

## Order on Inward Direct Investment, etc.

(Ordinance of the Prime Minister's Office, Ministry of Finance, Ministry of Education, Science and Culture, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications, Ministry of Labour and Ministry of Construction No. 1 of November 20, 1980)

Based on the provisions of Articles 2 to 5 inclusive, Article 8, Article 13 and Article 14 of the Cabinet Order on Inward Direct Investment, etc. (Cabinet Order No. 261 of 1980) and in order to implement the provisions of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949), the Order on Inward Direct Investment, etc. is hereby established as follows.

(Purpose)

Article 1 The purpose of this Order is to provide for reporting and notification procedures and other necessary matters with regard to inward direct investment, etc. and the conclusion of technology introduction contracts, etc. as prescribed in Chapter V of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Act").

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

Article 2 (1) The amount specified by an ordinance of the competent ministry as prescribed in Article 2, paragraph (7), item (i) of the Cabinet Order on Inward Direct Investment, etc. (hereinafter referred to as the "Order"), shall be an amount equivalent to 100 million yen.

(2) The amount specified by an ordinance of the competent ministry as prescribed in Article 2, paragraph (7), item (ii) of the Order, shall be the total of the amount stated in the liabilities section of the balance sheet at the end of the business year immediately preceding the business year during which loans were provided (where there is no such business year, the final balance sheet) and the amount of said loans; provided, however, that where a balance sheet has not been prepared, such amount shall be the total of the total amount of liabilities in the inventory of assets at the end of the business year immediately preceding the business year during which loans were provided (where there is no such business year, the final inventory of assets) and the amount of said loans.

(3) The amount specified by an ordinance of the competent ministry as prescribed in Article 2, paragraph (9), item (i), (d), 1. of the Order, shall be an amount equivalent to 100 million yen.

- (4) The amount specified by an ordinance of the competent ministry as prescribed in Article 2, paragraph (9), item (i), (d), 2. of the Order, shall be the total of the amount stated in the liabilities section of the balance sheet at the end of the business year immediately preceding the business year during which bonds were acquired (where there is no such business year, the final balance sheet) and the amount of the relevant bonds that were acquired.

(Notification, etc. of Inward Direct Investment, etc.)

Article 3 (1) Shares specified by an ordinance of the competent ministry as those equivalent to the shares of a listed company, etc. as prescribed in Article 3, paragraph (1), item (iv) of the Order, shall be shares under an invitation for subscription or offering that takes place prior to their listing on a financial instruments exchange as prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (limited to the period from the filing of an application for listing until the completion of listing) or prior to their registration with an approved financial instruments firms association as prescribed in paragraph (13) of the same Article (limited to the period from the filing of an application for registration until the completion of registration).

- (2) Acts specified by an ordinance of the competent ministry as prescribed in Article 3, paragraph (1), item (vii) of the Order shall be the acts listed in the following items:

(i) The acquisition, by a person who owns shares or equity in a company prior to its entity conversion, of shares or equity in the company after its entity conversion, in place of said previously owned shares or equity;

(ii) The acquisition of loan receivables, bonds, or investment securities that are issued by a juridical person established under a special Act by way of inheritance or as a testamentary gift;

(iii) The consent given in regard to the substantial change of the business purpose of a company as prescribed in Article 26, paragraph (2), item (iv) of the Act, where the business purpose of said company after the relevant change does not fall under the business types specified by the Minister of Finance and the minister having jurisdiction over the business (meaning the minister having jurisdiction over the business as prescribed in Article 7 of the Order; the same shall apply hereinafter) as prescribed in the following paragraph;

(iii)-2 The establishment of any branch office, etc. as prescribed in Article 26, paragraph (2), item (v) of the Act, where the business purpose of said branch office, etc. (meaning a branch office, factory, or other offices; the same shall apply hereinafter) subject to said establishment does not fall under the business types specified by the Minister of Finance and the minister having

- jurisdiction over the business as prescribed in the following paragraph;
- (iv) The substantial change in the type or business purpose of a branch office, etc. as prescribed in Article 26, paragraph (2), item (v) of the Act, where the type or business purpose of said branch office, etc. after the relevant change does not fall under the types or business purposes specified by the Minister of Finance and the minister having jurisdiction over the business as prescribed in the following paragraph;
  - (v) The acquisition of shares through an allotment of shares without contribution as prescribed in Article 185 of the Companies Act (Act No. 86 of 2005), or discretionary investment in shares (meaning discretionary investment in shares as prescribed in Article 2, paragraph (10) of the Order; the same shall apply hereinafter);
  - (vi) The acquisition of shares, equity, bonds, or investment securities issued by a stock company as the consideration for the acquisition of the shares subject to call as prescribed in Article 2, item (xix) of the Companies Act or share options subject to call as prescribed in Article 273, paragraph (1) of the same Act, due to occurrence of grounds for the acquisition of such shares or share options, or discretionary investment in shares.
- (3) Business types specified by an ordinance of the competent ministry as prescribed in Article 3, paragraph (2), item (i) of the Order, shall be the business types specified by the Minister of Finance and the minister having jurisdiction over the business.
- (4) The company specified by an ordinance of the competent ministry as prescribed in Article 3, paragraph (2), item (i) of the Order, shall be any other company (limited to those with two or more shareholders or members) in which a number of voting rights that is equivalent to 50% of the number of voting rights of all of the shareholders or members is held by the relevant company (including its subsidiary companies (meaning subsidiary companies as prescribed in Article 2, item (iii) of the Companies Act; hereinafter the same shall apply in this paragraph)).
- (5) Inward direct investment, etc. specified by an ordinance of the competent ministry as prescribed in Article 3, paragraph (2), item (ii) of the Order, shall be inward direct investment, etc. made by a foreign investor in a country other than the countries (including regions; the same shall apply hereinafter) listed in Appended Table 1 (excluding inward direct investment, etc. made by a foreign investor who falls under Article 26, paragraph (1), item (iii) or item (iv)).
- (6) Inward direct investment, etc. specified by an ordinance of the competent ministry as prescribed in Article 3, paragraph (2), item (iii) of the Order, shall be inward direct investment, etc. that is specified by the Minister of Finance and the minister having jurisdiction over the business.

- (7) A person who intends to give a notification based on the provisions of Article 3, paragraph (3) of the Order must, in accordance with the categories listed in each of the following items, submit a written notification to the Minister of Finance and the minister having jurisdiction over the business, via the Bank of Japan, using the form specified in the relevant item. In this case, the number of copies of the written notification that must be submitted shall be the number of ministers having jurisdiction over the business plus three:
- (i) Acquisition of shares or equity as prescribed in Article 26, paragraph (2), item (i) and item (iii) of the Act, acquisition of investment securities as prescribed in Article 2, paragraph (9), item (ii) of the Order, and discretionary investment in shares as prescribed in item (iii) of the same paragraph: Appended Form 1;
  - (ii) Transfer of shares or equity as prescribed in Article 26, paragraph (2), item (ii) of the Act: Appended Form 2;
  - (iii) Consent given in regard to the substantial change of the business purpose of a company as prescribed in Article 26, paragraph (2), item (iv) of the Act: Appended Form 3;
  - (iv) Establishment of a branch office, etc. as prescribed in Article 26, paragraph (2), item (v) of the Act: Appended Form 4;
  - (v) A substantial change in the type or business purpose of a branch office, etc. as prescribed in Article 26, paragraph (2), item (v) of the Act: Appended Form 5;
  - (vi) Loans of money as prescribed in Article 26, paragraph (2), item (vi) of the Act: Appended Form 6;
  - (vii) Acquisition of bonds as prescribed in Article 2, paragraph (9), item (i) of the Order: Appended Form 7.
- (8) When the Minister of Finance and the minister having jurisdiction over the business have received written notifications pursuant to the provisions of the preceding paragraph, they shall note to that effect on said written notifications and deliver one copy thereof as a certificate of their receipt of the notification to the person who gave the notification.
- (9) A person who intends to give a notice as prescribed in Article 27, paragraph (7) of the Act based on the provisions of Article 3, paragraph (14) of the Order must submit a written notice prepared using Appended Form 8 to the Minister of Finance and the minister having jurisdiction over the business, via the Bank of Japan. In this case, the number of copies of the written notice that must be submitted shall be the number of ministers having jurisdiction over the business plus one.

Article 4 Deleted.

(Notification, etc. of the Conclusion of a Technology Introduction Contract, etc.)

Article 5 (1) Technology specified by an ordinance of the competent ministry as prescribed in Article 5, paragraph (1), item (i) of the Order, shall be the technology listed in Appended Table 2.

(2) A resident who intends to give a notification based on the provisions of Article 5, paragraph (2) of the Order must submit a written notification prepared using Appended Form 9 to the Minister of Finance and the minister having jurisdiction over the business, via the Bank of Japan. In this case, the provisions of the second sentence of Article 3, paragraph (7) shall apply *mutatis mutandis*.

(3) When the Minister of Finance and the minister having jurisdiction over the business have received written notifications pursuant to the provisions of the preceding paragraph, they shall note to that effect on said written notifications and deliver one copy thereof as a certificate of their receipt of the notification to the person who gave the notification.

(4) A person who intends to give a notice as prescribed in Article 27, paragraph (7) of the Act as applied *mutatis mutandis* pursuant to Article 30, paragraph (7) of the Act based on the provisions of Article 5, paragraph (9) of the Order must submit a written notice prepared using Appended Form 10 to the Minister of Finance and the minister having jurisdiction over the business, via the Bank of Japan. In this case, the provisions of the second sentence of Article 3, paragraph (9) shall apply *mutatis mutandis*.

Article 6 Deleted.

(Report of Inward Direct Investment etc.)

Article 6-2 A person who intends to make a report based on the provisions of Article 6-3, paragraph (1) of the Order must, in accordance with the categories listed in each of the following items, submit a written report to the Minister of Finance and the minister having jurisdiction over the business via the Bank of Japan, using the form specified in the relevant item. In this case, the number of copies of the written report that must be submitted shall be the number of ministers having jurisdiction over the business plus one:

(i) Acquisition of shares or equity as prescribed in Article 26, paragraph (2), item (i) or item (iii) of the Act and acquisition of investment securities as prescribed in Article 2, paragraph (9), item (ii) of the Order, and the discretionary investment in shares as prescribed in item (iii) of the same paragraph: Appended Form 11;

(ii) Transfer of shares or equity as prescribed in Article 26, paragraph (2), item (ii) of the Act: Appended Form 12;

(iii) Loans of money as prescribed in Article 26, paragraph (2), item (vi) of the

Act: Appended Form 16;

- (iv) Acquisition of bonds as prescribed in Article 2, paragraph (9), item (i) of the Order: Appended Form 17.

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

Article 6-3 A resident who intends to make a report based on the provisions of Article 6-4, paragraph (1) of the Order must submit a written report prepared using Appended Form 18 to the Minister of Finance and the minister having jurisdiction over the business, via the Bank of Japan. In this case, the provisions of the second sentence of the preceding Article shall apply *mutatis mutandis*.

(Report Based on the Provisions of Article 6-5 of the Order)

Article 7 (1) When a person who has given a notification under Article 27, paragraph (1) of the Act has taken any of the actions listed in the following items, he/she must, in accordance with the category of said act, submit a written report prepared using the form specified in the relevant item to the Minister of Finance and the minister having jurisdiction over the business via the Bank of Japan, within 30 days from the day on which he/she took said action. In this case, the number of copies of the written report that must be submitted shall be the number of ministers having jurisdiction over the business plus one:

- (i) The acquisition of the shares or equity (including investment securities that are issued by a juridical person established under a special Act) pertaining to the relevant notification, or discretionary investment in said shares; or the disposition of all or part of said shares or equity after the shares or equity have been acquired or after said discretionary investment in shares has been carried out: Appended Form 19;
  - (ii) Loans of money or the acquisition of claims pertaining to the relevant notification, or the receipt of a refund or the redemption (including where a prepayment or early redemption has been received) of all or part of the principal on said loans or claims after said loans have been provided or after said claims have been acquired: Appended Form 20;
  - (iii) Suspension of the establishment of a branch office, etc. pertaining to the relevant notification (excluding suspension resulting from a recommendation or an order to suspend inward direct investment, etc. based on the provisions of Article 27, paragraph (7) or paragraph (10) of the Act) or abolition of said branch office, etc.: Appended Form 22.
- (2) The Minister of Finance and the minister having jurisdiction over the business shall, where they request the submission of a report as prescribed in Article 6-5, paragraph (1) of the Order, in addition to where they request the

submission of a report in the form of a written report prescribed in the preceding paragraph, designate the matters to be reported and notify the persons prescribed in the same paragraph or the relevant persons thereof.

- (3) The procedures specified by an ordinance of the competent ministry, referred to in Article 6-5, paragraph (2) of the Order, shall include the location for the relevant person to submit a written report containing the matters designated as prescribed in paragraph (1) of the same Article, the number of copies of the written report for said person to submit, and other procedures specified by the Minister of Finance and the minister having jurisdiction over the business.
- (4) The Minister of Finance and the minister having jurisdiction over the business shall, when they give notice as prescribed in paragraph (2), give notice of the procedures as prescribed in the preceding paragraph as well.

(Notice, etc. on the Shortening of a Period)

Article 8 When the Minister of Finance and the minister having jurisdiction over the business shorten the period during which transactions or acts may not be carried out pursuant to the proviso to Article 27, paragraph (2) and paragraph (4) of the Act or the proviso to Article 30, paragraph (2) and paragraph (4) of the Act, they shall shorten the period by way of noting the shortened period on the certificate of receipt of the notification as prescribed in Article 3, paragraph (8) or Article 5, paragraph (3) and delivering said certificate of receipt of the notification to the person who gave the notification, or by way of delivering a written notice in which the shortened period is noted to the person who gave the notification.

(Notice of the Rescission of a Recommendation or Order)

- Article 9 (1) When the Minister of Finance and the minister having jurisdiction over the business rescind, based on the provisions of Article 27, paragraph (11) of the Act, the whole or a part of a recommendation or order issued to a person who has submitted a notice of his/her acceptance of the recommendation to change the content of his/her inward direct investment, etc. pursuant to paragraph (7) of the same Article or a person who has been ordered to change the content of his/her inward direct investment, etc. pursuant to paragraph (10) of the same Article, they shall rescind such recommendation or order by way of delivering a written notice in which the details of said rescission are noted to the person who has submitted a notice of his/her acceptance or the person who has been ordered to make the change.
- (2) The provisions of the preceding paragraph shall apply mutatis mutandis to the rescission of the whole or part of a recommendation or order as prescribed in Article 5, paragraph (7) of the Order based on the provisions of Article 27, paragraph (11) of the Act as applied mutatis mutandis pursuant to Article 30,

paragraph (7) of the Act.

(Delegation of Administrative Affairs)

Article 10 (1) Administrative affairs that the Minister of Finance and the minister having jurisdiction over the business personally carry out based on the proviso to Article 10 of the Order shall be administrative affairs in connection with the receipt of notices and reports under the provisions of Article 7, paragraphs (2) to (4).

(2) Administrative Affairs specified by the Minister of Finance and the minister having jurisdiction over the business as prescribed in Article 10, item (ii) of the Order shall be the following administrative affairs:

- (i) Administrative affairs involving noting on a certificate of receipt of the notification, on the day following the date on which two weeks have passed from the date of receipt of a notification as prescribed in Article 27, paragraph (1) or Article 30, paragraph (1) of the Act, to the effect that transactions or acts pertaining to said notification may be carried out from said day; provided, however, that these administrative affairs shall be excluded where the Minister of Finance and the minister having jurisdiction over the business have found a need for examination and notified the Bank of Japan that the period will not be shortened;
- (ii) In addition to the administrative affairs listed in the preceding item, where the Minister of Finance and the minister having jurisdiction over the business have indicated otherwise, administrative affairs involving noting the shortened period on a certificate of receipt of the notification on the day that they have indicated.

### **Supplementary Provisions**

(1) This Order shall come into effect as of the date of enforcement of the Act for the Partial Revision of the Foreign Exchange and Foreign Trade Control Act (Act No. 65 of 1979) (December 1, 1980).

(2) The following ministerial ordinances are hereby abolished:

- (i) Ordinance for Enforcement of the Act on Foreign Capital (Ordinance of the Foreign Investment Commission No. 2 of 1950);
- (ii) Ordinance Specifying the Cases of Acquisition of Shares or Equity by Foreign Investors that Are Deemed to be Investment Activities (Ordinance of the Ministry of Finance, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications and Ministry of Construction No. 1 of 1967);
- (iii) Ordinance Specifying the Scope of Affairs to be Handled by the Bank of



- Japan Pursuant to the Provisions of the Act on Foreign Capital (Ordinance of the Ministry of Finance, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications and Ministry of Construction No. 2 of 1967);
- (iv) Ordinance on Approval, etc. of Ownership of Shares Pertaining to Foreign Investors in Line with the Reversion of Okinawa (Ordinance of the Ministry of Finance, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications and Ministry of Construction No. 2 of 1972).
- (3) For transactions or acts pertaining to any application or notification that has been made pursuant to the provisions of Article 10, Article 11, paragraph (1), Article 12, paragraph (1), Article 13, paragraph (1), Article 13-2, or Article 13-3 of the Act on Foreign Capital prior to its abolition by the Act for the Partial Revision of the Foreign Exchange and Foreign Trade Control Act (the Act on Foreign Capital [Act No. 163 of 1950] so abolished shall be hereinafter referred to as the "Old Foreign Capital Act") as of the time of the enforcement of this Order, the Ordinance for Enforcement of the Act on Foreign Capital prior to its abolition by this Order (the Ordinance for Enforcement of the Act on Foreign Capital so abolished shall be hereinafter referred to as the "Old Ordinance for Enforcement"), the Ordinance Specifying the Cases of Acquisition of Shares or Equity by Foreign Investors that Are Deemed to be Investment Activities, and the Ordinance Specifying the Scope of Affairs to be Handled by the Bank of Japan Pursuant to the Provisions of the Act on Foreign Capital shall remain in force even after the enforcement of this Order.
- (4) For shares, etc. as prescribed in Article 13-2 of the Old Foreign Capital Act or consideration, etc. or the right to consideration, etc. as prescribed in Article 13-3 of the Old Foreign Capital Act for which the date of acquisition is prior to the date of enforcement of this Order, the provisions of Article 7, Article 8 and Article 14 of the Old Ordinance for Enforcement shall remain in force even after the enforcement of this Order.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of September 26, 1981]**

This Order shall come into effect as of October 1, 1981.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of June 19, 1984]**

This Order shall come into effect as of the date of enforcement of the provisions of Article 5 of the Act for the Partial Revision of the Act on Measures Accompanying the Accession to the International Monetary Fund and International Bank for Reconstruction and Development for the Purpose of Forming a Harmonized Foreign Economic Relationship (July 1, 1984).

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of June 20, 1985]**

This Order shall come into effect as of July 1, 1985.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 2 of November 20, 1985]**

This Order shall come into effect as of December 1, 1985.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of April 6, 1989]**

This Order shall come into effect as of the date of its promulgation.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of December 21, 1991]**

This Order shall come into effect as of the date of enforcement of the Act for the Partial Revision of the Foreign Exchange and Foreign Trade Control Act (January 1, 1992).

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of July 3, 1995]**

(Effective Date)

Article 1 This Order shall come into effect as of the date of its promulgation.

(Transitional Measures)

Article 2 Except for what is provided for in paragraph (2) of the following Article, for inward direct investment, etc. pertaining to a notification that has been given prior to the date of enforcement of this Order (hereinafter referred to as the "enforcement date") pursuant to the provisions of Article 27, paragraph (1) of the Foreign Exchange and Foreign Trade Control Act (hereinafter referred to as the "Act") (said inward direct investment, etc. shall be hereinafter referred to as the "inward direct investment, etc. pertaining to a notification prior to the enforcement date") with regard to which the period during which inward direct investment, etc. may not be made as prescribed in paragraph (2) of the same Article (where said period has been extended pursuant to the provisions of paragraph (3) or paragraph (6) of the same Article, said extended period) has expired prior to the enforcement date, the provisions then in force shall remain applicable.

Article 3 (1) For inward direct investment, etc. pertaining to a notification prior to the enforcement date with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in Article 27, paragraph (2) of the Act has not expired as of the time of the enforcement of this Order, and that falls under the category of inward direct investment, etc.

that is to be reported pursuant to the provisions of Article 26, paragraph (3) of the Act due to the relevance to a country listed in Appended Table 1 of the Order on Inward Direct Investment, etc. after its revision by this Order, said period may be deemed to have expired on the day preceding the enforcement date, and the foreign investor who has given said notification may carry out said inward direct investment, etc. on or after the enforcement date. In this case, said notification shall be deemed to be a report that was made pursuant to the provisions of the main clause of the same paragraph on the day on which said inward direct investment, etc. was carried out.

- (2) For inward direct investment, etc. pertaining to a recommendation as prescribed in Article 27, paragraph (5) of the Act, a notice as prescribed in paragraph (7) of the same Article, or an order as prescribed in paragraph (10) of the same Article that has been given prior to the enforcement date, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 4 For the application of penal provisions to acts committed prior to the enforcement of this Order and acts committed after the enforcement of this Order in connection with transactions or acts to which the provisions then in force are to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of March 19, 1998]**

(Effective Date)

Article 1 This Order shall come into effect as of the date of enforcement of the Act for the Partial Revision of the Foreign Exchange and Foreign Trade Control Act (April 1, 1998).

(Transitional Measures)

Article 2 Except for what is provided for in paragraph (2) of the following Article, for inward direct investment, etc. pertaining to a notification that has been given prior to the date of enforcement of this Order (hereinafter referred to as the "enforcement date") pursuant to the provisions of Article 27, paragraph (1) of the Foreign Exchange and Foreign Trade Control Act prior to its revision by the Act for the Partial Revision of the Foreign Exchange and Foreign Trade

Control Act (the Foreign Exchange and Foreign Trade Control Act prior to its revision shall be hereinafter referred to as the "Old Act")(said inward direct investment, etc. shall be hereinafter referred to as the "inward direct investment, etc. pertaining to a notification prior to the enforcement date") with regard to which the period during which inward direct investment, etc. may not be made as prescribed in paragraph (2) of the same Article (where said period has been extended pursuant to the provisions of paragraph (3) or paragraph (6) of the same Article, said extended period) has expired prior to the enforcement date, the provisions then in force shall remain applicable.

- Article 3 (1) For inward direct investment, etc. pertaining to a notification prior to the enforcement date with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in Article 27, paragraph (2) of the Old Act has not expired as of the time of the enforcement of this Order, and that falls under the category of inward direct investment, etc. that is to be reported pursuant to the provisions of Article 55-5, paragraph (1) of the Foreign Exchange and Foreign Trade Act after its revision by the Act for the Partial Revision of the Foreign Exchange and Foreign Trade Control Act (the Foreign Exchange and Foreign Trade Act so revised shall be hereinafter referred to as the "New Act") due to the relevance to a business type specified by the Minister of Finance and the minister having jurisdiction over the business pursuant to Article 3, paragraph (3) of the Order on Inward Direct Investment, etc. after its revision by this Order (the Order on Inward Direct Investment, etc. so revised shall be hereinafter referred to as the "New Order") or a country listed in Appended Table 1 as prescribed in paragraph (4) of the same Article, said period may be deemed to have expired on the day preceding the enforcement date, and the foreign investor who has given said notification may carry out said inward direct investment, etc. on or after the enforcement date. In this case, said notification shall be deemed to be a report that was made pursuant to the provisions of the main clause of the same paragraph on the day on which said inward direct investment, etc. was carried out.
- (2) For inward direct investment, etc. pertaining to a recommendation as prescribed in Article 27, paragraph (5) of the Old Act, a notice as prescribed in paragraph (7) of the same Article, or an order as prescribed in paragraph (10) of the same Article that has been given prior to the enforcement date, the provisions then in force shall remain applicable.

Article 4 The provisions of Article 3, paragraph (2), items (iii) and (iv) of the New Order shall apply to consent given in regard to the substantial change of the business purpose of a company as prescribed in Article 26, paragraph (2), item (iv) of the New Act and any substantial change in the type or business

purpose of the branch offices, etc. in Japan as prescribed in item (v) of the same paragraph (hereinafter referred to as the "consent given in regard to the substantial change of the business purpose of a company, etc." in this Article), that was given or made after the enforcement date, and with regard to consent given in regard to the substantial change of the business purpose of a company, etc. prior to the same date, the provisions then in force shall remain applicable.

Article 5 With regard to written notices, etc. that are to be prepared using Appended Forms 1 to 22 inclusive of this Order, Appended Forms 8 to 15 inclusive, Appended Form 17, Appended Form 18, Appended Forms 1 to 7 inclusive, Appended Form 16, and Appended Forms 19 to 22 inclusive from prior to their revision by this Order may be corrected accordingly and used as written notices until otherwise stipulated.

(Transitional Measures concerning Penal Provisions)

Article 6 For the application of penal provisions to acts committed prior to the enforcement of this Order and acts committed after the enforcement of this Order in connection with matters to which the provisions then in force are to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of  
Transport, Ministry of Posts and Telecommunications, Ministry of  
Labour and Ministry of Construction No. 1 of May 23, 2000]**

(Effective Date)

Article 1 This Order shall come into effect as of the date of its promulgation; provided, however, that the provisions that add item 159 to Appended Table 1 shall come into force as of the day on which the Agreement Between the Government of Japan and the Government of the Russian Federation Concerning the Promotion and Protection of Investments takes effect (May 27, 2000).

(Transitional Measures)

Article 2 Except for what is provided for in paragraph (2) of the following Article, for inward direct investment, etc. pertaining to a notification that has been given prior to the date of enforcement of this Order (hereinafter referred to as the "enforcement date") pursuant to the provisions of Article 27, paragraph (1)

of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Act") (said inward direct investment, etc. shall be hereinafter referred to as the "inward direct investment, etc. pertaining to a notification prior to the enforcement date") with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in paragraph (2) of the same Article (where said period has been extended pursuant to the provisions of paragraph (3) or paragraph (6) of the same Article, said extended period) has expired prior to the enforcement date, the provisions then in force shall remain applicable.

Article 3 (1) For inward direct investment, etc. pertaining to a notification prior to the enforcement date with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in Article 27, paragraph (2) of the Act has not expired as of the time of the enforcement of this Order, and that falls under the category of inward direct investment, etc. that is to be reported pursuant to the provisions of Article 55-5, paragraph (1) of the Act due to the relevance to a country listed in Appended Table 1 of the Order on Inward Direct Investment, etc. after its revision by this Order, said period may be deemed to have expired on the day preceding the enforcement date, and the foreign investor who has given said notification may carry out said inward direct investment, etc. on or after the enforcement date. In this case, said notification shall be deemed to be a report that was made pursuant to the provisions of the main clause of the same paragraph on the on which said inward direct investment, etc. was carried out.

(2) For inward direct investment, etc. pertaining to a recommendation as prescribed in Article 27, paragraph (5) of the Act, a notice as prescribed in paragraph (7) of the same Article, or an order prescribed in paragraph (10) of the same Article that has been given prior to the enforcement date, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 4 For the application of penal provisions to acts committed prior to the enforcement of this Order and acts committed after the enforcement of this Order in connection with matters to which the provisions then in force are to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Ordinance of the Prime Minister's Office,  
Ministry of Finance, Ministry of Education, Science and Culture,  
Ministry of Health and Welfare, Ministry of Agriculture, Forestry and  
Fisheries, Ministry of International Trade and Industry, Ministry of**

**Transport, Ministry of Posts and Telecommunications, Ministry of Labour and Ministry of Construction No. 2 of August 21, 2000]**

- (1) This Order shall come into effect as of the date of enforcement of the Act for the Partial Revision of the Cabinet Act (Act No. 88 of 1999) (January 6, 2001).
- (2) With regard to written notices that are to be prepared using Appended Forms 1 to 7 inclusive and Appended Form 9 of this Order, Appended Forms 1 to 7 inclusive and Appended Form 9 from prior to their revision by this Order may be corrected accordingly and used as written notices until otherwise stipulated.

**Supplementary Provisions [Ordinance of the Prime Minister's Office, Ministry of Finance, Ministry of Education, Science and Culture, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications, Ministry of Labour and Ministry of Construction No. 3 of December 1, 2000]**

This Order shall come into effect as of the date of its promulgation.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism No. 1 of March 28, 2001]**

This Order shall come into effect as of the date of its promulgation.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism No. 2 of December 21, 2001]**

(Effective Date)

Article 1 This Order shall come into effect as of the date of its promulgation.

(Transitional Measures)

Article 2 Except for what is provided for in paragraph (2) of the following Article, for inward direct investment, etc. pertaining to a notification that has been



given prior to the date of enforcement of this Order (hereinafter referred to as the "enforcement date") pursuant to the provisions of Article 27, paragraph (1) of the Foreign Exchange and Foreign Trade Act (hereinafter referred to as the "Act") (said inward direct investment, etc. shall be hereinafter referred to as the "inward direct investment, etc. pertaining to a notification prior to the enforcement date") with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in paragraph (2) of the same Article (where said period has been extended pursuant to the provisions of paragraph (3) or paragraph (6) of the same Article, said extended period) has expired prior to the enforcement date, the provisions then in force shall remain applicable.

Article 3 (1) For inward direct investment, etc. pertaining to a notification prior to the enforcement date with regard to which the period during which inward direct investment, etc. may not be carried out as prescribed in Article 27, paragraph (2) of the Act has not expired as of the time of the enforcement of this Order, and that falls under the category of inward direct investment, etc. that is to be reported pursuant to the provisions of Article 55-5, paragraph (1) of the Act due to the relevance to a country listed in Appended Table 1 of the Order on Inward Direct Investment, etc. after its revision by this Order, said period may be deemed to have expired on the day preceding the enforcement date, and the foreign investor who has given said notification may carry out said inward direct investment, etc. on or after the enforcement date. In this case, said notification shall be deemed to be a report that was made pursuant to the provisions of the main clause of the same paragraph on the day on which said inward direct investment, etc. was carried out.

(2) For inward direct investment, etc. pertaining to a recommendation as prescribed in Article 27, paragraph (5) of the Act, a notice as prescribed in paragraph (7) of the same Article, or an order as prescribed in paragraph (10) of the same Article that has been given prior to the enforcement date, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 4 For the application of penal provisions to acts committed prior to the enforcement of this Order and acts committed after the enforcement of this Order in connection with matters to which the provisions then in force are to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of**

**Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry and Ministry of Land, Infrastructure, Transport and Tourism No. 1 of March 28, 2002]**

- (1) This Order shall come into effect as of April 1, 2002.
- (2) With regard to written notices, etc. that are to be prepared using Appended Form 7 and Appended Form 17 of this Order, Appended Form 7 and Appended Form 17 from prior to their revision by this Order may be corrected accordingly and used as written notices until otherwise stipulated.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 1 of September 20, 2002]**

This Order shall come into effect as of October 1, 2002.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 1 of March 27, 2003]**

(Effective Date)

Article 1 This Order shall come into for as of April 1, 2003; provided, however, that the part of the provisions revising Appended Form 7 and Appended Form 17 that revises "convertible bonds and bonds with preemptive rights" to "bonds with share options, etc." shall come into effect as of January 1, 2005.

(Transitional Measures)

Article 2 With regard to written notices, etc. that are to be prepared using Appended Forms 1 to 3 inclusive, Appended Forms 6 and 7, Appended Form 9, Appended Forms 11 to 13 inclusive, Appended Forms 16 to 18 inclusive, and Appended Form 20 after their revision by this Order, Appended Forms from prior to their revision by this Order may be corrected accordingly and used as

written notices until otherwise stipulated.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 1 of March 19, 2004]**

This Order shall come into effect as of April 1, 2004.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 2 of April 28, 2006]**

This Order shall come into effect as of the date of enforcement of the Companies Act (May 1, 2006).

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 1 of August 9, 2007]**

This Order shall come into effect as of the date of enforcement of the Act for the Partial Revision of the Securities and Exchange Act.

**Supplementary Provisions [Ordinance of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism and Ministry of the Environment No. 2 of September 7, 2007] [Extract]**

(Effective Date)

Article 1 This Order shall come into effect as of September 28, 2007.

Appended Table 1 (Re: Art. 3)

- 1 Iceland
- 2 Ireland
- 3 United States of America
- 4 United Arab Emirates
- 5 Algeria
- 6 Argentina
- 7 Albania
- 7-2 Armenia
- 8 Angola
- 9 Antigua and Barbuda
- 10 Israel
- 11 Italy
- 12 Iran
- 13 India
- 14 Indonesia
- 15 Uganda
- 15-2 Ukraine
- 16 Uruguay
- 17 United Kingdom
- 18 Ecuador
- 19 Egypt
- 20 Estonia
- 21 Ethiopia
- 22 El Salvador
- 23 Australia
- 24 Austria
- 25 Oman
- 26 Netherlands
- 27 Ghana
- 28 Guyana
- 29 Qatar
- 30 Canada
- 31 Gabon
- 32 Cameroon
- 33 Gambia
- 34 Cambodia
- 35 Guinea
- 36 Guinea-Bissau
- 37 Cyprus
- 38 Cuba
- 39 Greece
- 40 Kyrgyzstan
- 41 Guatemala
- 42 Kuwait

43 Republic of Georgia  
44 Grenada  
45 Croatia  
46 Kenya  
47 Côte d'Ivoire  
48 Costa Rica  
49 Colombia  
50 Republic of Congo  
51 Democratic Republic of Congo  
52 Saudi Arabia  
53 Samoa  
54 Zambia  
55 Sierra Leone  
56 Djibouti  
57 Jamaica  
58 Syria  
59 Singapore  
60 Zimbabwe  
61 Switzerland  
62 Sweden  
63 Sudan  
64 Spain  
65 Suriname  
66 Sri Lanka  
67 Slovakia  
68 Slovenia  
69 Swaziland  
70 Senegal  
71 St. Christopher and Nevis  
72 St. Vincent  
73 St. Lucia  
74 Solomon  
75 Thailand  
76 Republic of Korea  
77 Taiwan  
78 Tanzania  
79 Czech Republic  
80 Chad  
81 Central Africa  
82 People's Republic of China  
83 Tunisia  
84 Chile  
85 Denmark  
86 Germany  
87 Togo  
88 Dominica  
89 Dominican Republic  
90 Trinidad and Tobago  
91 Turkey  
91-2 Tonga

92 Nigeria  
93 Nauru  
94 Namibia  
95 Nicaragua  
96 Niger  
97 New Zealand  
98 Nepal  
99 Norway  
100 Bahrain  
101 Haiti  
102 Pakistan  
103 Panama  
104 Vanuatu  
105 Bahamas  
106 Papua New Guinea  
107 Paraguay  
108 Barbados  
109 Hungary  
110 Bangladesh  
111 Fiji  
112 Philippines  
113 Finland  
114 Bhutan  
115 Brazil  
116 France  
117 Bulgaria  
118 Burkina Faso  
119 Brunei  
120 Burundi  
121 Vietnam  
122 Benin  
123 Venezuela  
124 Belize  
125 Peru  
126 Belgium  
127 Poland  
128 Botswana  
129 Bolivia  
130 Portugal  
131 Hong Kong  
132 Honduras  
133 Marshall  
134 Macau  
135 Former Yugoslav Republic of Macedonia  
136 Madagascar  
137 Malawi  
138 Mali  
139 Malta  
140 Malaysia  
141 Micronesia

142 Republic of South Africa  
 143 Myanmar  
 144 Mexico  
 145 Mauritius  
 146 Mauritania  
 147 Mozambique  
 148 Monaco  
 149 Maldives  
 150 Moldova  
 151 Morocco  
 152 Mongolia  
 153 Jordan  
 154 Laos  
 155 Latvia  
 156 Lithuania  
 157 Liechtenstein  
 158 Romania  
 159 Luxembourg  
 160 Rwanda  
 161 Lesotho  
 162 Lebanon  
 163 Russia

Appended Table 2 (Re: Art. 5)

	Technology
( 1 )	Aircraft technology that falls under either of the following categories  (a) Technology related to the design, manufacture, or use of aircraft (b) Technology related to the design, manufacture, or use of any aircraft parts or auxiliary equipment
( 2 )	Weapons technology that falls under any of the following categories  (a) Technology related to the design, manufacture, or use of weapons (b) Technology related to the design, manufacture, or use of any weapons parts or accessories (c) Technology related to the manufacture of electronic equipment for military use
( 3 )	Explosives manufacturing technology
( 4 )	Nuclear power technology that falls under any of the following categories  (a) Technology related to the design, manufacture, or use of nuclear reactors (including nuclear fusion reactors; the same shall apply hereinafter) or their parts, auxiliary equipment, components, nuclear turbines, or nuclear power generators

	<p>(b) Technology related to the design, manufacture, use, or reprocessing of nuclear fuel, or technology related to the design or manufacture of equipment used therefor</p> <p>(c) Technology related to the design, manufacture, or use of radiation generators, technology related to the use or processing of radioactive substances, or technology related to the design or manufacture of equipment used therefor</p> <p>(d) Technology related to the use of nuclear reactions by means other than nuclear reactors</p>
( 5 )	<p>TSpace development technology that falls under any of the following categories</p> <p>(a) Technology related to the design, manufacture, or use of spacecraft (excluding meteorological sounding rockets; the same shall apply hereinafter) or equipment specially designed for the launching, guidance control, tracking, or use of spacecraft, or the parts, auxiliary equipment, or materials thereof</p> <p>(b) Technology related to the design, manufacture, or use of test equipment specially designed for the development of spacecraft or the parts, auxiliary equipment, or materials thereof</p> <p>(c) Technology related to the design, manufacture or use of the thrust source of spacecraft</p>