased land, the circumstances for requiring the transfer or sublease of the right of lease, and all other circumstances.
- (3) In the case the petition referred to in paragraph (1) is filed, if the lessor files a petition stating that they will personally accept the transfer of the building and transfer or sublease of the right of lease within the period prescribed by the court, the court may specify a reasonable consideration and sublease terms, and order the lessor to pay the consideration and obey the terms, notwithstanding the provisions of that paragraph. In that judicial decision, the court may order both parties to perform their obligations simultaneously.
- (4) If the petition referred to in paragraph (1) is withdrawn or is dismissed because it is not in accordance with the law, the petition ceases to be effective.
- (5) After the judicial decision referred to in paragraph (3) is made, the petition referred to in paragraph (1) or (3) may not be withdrawn without the agreement of the parties.
- (6) Excluding cases that the court finds that it is not particularly necessary, the court must hear the opinion of a committee of experts before making a judicial decision referred to in paragraph (1) or (3).
- (7) The provisions of the preceding paragraphs apply mutatis mutandis to the relationship between the land sublease right holder and the lessor if a land sublease right has been established; provided, however, that when the lessor files the petition referred to in paragraph (3), the consent of the land leasehold right holder must be obtained.

(Permission to Transfer Right to Lease Land in the Case of Auction of Buildings)

Article 20 (1) If a third party has acquired a building on the land that is the object of the right of lease through auction or public auction, and the lessor does not consent to the transfer of that right of lease notwithstanding the fact



that it is unlikely that the acquisition the right of lease by the third party will be disadvantageous to the lessor, the court may grant permission in lieu of the consent of the lessor pursuant to the petition of the third party. In such a case, when it is necessary for facilitating equitable benefit between the parties, the court may change the land lease terms or order the payment of monetary considerations.

- (2) The provisions of paragraphs (2) through (6) of the preceding Article apply mutatis mutandis to cases in which the petition referred to in the preceding paragraph is filed.
- (3) The petition referred to in paragraph (1) may be filed only within two months after paying the price of the building.
- (4) The provisions of Article 19 of the Civil Conciliation Act (Act No. 222 of 1951) apply mutatis mutandis to cases in which the petition referred to in paragraph (1) is filed within the period provided for in that Article.
- (5) The provisions of the preceding paragraphs apply mutatis mutandis to the relationship between the third party who has acquired the building from the land sublease right holder through auction or public auction and the lessor; provided, however, that if the lessor files the petition referred to in paragraph (3) of the preceding Article as applied mutatis mutandis pursuant to paragraph (2), the consent of the land leasehold right holder must be obtained.

(Mandatory Provisions)

Article 21 A special agreement that runs counter to the provisions of Articles 17 through 19 and that is disadvantageous to the land leasehold right holder or the land sublease right holder is void.

## **Section 4 Fixed Term Land Leasehold Rights**

(Fixed Term Land Leasehold Rights)

- Article 22 (1) If a land leasehold right is to be established with a duration of fifty years or more, notwithstanding the provisions of Article 9 and Article 16, it is possible to prescribe that there is to be no extension of the duration due to renewal of the contract (including renewal pursuant to a demand for renewal or due to continued use of land; the same applies in paragraph (1) of the following Article) and due to construction of the building, and that a demand for purchase under the provisions of Article 13 is not to be made. In this case, that special agreement must be made by a document such as a notarial deed.
- (2) When the special agreement referred to in the first sentence of the preceding paragraph is made by an electronic or magnetic record (meaning a record created in an electronic form, magnetic form, or any other form that cannot be perceived by human senses, which will be used for information processing by

computers; the same applies hereinafter), the special agreement is deemed to have been made by a document and the provisions of the second sentence of that paragraph apply.

(Fixed Term Land Leasehold Right for Business Purposes)

- Article 23 (1) When the objective is the ownership of a building used solely for business (excluding those used for residence; the same applies in the following paragraph) and a land leasehold right with a duration of at least thirty years and less than fifty years is to be established, notwithstanding the provisions of Article 9 and Article 16, it is possible to prescribe that there is to be no extension of the duration due to renewal of the contract or construction of a building, and a demand for purchase under the provisions of Article 13 is not to be made.
- (2) If the objective is the ownership of the building used solely for business and a land leasehold right with a duration of ten or more and less than thirty years is to be established, the provisions of Articles 3 through 8, Article 13, and Article 18 do not apply.
- (3) Contracts with the object of establishing land leasehold rights provided for in the preceding two paragraphs must be made by notarial deeds.

(Land Leasehold Rights with Special Agreement for Building Transfer)

- Article 24 (1) If a land leasehold right is to be established (excluding cases in which a land leasehold right provided for in paragraph (2) of the preceding Article is to be established), notwithstanding the provisions of Article 9, special provisions may specify that in order to extinguish the land leasehold right, on the day that thirty years or more have passed since that right was established, the building on the land that is the object of the land leasehold right is to be transferred to the lessor for a reasonable price.
- (2) When a land leasehold right is extinguished in accordance with the special agreement referred to in the preceding paragraph, and the land leasehold right holder or the lessee of a building that continues to use the building after the right is extinguished makes a demand, it is deemed that a lease with an indefinite term ( if a land leasehold right holder has made a demand and there is remaining period for existence, a lease that considers that remaining period to be the duration of the right) for the building has been signed between the land leasehold right holder or the lessee of the building and the lessor at the time of the demand. In this case, the court prescribes the building rent at the request of a party.
- (3) If there is a special agreement referred to in paragraph (1) and a lease contract under the provisions of Article 38, paragraph (1) has been concluded between the land leasehold right holder or the lessee of a building and the

lessor concerning the building, the provisions of the special agreement prevail notwithstanding the provisions of the preceding paragraph.

(Land Leasehold Right for Purpose of Temporary Use)

Article 25 If it is obvious that the land leasehold right has been established for the purpose of installing temporary facilities or for other temporary use, the provisions of Articles 3 through 8, Article 13, Article 17, Article 18, and Article 22 through the preceding Article do not apply.

### **Chapter III Building Lease**

#### **Section 1 Renewal of Building Lease Contracts**

(Renewal of Building Lease Contracts)

Article 26 (1) If a period has been prescribed for a building lease, when a party fails to notify the other party that the lease will not be renewed between six months and one year before the period expires or that it will not be renewed unless the terms and conditions are changed, it is deemed that the contract has been renewed with the same conditions as those for the prior contract; provided, however, that there is to be no provisions for the period of the renewed lease.

(2) Even if the notice referred to in the preceding paragraph has been given, when the lessee of a building continues to use the building after the period of the building lease has expired, and the lessor of a building fails to make an objection without delay.

(3) If the buildings are being subleased, continued use of the building by the sublessee of a building is deemed to be continued use of the building by the lessee of a building, and the provisions of the preceding paragraph apply to the relationship between the lessee of a building and the lessor.

(Termination of the Building Lease Due to Cancellation of a Contract)

Article 27 (1) When the lessor of a building has given a notice of termination of the lease, the building lease is terminated when six months have passed since the day the notice of termination was given.

(2) The provisions of paragraphs (2) and (3) of the preceding Article apply mutatis mutandis if a building lease has been terminated by reason of a notice of termination.

(Requirements for Refusing to Renew Building Lease Contracts)

Article 28 The notice referred to in Article 26, paragraph (1) or the notice of termination of a building lease by the lessor of a building may not be given unless it is found that there are justifiable grounds for doing so, taking into account of the circumstances in which the lessor and the lessee (including the

sublessee; hereinafter the same applies in this Article) of the building requires the use of the building, the history of the building lease, the state of the building use, the current state of the building, and the offer made by the lessor of the building when the lessor has made an offer to provide payment of monetary considerations to the lessee of the building as a condition for vacating the building or in exchange for vacating the building.

(Period of Building Lease)

Article 29 (1) A building lease that has a period of less than one year is deemed to be a building lease without a prescribed period.

(2) The provisions of Article 604 of the Civil Code (Act No. 89 of 1896) do not apply to building leases.

(Mandatory Provisions)

Article 30 A special agreement that runs counter to the provisions of this Section and that is disadvantageous to the lessee of a building is void.

## **Section 2 Effect of Building Leases**

(Perfection of Building Lease)

Article 31 Even if the building lease is not registered, if the building has been delivered, the building lease becomes effective on the person who has subsequently acquired real rights to the building.

(Right to Demand Increase or Decrease in Rent)

Article 32 (1) When the rent of a building becomes unreasonable due to the increase or decrease in tax and other defrayment concerning land or buildings, the rise or fall of land or building prices or changes in other economic conditions, or in comparison to the rents on similar buildings in the vicinity, notwithstanding the terms and conditions of the contract, the parties may demand increase or decrease of the amount of the building rent in the future; provided, however, when there is a special agreement providing that the building rent will not be increased for a certain period of time, the special agreement prevails.

(2) If no agreement is reached between the parties concerning an increase in the amount of the building rent, until the judicial decision finding that the increased amount is valid becomes final and binding, it is sufficient for the party that has received the demand to pay the building rent in an amount that is found to be reasonable; provided, however, that when that judicial decision becomes final and binding, if the amount that has already been paid is insufficient, the amount of the shortfall must be paid with the addition of

interest on late payments at the rate of ten percent per year.

- (3) If no agreement is reached between the parties concerning a decrease in the amount of the building rent, until the judicial decision finding that the decreased amount is valid becomes final and binding, it is sufficient for the party that has received demand to pay the building rent in an amount that is found to be reasonable; provided, however, that when that judicial decision becomes final and binding, if the amount that has already been paid exceeds the building rent amount found to be valid, the amount of the excess must be returned with the addition of interest at the rate of ten percent per year from the time the payment was received.

(Right to Demand Purchase of Interior Decorations and Fixtures)

- Article 33 (1) If there are tatami mats, door fittings, or other interior decorations and fixtures added to the building with the consent of the lessor of a building, when the building lease has been terminated either by the expiration of the period or a notice of termination, the lessee of a building may demand the lessor of the building to purchase those interior decorations and fixtures at the market value. The same applies to interior decorations and fixtures purchased from the lessor of a building.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to the relationship between the sublessee of a building and the lessor if the building lease is terminated either by the expiration of the period or a notice of termination.

(Protection of Sublessee When Building Lease is Terminated)

- Article 34 (1) If the building has been subleased, when the building lease is terminated by the expiration of the period or a notice of termination, the lessor of a building may not assert that termination against the sublessee of a building without giving notice to that effect to that sublessee of a building.
- (2) If the lessor of a building has given the notice referred to in the preceding paragraph, the building sublease is terminated when six months have passed from the day the notice was given.

(Protection of Lessee of Buildings on Leased Land)

- Article 35 (1) If there is a lease for a building on the land that is the object of a land leasehold right, and the lessee of a building is to vacate the land due to the expiration of the duration of the land leasehold right, limited to when the lessee of a building was unaware that the duration of the land leasehold right is to expire by one year before the expiration, the court may grant a reasonable period for vacating the land at the demand of the lessee of the building, which does not exceed one year from the day the lessee of the building became aware

of the expiration.

- (2) When the court grants the period pursuant to the provisions of the preceding paragraph, the building lease is terminated upon its expiration.

(Succession to Lease of Residential Buildings)

Article 36 (1) If a lessee of a building used as residences dies without an heir, and there is a person who is in a de facto husband and wife relationship or foster parent and child relationship with the lessee of a building without submitting a notice of marriage or adoption at that time who lived together with the lessee of the building, that person that lived together with the lessee succeeds to the rights and obligations of the lessee of the building; provided, however, that this does not apply if the person manifest a contrary intention to the lessor of the building within one month after learning that the lessee of the building has died without an heir.

- (2) In the case referred to in the main clause of the preceding paragraph, the claims or obligations arising out of the lease relationship of a building belong to the person who has succeeded to the rights and obligations of the lessee of the building pursuant to the provisions of that paragraph.

(Mandatory Provisions)

Article 37 A special agreement that runs counter to the provisions of Article 31, Article 34, and Article 35 and that is disadvantageous to the lessee or the sublessee of a building is void.

### **Section 3 Fixed Term Building Leases**

(Fixed Term Building Lease)

Article 38 (1) If a building is leased with a prescribed period, it may be specified that the contract is not to be renewed only if the contract has been concluded in writing by means of a notarial deed, etc., notwithstanding the provisions of Article 30. In such a case, the provisions of Article 29, paragraph (1) do not apply.

- (2) When a building lease contract under the provisions of the preceding paragraph is concluded by of an electronic or magnetic record on which the content of the contract recorded, the contract is deemed to have been concluded by a document and the provisions of that paragraph apply.
- (3) If the parties seek to enter into a building lease under the provisions of the paragraph (1), the lessor of a building must deliver to the lessee of a building a document stating that the building lease contract under the provisions of that paragraph will not be renewed and that the building lease will be terminated by the expiration of the period, and explain the facts in advance.

- (4) The lessor of a building may provide the matters required to be stated in the document by an electronic or magnetic means (meaning the means that use an electronic data processing system or other means that use information and communications technology specified by Ministry of Justice Order) in lieu of a document under the provisions of the preceding paragraph with the consent of a lessee of a building as specified by Cabinet Order. In such a case, the lessor of the building is deemed to have delivered the document.
- (5) If the lessor of a building fails to provide an explanation under the provisions of paragraph (3), the provision to the effect that the contract is not to be renewed is void.
- (6) In the cases of a building lease under the provisions of paragraph (1) for which the period is one year or more, unless the lessor of a building notifies the lessor of a building that the building lease will be terminated by the expiration of the period during the period from one year to six months before the expiration of the period (hereinafter referred to as the "notice period" in this paragraph), the lessor of a building may not assert the termination against the lessee of a building; provided, however, that this does not apply if the lessor of a building has notified the lessee of a building of that fact after the notice period has expired and six months have passed since the date of that notice.
- (7) In the cases of a lease of a building used for residence (limited to a lease of a building that has a floor area (if a part of the building is the object of the lease, the floor area of that part) of less than 200 square meters), if it becomes difficult for the lessee of a building to use the building as the base and center of their life due to an unavoidable circumstance such as a job transfer, receiving medical treatment, provision of nursing care to relatives, the lessee of a building may give a notice of termination of the building lease. In such a case, the building lease is terminated when one month has passed since the day of the notice of termination.
- (8) A special agreement that runs counter to the provisions of the preceding two paragraphs and that is disadvantageous to the lessee of a building is void.
- (9) If there is a special agreement concerning revision of rent for a building lease under the provisions of paragraph (1), the provisions of Article 32 do not apply.

(Lease of Buildings Scheduled to be Demolished)

- Article 39 (1) If it is obvious that a building should be demolished after a certain period of time has passed pursuant to laws and regulations or a contract, and the building is leased, it may be provided that the lease will be terminated upon the demolition of the buildings, notwithstanding the provisions of Article 30.
- (2) The special agreement referred to in the preceding paragraph must be concluded by a document that states the reasons for demolishing the building

referred to in that paragraph

- (3) If the special agreement referred to in the first paragraph is concluded by an electronic or magnetic record on which the content of the special agreement and the reasons provided for in the preceding paragraph are recorded, the special agreement is deemed to be concluded by the document referred to in the previous paragraph, and the provisions of that paragraph apply.

(Building Leases for Purpose of Temporary Use)

Article 40 If it is obvious that building has been leased for the purpose of temporary use, the provisions of this Chapter do not apply.

## **Chapter IV Court Proceedings for Changing Land Lease Terms**

(Competent Court)

Article 41 The district court that has jurisdiction over the locality of the land that is the object of a land leasehold right has jurisdiction over the cases prescribed in Article 17, paragraph (1), paragraph (2), or paragraph (5) (including as applied mutatis mutandis pursuant to Article 18, paragraph (3)), Article 18, paragraph (1), Article 19, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article), or paragraph (3) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article and Article 20, paragraph (2) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article)), or Article 20, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article); provided, however, that this does not preclude the summary court that has jurisdiction over the locality from exercising jurisdiction, if the parties have reached an agreement.

(Application of the Non-Contentious Case Procedures Act and the Rules of the Supreme Court)

Article 42 (1) The provisions of Article 27, Article 40, Article 42, Article 42-2, and the second sentence of Article 63, paragraph (1) of the Non-Contentious Case Procedures Act (Act No. 51 of 2011) do not apply to the cases referred to in the preceding Article.

- (2) In applying the provisions of Article 38 of the Non-Contentious Case Procedures Act to the cases referred to in the preceding Article, the phrase "Article 42, paragraph (1) of the Non-Contentious Case Procedures Act" in that Article is replaced with "Article 51, paragraph (1) of Act on Land and Building Leases".

- (3) Beyond what is provided for in this Act, the necessary matters concerning the cases referred to in the preceding Article are to be specified by the Rules of the



Supreme Court.

(Mandatory Intervention)

- Article 43 (1) The court may have a person who is qualified to be a party intervene in the proceedings of the cases referred to in Article 41, upon the petition of a party.
- (2) The petition referred to in the preceding paragraph must be filed by a document stating the purpose of and reasons for the intervention.
- (3) An immediate appeal may be filed against a judicial decision to dismiss the petition referred to in paragraph (1).

(Qualification of Counsel)

- Article 44 (1) No person other than an attorney may act as a counsel, in addition to an agent who may perform acts in court under laws and regulations,; provided, however, that in a summary court, a person who is not an attorney may be appointed as a counsel with the permission of the court.
- (2) The permission referred to in the proviso to the preceding paragraph may be rescinded at any time.

(Scope of Authority of Representation of Counsel)

- Article 45 (1) A counsel may perform in addition to the matters specified in Article 23, paragraph (1) of the Non-Contentious Case Procedures Act, procedural acts concerning the petition referred to in Article 19, paragraph (3) (excluding the acts provided in the following paragraph) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article and Article 20, paragraph (2) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article); the same applies in the following paragraph) for a case entrusted to them.
- (2) A counsel must, in addition to the matters set forth in the items of Article 23, paragraph (2) of the Non-Contentious Case Procedures Act, be specially entrusted for the petition referred to in Article 19, paragraph (3).

(Inspection of Non-Electronic or Non-Magnetic Case Records)

- Article 46 (1) The parties or a third party who has made a prima facie showing of their interest may make a request to a court clerk for the inspection or copying, or issuance of an authenticated copy, transcript or extract, of a non-electronic or non-magnetic case record (meaning the part of the record of the case referred to in Article 41 excluding the electronic or magnetic case record provided for in paragraph (1) of the following Article; the same applies in the following paragraph).
- (2) The provisions of Article 91, paragraphs (4) and (5) of the Code of Civil

Procedure (Act No. 109 of 1996) apply *mutatis mutandis* to non-electronic or non-magnetic case records.

(Inspection of Electronic or Magnetic Case Records)

Article 47 (1) The parties or a third-party that made a *prima facie* showing of their interest may make a request to the court clerk inspection of the content of the electronic or magnetic case records (meaning the parts related to the matters recorded in a file (hereinafter simply referred to as a "file" in Article 51, paragraph (2) and Article 58, paragraph (1)) stored on a computer (including an input and output device; the same applies in the following paragraph and paragraph (3), and the following Article) used by the court pursuant to the provisions of this Act and other laws and regulations; hereinafter the same applies in this Article) displayed through the means specified by the Rules of the Supreme Court, as specified by the Rules of the Supreme Court.

(2) The parties and a third-party that made a *prima facie* showing of their interest may make a request to the court clerk to make a copy of the matters recorded in the electronic or magnetic case records by way of recording them in a file stored on a computer used by the parties through an electronic data processing system specified by the Rules of the Supreme Court (meaning an electronic data processing system that connects a computer used by the court and a computer used by the other party to the procedures via a telecommunications line; the same applies in the following paragraph and the following Article) or any other means, as specified by the Rules of the Supreme Court.

(3) The parties and a third-party that made a *prima facie* showing of their interest may make a request to the court clerk to deliver a document stating all or part of the matters recorded in an electronic or magnetic case record which is certified by the court clerk that the content of the document is the same as the matters recorded in the electronic or magnetic record, by the means specified by the Rules of the Supreme Court, or to provide an electronic or magnetic record that has all or part of the matters recorded which is certified by the court clerk that the content of electronic or magnetic record is the same as the matters recorded in the electronic or magnetic case record, by the means specified by the Rules of the Supreme Court, by way of recording the record in a file stored on a computer used by the parties through an electronic data processing system specified by the Rules of the Supreme Court or any other means specified by the Rules of the Supreme Court, as specified by the Rules of the Supreme Court.

(4) The provisions of Article 91, paragraph (5) of the Code of Civil Procedure apply *mutatis mutandis* to the request for inspection and copying of electronic

or magnetic case records under the provisions of paragraphs (1) and (2).

(Certification of Matters Related to a Case)

Article 48 The parties and a third-party that made a prima facie showing of their interest may make a request to the court clerk to deliver a document stating the matters concerning the case referred to in Article 41 which is certified by the court clerk by the means specified by the Rules of the Supreme Court, or to provide an electronic or magnetic record that has the matters recorded which is certified by the court clerk by the means specified by the Rules of the Supreme Court, by way of recording the record in a file stored on a computer used by the parties through an electronic data processing system specified by the Rules of the Supreme Court or any other means specified by the Rules of the Supreme Court.

(Committee of Experts)

Article 49 (1) The committee of experts is composed of three or more members.

(2) The court designates the members of the committee of experts for each case from among the following persons; provided, however, that this does not preclude designating persons other than those persons if it is particularly necessary:

(i) persons whom the district court appoints every year from among the persons with special knowledge and experience or other appropriate persons, in advance;

(ii) persons selected by the agreement among the parties.

(3) Travel expenses, daily allowance, and accommodation fees prescribed by the Rules of the Supreme Court are paid to the member of the committee of experts.

(Suspension of Proceedings)

Article 50 When an action or any other case is pending concerning rights for the land that is the object of a land leasehold right, the court may suspend the proceedings of the case referred to in Article 41, until the action or the case is closed.

(Petition by Means of Electronic Data Processing System)

Article 51 (1) The provisions of Article 132-10, Article 132-11, and Article 132-12 of the Code of Civil Procedure apply mutatis mutandis to a petition and other statements in the proceedings of the case referred to in Article 41 (referred to as a "petition, etc." in the following paragraph and Article 64). In such a case, the term "service" in Article 132-10, paragraphs (5) and (6), and Article 132-12, paragraphs (2) and (3), of that Act is deemed to be replaced by "service or sending", the phrase "the proviso to Article 54, paragraph (1)" in Article 132-11,

paragraph (1), item (i) is deemed to be replaced by "the proviso to Article 22, paragraph (1) of the Non-Contentious Case Procedures Act (Act No. 51 of 2011)", the term "Article 2" in item (ii) of that paragraph is deemed to be replaced by "Article 2 of that Act as applied mutatis mutandis pursuant to Article 9", and the term "Article 133-2, paragraph (2) " in Article 132-12, paragraph (1), item (iii) of that Act is deemed to be replaced by "Article 133-2, paragraph (2) as applied mutatis mutandis pursuant to Article 64 of the Act on Land and Building Leases".

- (2) The provisions of Article 132-13 (excluding the part related to item (i)) of the Code of Civil Procedure apply mutatis mutandis to the recording of the matters stated or recorded in the documents, etc. (meaning documents, papers, instruments, transcripts, extract, authenticated copy, duplicate copy of a document, duplicate copy of a bill or note, or papers or other tangible objects on which information that can be perceived by the human senses, such as letters and shapes, is entered; hereinafter the same applies in this paragraph) (excluding the documents when a petition, etc. is filed using documents, etc.) or a storage medium that records electronic or magnetic records, in the proceedings of a case referred to in Article 41. In such a case, the term "Article 133-2, paragraph (2)" in item (iii) of that Article is deemed to be replaced by "Article 133-2, paragraph (2) as applied mutatis mutandis pursuant to Article 64 of the Act on Land and Building Leases" and the term "Article 133-3, paragraph (1)" in item (iv) of that Article is deemed to be replaced by "Article 133-3, paragraph (1) as applied mutatis mutandis pursuant to Article 64 of the Act on Land and Building Leases".

#### (Dismissal of Defective Petitions)

Article 52 If a petition is defective and the defect cannot be corrected, the court may dismiss the petition without holding a hearing.

#### (Service of Written Petitions)

Article 53 (1) Except for the case referred to in the preceding Article, the court must serve a written petition of the case referred to in Article 41 on the other party.

- (2) The provisions of Article 43, paragraphs (4) through (6) of the Non-Contentious Case Procedures Act apply mutatis mutandis when it is not possible to serve a written petition (including the cases in which the necessary expenses for serving a written petition are not prepaid).

#### (Hearing Date)

Article 54 (1) The court must hold a hearing on the hearing date, and hear the statements of the parties.

(2) A party may attend the hearing of the other party.

(Dismissal of Petition When Prepayment of Expenses for Summons is Not Made)

Article 55 If the court has ordered a petitioner to prepay the necessary expenses for summoning the parties to appear on the court date in accordance with the provisions of the Act on Costs of Civil Procedure (Act No. 40 of 1971) by specifying a reasonable period of time and the prepayment is not made, the court may dismiss the petition.

(Notice of Investigation of Facts)

Article 56 If the court has investigated facts, it must give notice that an investigation was conducted to the parties and interested party intervenors, except when the court does not find it to be particularly necessary to do so.

(Conclusion of Proceedings)

Article 57 When concluding the proceedings, the court must make a declaration to that effect on the date of the hearing.

(Service of Electronic Written Judgments and Their Effectuation)

Article 58 (1) When a judicial decision under the provisions of Article 17, paragraphs (1) through paragraph (3) or paragraph (5) (including as applied mutatis mutandis pursuant to Article 18, paragraph (3)), Article 18, paragraph (1), Article 19, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article) or paragraph (3) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article and Article 20, paragraph (2) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article)) or Article 20, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article), has been made, the electronic written judgment (written judgment that is provided for in Article 57, paragraph (1) of Non-Contentious Case Procedures Act and recorded in a file pursuant to the provisions of paragraph (3) of that Article) must be served on the parties. In such a case, the provisions of Article 255, paragraph (2) of the Code of Civil Procedure apply mutatis mutandis.

(2) The judicial decision referred to in the preceding paragraph does not become effective until it becomes final and binding.

(Supplementary Note of Reasons)

Article 59 The judicial decision referred to in paragraph (1) of the preceding Article must include the reasons for the decision.

(Persons Affected by Judicial Decisions)

Article 60 The judicial decision referred to in Article 58, paragraph (1) is effective for the parties or their successors at the time that is after the final hearing date and before that judicial decision becomes final and binding.

(Effect of Judicial Decisions that Order Performance)

Article 61 A judicial decision under the provisions of Article 17, paragraph (3) or (5) (including as applied mutatis mutandis pursuant to Article 18, paragraph (3)), Article 18, paragraph (1), Article 19, paragraph (3) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article and Article 20, paragraph (2) (including as applied mutatis mutandis pursuant to paragraph (5) of that Article)), or Article 20, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5) of the same Article) which orders performance, has the same effect as a judicial settlement concerning judicial enforcement.

(Lapse of Judicial Decision Permitting Transfer or Subleasing)

Article 62 The judicial decision under the provisions of Article 19, paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (7) of that Article) cease to be effective when the land leasehold right holder does not transfer the building within six months after the judicial decision has become effective; provided, however, that the period may be extended or shortened by a judicial decision.

(Application, Mutatis Mutandis of Provisions on Proceedings in the First Instance)

Article 63 The provisions of Article 52, Article 53, and Article 55 apply mutatis mutandis when an immediate appeal is filed against the judicial decision referred to in Article 58, paragraph (1).

(Concealment of Domicile, Name, etc. of the Parties)

Article 64 The provisions of Part I, Chapter VIII of the Code of Civil Procedure apply mutatis mutandis to the petitions, motions, and applications in the proceedings of a case referred to in Article 41. In such a case, the terms or phrases listed in the middle column of the following table stated in the provisions listed in the left-hand column of that table is deemed to be replaced with the corresponding terms or phrases listed in the right hand column of that table.

Article 133, paragraph (1)	party	a party or an interested party intervenor (meaning an interested party intervenor prescribed in Article 21, paragraph (5) of Non-Contentious Procedures Act; the same applies in Article 133-4, paragraph (1) and (2), and (7))
Article 133, paragraph (3)	case records, etc. (meaning a case record or the record of a case to which a petition for a disposition referred to in Article 132-4, paragraph (1) concerns; hereinafter the same applies in this Chapter)	record of the case referred to in Article 41 of Act on Land and Building Leases
	inspection, etc. of case records, etc. ( inspection, etc. of case records, non-electronic or magnetic records on a disposition on the collection of evidence, or inspection, etc. of case records, or electronic or magnetic records on a disposition on the collection of evidence)	Inspection, etc. of the case record set forth in Article 41 of the same Act (inspection or copying of, or issuance of an authenticated copy, transcript or extract of a non-electromagnetic case record (meaning non-electromagnetic case records prescribed in Article 46, paragraph (1) of the same Act), or its reproduction, or inspection or copying of, or issuance of a paper document certifying all or part of the particulars of electromagnetic records (meaning the electromagnetic case records prescribed in Article 47, paragraph (1) of the same Act; the same applies in the next Article), or providing the electromagnetic records
Article 133-2, paragraph (1) and paragraph (3), and Article 133-3, paragraph (1)	inspection, etc. of case records, etc.	inspection, etc. of Article 41 of Act on Land and Building Leases case records
Article 133-2, paragraph (2)	in case records, etc.	in the case records of Article 41 of Act on Land and Building Leases

Article 133-2, paragraph (1) and Article 133-4, paragraph (2)	inspection, etc. of case records, etc.	inspection, etc. of Article 41 of the same Act case records
Article 133-2, paragraph (5)	electronic or magnetic case records, etc. (meaning electronic or magnetic case records or the part related to the matters recorded in a file for the records of a case for which the disposition referred to in Article 132-4, paragraph (1) is filed; hereinafter the same applies in this paragraph and the following paragraph)	electronic or magnetic case records
	from electronic or magnetic case records, etc.	from electronic or magnetic case records
Article 133-2, paragraph (6)	electronic or magnetic case records, etc.	electronic or magnetic case records
Article 133-4, paragraph (1)	a person is, a case record, etc.	a party or an interested party intervenor, or a third party who has made a prima facie showing of their interest, the case records of Article 41 of Act on Land and Building Leases
Article 133-4, paragraph (2)	party	party or interested party intervenor
	case records, etc. are kept	a case record referred to in Article 41 of Act on Land and Building Leases is kept
Article 133-4, paragraph (7)	party	party or interested party intervenor