

Ordinance for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities

(Ordinance of the Cabinet Office; Ministry of Internal Affairs; Ministry of Finance; 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 5, 2009)

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Chapter I General Provisions

(Definitions)

Article 1 The terms used in this Ordinance shall follow the definitions in the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (hereinafter referred to as "Act") and the Order of Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (hereinafter referred to as the "Order").

(Relationships Specified by the Ordinance of the Competent Ministry
Concerning Affiliated Business Operators)

Article 2 The relationships specified by the Ordinance of the competent ministry set forth in Article 2, paragraph (2) of the Act shall be relationships that fall under any of the following items:

- (i) a relationship where a business operator holds a number or amount of shares that is equivalent to 50 percent of the total number of issued shares, total number of units of contribution or total amount of the contribution value of another business operator;
- (ii) a relationship that falls under either of the following (a) or (b) below and where the officers or employees of a business operator account for one half or more of the total number of officers of another business operator (in the case of a relationship that falls under (b), where the total number of issued shares, total number of units of contribution or total amount of the contribution value of said other business operator that was established by the contribution of assets other than money by said business operator with a business operator other than said business operator and said other business operator (hereinafter referred to as the "third business operator" in this Article) is held by said business operator and said third business operator, a relationship where the percentage of officers or employees of said business operator among the total number of officers of said other business operator is not also below the percentage of officers or employees of any other single person in the total number of officers of said other business operator);
 - (a) said business operator shall hold a number or amount of shares or contributions that is equivalent to 40 percent or more and less than 50 percent of the total number of issued shares, total number of units of contribution or total amount of the contribution value of said other business operator; and
 - (b) the number of issued shares, the number of units of contribution or the amount of contribution value of said another business operator held by said business operator shall be 20 percent or more and less than 40 percent of the total number of issued shares, total number of units of contribution or total amount of contribution value of said other business operator and shall not also be below the number of issued shares, the number of units of contribution or the amount of contribution value of said other operator, which is held by any other single person.
- (iii) a relationship where a subsidiary company (meaning another business operator that has a relationship as prescribed in item (i) or a relationship that falls under (a) or (b) of the preceding item and where the officers or employees of said business operator account for one half or more of the total number of officers; hereinafter the same shall apply in this Article and the

- following Article) or a subsidiary and said business operator hold(s) the number or amount of shares or contributions equivalent to 50 percent or more of the total issued shares, total number of units of contributions or total amount of contribution value of another business operator; or
- (iv) a relationship that falls under the following (a) or (b) below and officers or employees of a subsidiary or a subsidiary and said business operator account for one half or more of the total number of officers of another business operator;
- (a) a subsidiary or a subsidiary and said business operator shall hold a number or amount of shares or contributions that is equivalent to 40 percent or more and less than 50 percent of the total number of issued shares, total number of units of contributions or total amount of contribution value of said other business operator; or
- (b) the number of issued shares, the number of units of contributions or the amount of contribution value of said other business operator held by a subsidiary or a subsidiary and said business operator shall be 20 percent or more and less than 40 percent of the total number of issued shares, total number of units of contributions or total amount of contribution value of said other business operator and shall also not be below the number of issued shares, number of units of contributions or the amount of contribution value of said other business operator that is held by any other single person.

(Relationships Specified by the Ordinance of the Competent Ministry
Concerning Affiliated Foreign Juridical Persons)

Article 3 The relationship specified by the Ordinance of the competent ministry set forth in Article 2, paragraph (3) of the Act shall be a relationship that falls under any of the following items:

- (i) a relationship where a business operator holds the number or amount of issued shares or equity, or their equivalent of a foreign juridical person (hereinafter collectively referred to as "shares, etc." in this Article) that is equivalent to 50 percent or more of the total number or total amount of shares, etc. ;
- (ii) a relationship that falls under the following (a) or (b) below and where the officers or employees of a business operator account for one half or more of the total number of officers of a foreign juridical person or persons equivalent thereto (hereinafter collectively referred to as "officers, etc." in this Article);
- (a) said business operator shall hold a number or amount of shares, etc. that is equivalent to 40 percent or more and less than 50 percent of the total number or total amount of shares, etc. of said foreign juridical person; or
- (b) the number or the amount of shares, etc. of said foreign juridical person

held by said business operator shall be 20 percent or more and 40 percent or less and shall not be below also the number or amount of shares, etc. of said foreign juridical person held by any other single person.

- (iii) a relationship where a subsidiary or a foreign subsidiary (meaning a foreign juridical person set forth in each of the preceding two items in cases where a business operator holds the relationship prescribed in said items) (hereinafter collectively referred to as "subsidiary, etc." in this Article) or a subsidiary, etc. and said business operator hold(s) a number or amount of shares, etc. that is equivalent to 50 percent or more of the total number or total amount of shares, etc. of a foreign juridical person; or
- (iv) a relationship that falls under the following (a) or (b) below and where the officers, etc. or employees of a subsidiary, etc. or a subsidiary, etc. and said business operator account(s) for one half or more of the total number of officers, etc. of a foreign juridical person:
 - (a) a subsidiary, etc. or a subsidiary, etc. and said business operator shall hold a number or amount of shares, etc. that is equivalent to 40 percent or more and 50 percent or less of the total number or total amount of shares, etc. of said foreign juridical person; or
 - (b) the number or amount of shares, etc. of said foreign juridical person that is held by a subsidiary, etc. or a subsidiary, etc. and said business operator shall be 20 percent or more and 40 percent or less of the total number or total amount of shares, etc. of said foreign juridical person and shall also not be below the number or amount of shares, etc. of said foreign juridical person that is held by any other single person.

Chapter II Facilitation of Business Reconstruction, Management Resource Reutilization, Management Resource Integration, and Resource Productivity Innovation
Section 1 Business Reconstruction Plan

(Application for Business Reconstruction Plan Approval)

Article 4 (1) Any business operator who intends to obtain approval of a business reconstruction plan based on the provisions of Article 5, paragraph (1) of the Act shall submit an application, using Form 1, and a copy thereof to the competent minister.

- (2) The following documents respectively shall be attached to the application and the copy set forth in the preceding paragraph:
 - (i) a copy of the articles of incorporation of said business operator (in cases where the business reconstruction plan includes a plan concerning measures to be undertaken for the business reconstruction of said business operator by an affiliated business operator or affiliated foreign juridical person who

- engages in the business at the time of filling the application, said business operator and said affiliated business operator or said affiliated foreign juridical person; hereinafter the same shall apply in this paragraph) or their equivalent and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
- (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that the productivity of said business operator will improve considerably by implementing said business reconstruction plan;
 - (iv) a document indicating that the soundness of the financial conditions will improve considerably by implementing said business reconstruction plan;
 - (v) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the implementation of said business reconstruction plan; and
 - (vi) a document evidencing that said business reconstruction plan does not unreasonably harm the status of the employees.
- (3) A business operator who intends to obtain approval of a business reconstruction plan that includes a plan concerning funds that contributes to the smooth and reliable implementation of a business reconstruction plan and involves a debt waiver (hereinafter referred to as a "financial plan pertaining to business reconstruction" in this paragraph, Article 6, paragraph (3) and Article 48, paragraph (5)) shall attach the following documents respectively in addition to the documents listed in the items of the preceding paragraph:
- (i) a report pertaining to the financial plan of the business reconstruction by a certified public accountant or an audit corporation;
 - (ii) a document indicating the names of the business reconstruction creditors (meaning creditors who agreed to the debt waiver that is stated in the financial plan pertaining to the business reconstruction; hereinafter the same shall apply in this paragraph and Article 48, paragraph (5)), the date of the loan agreement certificate and other casual certificates and the amount equivalent to the claim;
 - (iii) a document stating the amount of the debt waiver of the individual business reconstruction creditors and the percentage of the debt waiver among the business reconstruction creditors;
 - (iv) a document evidencing that there is a clear agreement pertaining to said debt waiver with the business reconstruction creditors;
 - (v) a document indicating the implementation of measures for clarifying the responsibility of shareholders, including capital reduction and other measures; and
 - (vi) an inspection report by an expert (meaning a person who has expert

knowledge and experience pertaining to laws, taxation, finance, corporate finance, asset evaluation, etc. pertaining to the plan which contains continuation and reconstruction of the business of a business operator whose debt is to be waived) pertaining to the plan which contains the continuation and reconstruction of the business of said business operator (the plan shall be referred to as the "reconstruction plan related to the business reconstruction" in Article 48, paragraph (5)).

- (4) The implementation period of the business reconstruction plan pertaining to the application set forth in paragraph (1) shall not exceed three years.

(Approval of a Business Reconstruction Plan)

Article 5 (1) In cases where the competent minister receives a business reconstruction plan, examines the content promptly in light of Article 5, paragraph (6) of the Act and approves said business reconstruction plan, he/she shall state as follows in the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act). "Pursuant to the provisions of Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who is undertaking structural changes to a business as prescribed in Article 2, paragraph (4), item (i) of said Act and is undertaking business innovation as prescribed in item (ii) of said paragraph (as a person who is undertaking structural changes to a business as prescribed in Article 2, paragraph (4), item (i) of said Act) (as a person who is undertaking business innovation as prescribed in Article 2, paragraph (4), item (ii) of said Act)."

- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 2.
- (3) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the date of said approval, the name of said approved business operator and the content of the business reconstruction plan pertaining to said approval using Form 3.

(Application for Approval of Changes to an Approved Business Reconstruction Plan and Its Approval)

Article 6 (1) Minor changes that do not involve changes to the purpose of the approved business reconstruction plan shall not require the approval of changes set forth in Article 6, paragraph (1) of the Act.

- (2) A business operator who intends to obtain an approval of changes to the business reconstruction plan based on the provisions of Article 6, paragraph (1) of the Act shall submit an application using Form 4 and a copy thereof to the competent minister.
- (3) The application and a copy set forth in the preceding paragraph shall be attached to a copy of the approved business reconstruction plan (in cases where the business reconstruction plan after the change newly includes a financial plan pertaining to business reconstruction, a copy of the approved business reconstruction plan and the documents listed in the items of Article 4, paragraph (3)) respectively.
- (4) The implementation period of the business reconstruction plan pertaining to the application for approval of changes set forth in paragraph (2) shall include the period where the business reconstruction was implemented in accordance with the approved business reconstruction plan before filing said application for approval of changes and shall not exceed three years.
- (5) In cases where the competent minister receives a business reconstruction plan pertaining to an application for approval of changes as set forth in paragraph (2), examines the content promptly in light of Article 5, paragraph (6) of the Act and approves the changes to said business reconstruction plan, he/she shall state as follows in the original copy of the application pertaining to said approval of changes, sign and seal it and deliver the application as a certificate to said business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act). "Pursuant to the provisions of Article 6, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the change."
- (6) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 5.
- (7) When the competent minister grants approval of the changes set forth in paragraph (5), he/she shall announce the date of said approval, the name of said approved business operator and the content of the business reconstruction plan pertaining to said approval using Form 6.

(Instructions on Changes to an Approved Business Reconstruction Plan)

Article 7 When the competent minister instructs changes to be made to an approved business reconstruction plan pursuant to the provisions of Article 6, paragraph (3) of the Act, he/she shall notify the approved business reconstruction business operator to that effect using Form 7.

(Rescission of Approval of an Approved Business Reconstruction Plan)

- Article 8 (1) When the competent minister rescinds the approval of an approved business reconstruction plan pursuant to the provisions of Article 6, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 8.
- (2) When the competent minister rescinds the approval of the approved business reconstruction plan, he/she shall announce the date of said rescission, the name of the business operator whose approval is rescinded and the reasons for said rescission using Form 9.

Section 2 Management Resource Reutilization Plan

(Application for Management Resource Reutilization Plan Approval)

- Article 9 (1) A business operator who intends to obtain approval of a management resource reutilization plan based on the provisions of Article 7, paragraph (1) of the Act shall submit an application using Form 10 and a copy thereof to the competent minister.
- (2) The following documents respectively shall be attached to the application and the copy set forth in the preceding paragraph:
- (i) a copy of the articles of incorporation of said business operator or the equivalent thereof and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
 - (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that said business operator utilizes the management resource of another business operator effectively;
 - (iv) a document indicating that the productivity of the business to be succeeded from another business operator will improve considerably by implementing said management resource reutilization plan;
 - (v) a document indicating that the soundness of the financial conditions will improve considerably by implementing said management resource reutilization plan;
 - (vi) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the implementation of said management resource reutilization plan; and
 - (vii) a document evidencing that said management resource reutilization plan does not unreasonably harm the status of employees.
- (3) A business operator who intends to obtain approval of a management resource reutilization plan that includes a plan concerning funds that contributes to the

smooth and reliable implementation of a management resource reutilization plan and involves a debt waiver (hereinafter referred to as a "financial plan pertaining to management resource reutilization" in this paragraph, Article 11, paragraph (3) and Article 48, paragraph (5)) shall attach the following documents respectively in addition to the documents listed in the items of the preceding paragraph:

- (i) a report pertaining to the financial plan of the management resource reutilization by a certified public accountant or an audit corporation;
 - (ii) a document indicating the names of the management resource reutilization creditors (meaning the creditors who agreed to the debt waiver that is stated in the financial plan pertaining to the management resource reutilization; hereinafter the same shall apply in this paragraph and Article 48, paragraph (5)), the date of loan agreement certificate and other casual certificates and the amount equivalent to the claim;
 - (iii) a document stating the amount of the debt waiver of the individual management resource reutilization creditors and the percentage of the debt waiver among the management resource utilization creditors;
 - (iv) a document evidencing that there is a clear agreement pertaining to said debt waiver with the management resource utilization creditors;
 - (v) a document indicating the implementation of measures for clarifying the responsibility of shareholders, including capital reduction and other measures; and
 - (vi) an inspection report by experts pertaining to the plan which contains the continuation and reconstruction of the business of said business operator (the plan shall be referred to as the "reconstruction plan related to management resource reutilization" in Article 48, paragraph (5)).
- (4) The implementation period of the management resource reutilization plan pertaining to the application set forth in paragraph (1) shall not exceed three years.

(Approval of a Management Resource Reutilization Plan)

Article 10 (1) In cases where the competent minister receives a management resource reutilization plan, examines the content promptly in light of Article 7, paragraph (4) of the Act and approves said management resource reutilization plan, he/she shall state as follows in the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act). "Pursuant to the provisions of Article 7, paragraph (1) of the Act on Special Measures Concerning

Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who is undertaking the management resource reutilization as prescribed in Article 2, paragraph (5) of said Act (as a person who is undertaking management resource reutilization as prescribed in Article 2, paragraph (5) of said Act and business innovation as prescribed in Article 2, paragraph (4), item (ii) of said Act)."

- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 11.
- (3) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the date of said approval, the name of said approved business operator and the content of the management resource reutilization plan pertaining to said approval using Form 12.

(Application for Approval of Changes to an Approved Management Resource Reutilization Plan and Its Approval)

- Article 11 (1) Minor changes that do not involve changes to the purpose of the approved management resource reutilization plan shall not require the approval of changes set forth in Article 8, paragraph (1) of the Act.
- (2) A business operator who intends to obtain an approval of changes to the management resource reutilization plan based on the provisions of Article 8, paragraph (1) of the Act shall submit an application using Form 13 and a copy thereof to the competent minister.
 - (3) The application and a copy set forth in the preceding paragraph shall be attached to a copy of the approved management resource reutilization plan (in cases where the management resource reutilization plan after the change newly includes a financial plan pertaining to management resource reutilization, a copy of the approved management resource reutilization plan and the documents listed in the items of Article 9, paragraph (3)) respectively.
 - (4) The implementation period of the management resource reutilization plan pertaining to the application for approval of changes set forth in paragraph (2) shall include the period where the management resource reutilization was implemented in accordance with the approved management resource reutilization plan before filing said application for approval of changes and shall not exceed three years.
 - (5) In cases where the competent minister receives a management resource reutilization plan pertaining to an application for approval of changes as set forth in paragraph (2), examines the content promptly in light of Article 7, paragraph (4) of the Act and approves the changes to said management resource reutilization plan, he/she shall state as follows in the original copy of the application pertaining to said approval of the changes, sign and seal it and

deliver the application as a certificate to said business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act). "Pursuant to the provisions of Article 8, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the change."

(6) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 14.

(7) When the competent minister grants approval of the changes set forth in paragraph (5), he/she shall announce the date of said approval, the name of said approved business operator and the content of the management resource reutilization plan pertaining to said approval using Form 15.

(Instructions on Changes to the Approved Management Resource Reutilization Plan)

Article 12 When the competent minister instructs changes to be made to the approved management resource reutilization plan pursuant to the provisions of Article 8, paragraph (3) of the Act, he/she shall notify the approved management resource reutilization business operator to that effect using Form 16.

(Rescission of Approval of the Approved Management Resource Reutilization Plan)

Article 13 (1) When the competent minister rescinds the approval of the approved management resource reutilization plan pursuant to the provisions of Article 8, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 17.

(2) When the competent minister rescinds the approval of the approved management resource reutilization plan, he/she shall announce the date of said rescission, the name of the business operator whose approval is rescinded and the reasons for said rescission using Form 18.

Section 3 Management Resource Integration Plan

(Application for Management Resource Integration Plan Approval)

Article 14 (1) A business operator who intends to obtain approval of a management resource integration plan pursuant to the provisions of Article 9, paragraph (1) of the Act shall submit an application using Form 19 and a copy thereof to the competent minister.

(2) The following documents shall be attached respectively to the application and the copy set forth in the preceding paragraph:

- (i) a copy of the articles of incorporation of said business operator (in cases where a management resource integration plan includes a plan concerning measures to be undertaken for the management resource integration of said business operator by an affiliated business operator who engages in the business at the time of filing the application, said business operator and said affiliated business operator; hereinafter the same shall apply in this paragraph) or the equivalent thereof and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
 - (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that the productivity of the business which is carried out by combining the management resources of two or more of business operators and using the resources integrally will improve considerably by implementing said management resource integration plan;
 - (iv) a document indicating that the soundness of the financial conditions will improve considerably by implementing said management resource integration plan;
 - (v) a document indicating that said business operators will combine their management resources effectively and use the resources integrally;
 - (vi) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the implementation of said management resource integration plan; and
 - (vii) a document evidencing that said management resource integration plan does not unreasonably harm the status of employees.
- (3) The implementation period of the management resource integration plan pertaining to the application set forth in paragraph (1) shall not exceed three years.

(Approval of a Management Resource Integration Plan)

Article 15 (1) In cases where the competent minister receives a management resource integration plan, examines the content promptly in light of Article 9, paragraph (4) of the Act and approves said management resource integration plan, he/she shall state as follows in the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the

provisions of Article 13, paragraph (1) of the Act). "Pursuant to the provisions of Article 9, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who is undertaking the management resource integration prescribed in Article 2, paragraph (6) of said Act."

- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 20.
- (3) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the date of said approval, the name of said approved business operator and the content of the management resource integration plan pertaining to said approval using Form 21.

(Application for Approval of Changes to an Approved Management Resource Integration Plan and Its Approval)

- Article 16 (1) Minor changes that do not involve changes to the purpose of the approved management resource integration plan shall not require the approval of changes set forth in Article 10, paragraph (1) of the Act.
- (2) A business operator who intends to obtain an approval of changes to the management resource integration plan based on the provisions of Article 10, paragraph (1) of the Act shall submit an application using Form 22 and a copy thereof to the competent minister.
 - (3) A copy of the approved management resource integration plan shall be attached respectively to the application and a copy set forth in the preceding paragraph.
 - (4) The implementation period of the management resource integration plan pertaining to the application for approval of changes set forth in paragraph (2) shall include the period where the management resource integration was implemented in accordance with the approved management resource integration plan before filing said application for approval of changes and shall not exceed three years.
 - (5) In cases where the competent minister receives a management resource integration plan pertaining to the application for approval of changes as set forth in paragraph (2), examines the content promptly in light of Article 9, paragraph (4) of the Act and approves the changes to said management resource integration plan, he/she shall state as follows in the original copy of the application pertaining to said approval of the changes, sign and seal it and deliver the application as a certificate to said business operator within one month from the day when said application is received in principle (excluding cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act). "Pursuant to

the provisions of Article 10, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the change."

- (6) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 23.
- (7) When the competent minister grants approval of the changes set forth in paragraph (5), he/she shall announce the date of said approval, the name of said approved business operator and the content of the management resource integration plan pertaining to said approval using Form 24.

(Instructions on Changes to an Approved Management Resource Integration Plan)

Article 17 When the competent minister instructs changes to be made to an approved management resource integration plan pursuant to the provisions of Article 10, paragraph (3) of the Act, he/she shall notify the approved management resource integration business operator to that effect using Form 25.

(Rescission of Approval of an Approved Management Resource Integration Plan)

- Article 18 (1) When the competent minister rescinds the approval of an approved management resource integration plan pursuant to the provisions of Article 10, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 26.
- (2) When the competent minister rescinds the approval of the approved management resource integration plan, he/she shall announce the date of said rescission, the name of the business operator whose approval is rescinded and the reasons for said rescission using Form 27.

Section 4 Resource Productivity Innovation Plan

(Application for Resource Productivity Innovation Plan Approval)

- Article 19 (1) A business operator who intends to obtain approval of a resource productivity innovation plan pursuant to the provisions of Article 11, paragraph (1) of the Act shall submit an application using Form 28 and a copy thereof to the competent minister.
- (2) The following documents shall be attached respectively to the application and the copy set forth in the preceding paragraph:
 - (i) a copy of the articles of incorporation of said business operator (in cases where a resource productivity innovation plan includes a plan concerning

- measures to be undertaken for the resource productivity innovation of said business operator by an affiliated business operator who engages in the business at the time of filing the application, said business operator and said affiliated business operator; hereinafter the same shall apply in this paragraph) or the equivalent thereof and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
- (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that the resource productivity of said business operator will improve considerably or that considerably high resource productivity is projected from the implementation of said resource productivity innovation plan;
 - (iv) a document indicating that the soundness of financial conditions will improve considerably by implementing said resource productivity innovation plan;
 - (v) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the implementation of said resource productivity innovation plan; and
 - (vi) a document evidencing that said resource productivity innovation plan does not unreasonably harm the status of employees.
- (3) A business operator who intends to obtain approval of a resource productivity innovation plan that states the installation of resource productivity innovation equipment for the implementation of resource productivity innovation shall attach the following documents respectively in addition to the documents listed in the items of the preceding paragraph:
- (i) a document indicating that the resource productivity innovation equipment which said business operator or its affiliated business operator intends to install falls under the requirements prescribed in Article 2, paragraph (10) of the Act; and
 - (ii) a document indicating the installation location of the resource productivity innovation equipment that said business operator or its affiliated business operator intends to install.
- (4) In the case set forth in paragraph (1), when a business operator intends to be subject to the provisions listed in the upper column of the appended table, the business operator shall state the matters listed in the middle column of said table in the application set forth in said paragraph and shall attach the documents listed in the lower column of said table (excluding those documents listed in the items of said paragraph) in addition to the documents listed in the items of paragraph (2).

- (5) The implementation period of the resource productivity innovation plan pertaining to the application set forth in paragraph (1) shall not exceed three years.

(Approval of a Resource Productivity Innovation Plan)

Article 20 (1) In cases where the competent minister receives a resource productivity innovation plan, examines the content promptly in light of Article 11, paragraph (6) of the Act and approves said resource productivity innovation plan, he/she shall state as follows in, the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within the period prescribed in the following paragraph from the day when said application is received.

"Pursuant to the provisions of Article 11, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who is undertaking the resource productivity innovation prescribed in Article 2, paragraph (8) of said Act (as a person who is undertaking resource productivity innovation (including the installation of resource productivity innovation equipment as prescribed in paragraph 10 of said Article) as prescribed in Article 2, paragraph (8) of said Act)."

- (2) The period set forth in the preceding paragraph shall be one month in principle; provided, however, that this shall not apply to cases where business activities regarding business that falls under the category of a type 1 cargo forwarding business, type 2 cargo forwarding business or general cargo automobile forwarding business are stated in said resource productivity innovation plan and cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act.
- (3) When the competent minister denies the approval set forth in paragraph (1), he/she shall notify said business operator to that effect in a notice of non-approval using Form 29.
- (4) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the date of said approval, the name of said approved business operator and the content of the resource productivity innovation plan pertaining to said approval using Form 30.

(Application for Approval of Changes to a Resource Productivity Innovation Plan and Its Approval)

Article 21 (1) Minor changes that do not involve changes to the purpose of the approved resource productivity innovation plan shall not require the approval of changes set forth in Article 12, paragraph (1) of the Act.

- (2) A business operator who intends to obtain an approval of changes to the resource productivity innovation plan based on the provisions of Article 12, paragraph (1) of the Act shall submit an application using Form 31 and a copy thereof to the competent minister.
- (3) A copy of the approved resource productivity innovation plan (in cases where a resource productivity innovation plan after the change states that the resource productivity innovation equipment is newly installed for implementation of the resource productivity innovation, a copy of the approved resource productivity innovation plan and the documents listed in items of Article 19, paragraph (3)) shall be attached respectively to the application and a copy set forth in the preceding paragraph.
- (4) The implementation period of the resource productivity innovation plan pertaining to the application for approval of changes set forth in paragraph (2) shall include the period where the resource productivity innovation was implemented in accordance with the approved resource productivity innovation plan before filing said application for approval of changes and shall not exceed three years.
- (5) In the case set forth in paragraph (2), when a business operator intends to be subject to the provisions listed in the upper column of the appended table, the business operator shall state the matters listed in the middle column of said table in the application set forth in said paragraph and attach the documents listed in the lower column of said table.
- (6) In cases where the competent minister receives a resource productivity innovation plan pertaining to the application for approval of changes set forth in paragraph (2), examines the content promptly in light of Article 11, paragraph (6) of the Act and approves the changes to said resource productivity innovation plan, he/she shall state as follows in the original copy of the application pertaining to said approval of changes, sign and seal it and deliver the application as a certificate to said business operator within the period prescribed in the following paragraph from the day when said application is received. "Pursuant to the provisions of Article 12, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the change."
- (7) The period set forth in the preceding paragraph shall be one month in principle; provided, however, that this shall not apply to cases where business activities listed in the proviso to paragraph (2) of the preceding Article are stated in said resource productivity innovation plan and cases where the competent minister consults with the Fair Trade Commission pursuant to the provisions of Article 13, paragraph (1) of the Act.
- (8) When the competent minister denies the approval set forth in paragraph (6), he/she shall notify said business operator to that effect in a notice of non-

approval using Form 32.

- (9) When the competent minister grants approval of the changes set forth in paragraph (6), he/she shall announce the date of said approval, the name of said approved business operator and the content of the resource productivity innovation plan pertaining to said approval using Form 33.

(Instructions on Changes to an Approved Resource Productivity Innovation Plan)

Article 22 When the competent minister instructs changes to be made to an approved resource productivity innovation plan pursuant to the provisions of Article 12, paragraph (3) of the Act, he/she shall notify the approved resource productivity innovation business operator to that effect using Form 34.

(Rescission of Approval of an Approved Resource Productivity Innovation Plan)

- Article 23 (1) When the competent minister rescinds the approval of the approved resource productivity innovation plan pursuant to the provisions of Article 12, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 35.
- (2) When the competent minister rescinds the approval of the approved resource productivity innovation plan, he/she shall announce the date of said rescission, the name of the business operator whose approval is rescinded and the reasons for said rescission using Form 36.

Section 5 Business Innovation New Goods Production Equipment Installation Plan

(Application for Approval of a Business Innovation New Goods Production Equipment Installation Plan)

- Article 24 (1) A business operator who intends to obtain approval of a business innovation new goods production equipment installation plan based on the provisions of Article 14, paragraph (1) of the Act shall submit an application using Form 37 and a copy thereof to the competent minister.
- (2) The following documents shall be attached respectively to the application and the copy set forth in the preceding paragraph:
- (i) a copy of the articles of incorporation of said business operator or their equivalent and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
 - (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that the business innovation new goods production

equipment to be installed is the equipment prescribed in Article 2, paragraph (9) of the Act;

- (iv) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the installation of business innovation new goods production equipment; and
- (v) a document indicating the installation location of the business innovation new goods production equipment to be installed.

(Approval of a Business Innovation New Goods Production Equipment Installation Plan)

- Article 25 (1) In cases where the competent minister receives a business innovation new goods production equipment installation plan, examines the content promptly in light of Article 14, paragraph (3) of the Act and approves said business innovation new goods production equipment installation plan, he/she shall state as follows in, the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within one month from the day when said application is received in principle. "Pursuant to the provisions of Article 14, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who installs business innovation new goods production equipment prescribed in Article 2, paragraph (9) of said Act."
- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 38.

(Application for Approval of Changes to an Approved Business Innovation New Goods Production Equipment Installation Plan and Its Approval)

- Article 26 (1) Minor changes that do not involve changes to the purpose of the approved business innovation new goods production equipment installation plan shall not require the approval of changes set forth in Article 15, paragraph (1) of the Act.
- (2) A business operator who intends to obtain an approval of changes to the business innovation new goods production equipment installation plan based on the provisions of Article 15, paragraph (1) of the Act, shall submit an application using Form 39 and a copy thereof to the competent minister.
- (3) A copy of the approved business innovation new goods production equipment installation plan shall be attached respectively to the application and the copy set forth in the preceding paragraph.
- (4) In cases where the competent minister receives the business innovation new goods production equipment installation plan pertaining to an application for

approval of changes as set forth in paragraph (2), examines the content promptly in light of Article 14, paragraph (3) of the Act and approves said changes to the business innovation new goods production equipment installation plan, he/she shall state as follows in the original copy of the application pertaining to said approval for the changes,, sign and seal it and deliver the application as a certificate to said applicant business operator within one month from the day when said application is received in principle. "Pursuant to the provisions of Article 15, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the changes."

(5) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 40.

(Instructions on Changes to an Approved Business Innovation New Goods Production Equipment Installation Plan)

Article 27 When the competent minister instructs that changes be made to an approved business innovation new goods production equipment installation plan pursuant to the provisions of Article 15, paragraph (3) of the Act, he/she shall notify the approved business innovation new goods production equipment installation business operator to that effect using Form 41.

(Rescission of Approval of an Approved Business Innovation New Goods Production Equipment Installation Plan)

Article 28 When the competent minister rescinds the approval of an approved business innovation new goods production equipment installation plan pursuant to the provisions of Article 15, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 42.

Section 6 Resource Constraint Response Production Equipment Installation Plan

(Application for Approval of a Resource Constraint Response Production Equipment Installation Plan)

Article 29 (1) A business operator who intends to obtain approval of a resource constraint response production equipment installation plan pursuant to the provisions of Article 16, paragraph (1) of the Act shall submit an application using the Form specified in the following items respectively and a copy thereof to the competent minister in response to the cases listed in said items:
(i) a case where the person who intends to produce resource constraint

- response products using the resource constraint response production equipment to be installed (hereinafter the person shall be referred to as a "type 1 products producer" in this Article), intends to obtain approval independently: Form 43;
- (ii) a case where the person who intends to produce exclusive parts using the resource constraint response production equipment to be installed (hereinafter the person shall be referred to as a "parts producer" in this Article), and a type 1 products producer who intends to produce resource constraint response products using said exclusive parts, intends to obtain approval jointly: Form 44;
 - (iii) a case set forth in the preceding item and where the type 1 products producer and the parts producer submit an application and a copy thereof directly to the competent minister separately: Form 43 for the type 1 products producer and Form 45 for the parts producer;
 - (iv) a case where a parts producer and a person who intends to produce resource constraint response products using exclusive parts that are produced by said parts producer and is other than a type 1 products producer (hereinafter the person shall be referred to as a "type 2 products producer" in this Article), intend to obtain approval jointly: Form 45; and
 - (v) a case set forth in the preceding item and where the parts producer and the type 2 products producer submit the application and its copy to the competent minister separately: Form 45 for the parts producer and Form 46 for the type 2 products producer.
- (2) The following documents shall be attached respectively to the application and the copy set forth in the preceding paragraph; provided, however, that a type 2 products producer is not required to attach documents other than those listed in (vi):
- (i) a copy of the articles of incorporation of said business operator or their equivalent and in cases where said business operator is registered, a certificate of registered matters pertaining to said registration;
 - (ii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of said business operator (in cases where these documents are not prepared, their equivalent);
 - (iii) a document indicating that the resource constraint response products pertaining to the resource constraint response production equipment to be installed are the ones specified by the competent minister based on the provisions of Article 2, paragraph (11), item (i) of the Act;
 - (iv) a document stating the breakdown of the usage and procurement methods of funds that are necessary for the installation of resource constraint response production equipment;
 - (v) a document indicating the installation location of the resource constraint

- response production equipment to be installed; and
- (vi) a document stating the following matters in accordance with the following categories of objects to be produced using the resource constraint response production equipment to be installed:
- (a) resource constraint response products: production and sales plan of said resource constraint response products; or
 - (b) exclusive parts: type of said exclusive parts, their production and sales plan and the production and sales plan for the resource constraint response products in which said exclusive parts are used.
- (3) The period of the production and sales plan set forth in item (vi) of the preceding paragraph shall not be less than three years.

(Approval of a Resource Constraint Response Production Equipment Installation Plan)

- Article 30 (1) In cases where the competent minister receives a resource constraint response production equipment installation plan, examines the content promptly in light of Article 16, paragraph (4) of the Act and approves said resource constraint response production equipment installation plan, he/she shall state as follows in, the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant business operator within one month from the day when said application is received in principle. "Pursuant to the provisions of Article 16, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who installs resource constraint response production equipment as prescribed in Article 2, paragraph (11) of said Act that produces resource constraint response products as listed in item (i) of said paragraph (as a person who installs resource constraint response production equipment prescribed in Article 2, paragraph (11) of said Act that produces exclusive parts listed in item (ii) of said paragraph) (as a person who installs resource constraint response production equipment as prescribed in Article 2, paragraph (11) of said Act that produces resource constraint response products as listed in item (i) of said paragraph and resource constraint response production equipment as prescribed in said paragraph that produces the exclusive parts listed in item (ii) of said paragraph)."
- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 47.
- (3) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the following matters using Form 48:
- (i) date of said approval;

- (ii) name of said approved business operator; and
- (iii) matters specified in the following according to the following categories of objects to be produced using the resource constraint response production equipment pertaining to said approval:
 - (a) resource constraint response products: the type of said resource constraint response products; and
 - (b) exclusive parts: the type of said exclusive parts and type of resource constraint response products in which said exclusive parts are used.
- (4) In cases where there are special circumstances, the competent minister shall make the announcement set forth in the preceding paragraph before the period of the production and sales plan for resource constraint response products or exclusive parts as listed in paragraph (2), item (vi) of the preceding Article ends.

(Application for Approval of Changes to an Approved Resource Constraint Response Production Equipment Installation Plan and Its Approval)

- Article 31 (1) Minor changes that do not involve changes to the purpose of the approved resource constraint response production equipment installation plan shall not require the approval of changes set forth in Article 17, paragraph (1) of the Act.
- (2) A business operator who intends to obtain an approval of changes to the resource constraint response production equipment installation plan based on the provisions of Article 17, paragraph (1) of the Act shall submit an application using Form 49 and a copy thereof to the competent minister.
 - (3) A copy of the approved resource constraint response production equipment installation plan shall be attached respectively to the application and the copy set forth in the preceding paragraph.
 - (4) With regard to the application for approval of changes pursuant to the provisions of the preceding two paragraphs, in cases where the respective person who produces resource constraint response products or exclusive parts pursuant to the provisions of Article 29, paragraph (1), item (iii) or item (v) changes matters pertaining to the application and other documents set forth in said paragraph that have been submitted directly to the competent minister, said respective person may submit the documents set forth in preceding two paragraphs directly to the competent minister.
 - (5) In cases where the competent minister receives a resource constraint response production equipment installation plan pertaining to an application of changes set forth in paragraph (2), examines the content promptly in light of Article 16, paragraph (4) of the Act and approves said resource constraint response production equipment installation plan, he/she shall state as follows in, the original copy of the application pertaining to said approval of the

changes, sign and seal it and deliver the application as a certificate to said business operator within one month from the day when said application is received in principle. "Pursuant to the provisions of Article 17, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the change."

(6) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said business operator to that effect in a notice of non-approval using Form 50.

(7) When the competent minister grants the approval set forth in paragraph (5), he/she shall announce the following matters using Form 51:

(i) date of said approval;

(ii) name of said approved business operator; and

(iii) matters specified in the following according to the following categories of objects to be produced using the resource constraint response production equipment pertaining to said approval:

(a) resource constraint response products: the type of said resource constraint response products; and

(b) exclusive parts: the type of said exclusive parts and type of resource constraint response products in which said exclusive parts are used.

(8) In cases where there are special circumstances, the competent minister shall make the announcement set forth in the preceding paragraph before the period of the production and sales plan for resource constraint response products or exclusive parts as listed in Article 29, paragraph (2), item (vi).

(Instructions on Changes to an Approved Resource Constraint Response Production Equipment Installation Plan)

Article 32 When the competent minister instructs that changes be made to an approved resource constraint response production equipment installation plan pursuant to the provisions of Article 17, paragraph (3) of the Act, he/she shall notify the approved resource constraint response production equipment installation business operator to that effect using Form 52.

(Rescission of Approval of an Approved Resource Constraint Response Production Equipment Installation Plan)

Article 33 (1) When the competent minister rescinds the approval of an approved resource constraint response production equipment installation plan pursuant to the provisions of Article 17, paragraph (2) and paragraph (3) of the Act, he/she shall notify said approved business operator to that effect using Form 53.

(2) When the competent minister rescinds the approval of an approved resource constraint response production equipment installation plan, he/she shall

announce the date of said rescission, the name of the business operator whose approval is rescinded and the reasons for said rescission using Form 54. In this case, when the matters listed in items of Article 30, paragraph (3) have not been announced based on the provisions of paragraph (4) of said Article and when the matters listed in items of Article 31, paragraph (7) have not been announced based on the provisions of paragraph (8) of said Article, said matters shall be announced together.

Section 7 Special Measures

(Application for Approval of Special Provisions Concerning the Consolidation of Shares Undertaken at the Same Time as a Reduction in the Amount of Stated Capital, etc.)

Article 34 (1) An approved business operator who intends to obtain the approval set forth in Article 21, paragraph (1) of the Act shall submit an application using Form 55 and a copy thereof to the competent minister who approved the business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan of said approved business operator.

(2) A copy of the approved plan shall be attached to the application and a copy as set forth in the preceding paragraph.

(Approval of Special Provisions Concerning the Consolidation of Shares Undertaken at the Same Time as a Reduction in the Amount of Stated Capital, etc.)

Article 35 (1) In cases where the competent minister receives the application pursuant to the provisions of paragraph (1) of the preceding Article, examines the content promptly in light of items in Article 21, paragraph (1) of the Act and grants approval, he/she shall state as follows in, the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant approved business operator within one month from the day when said application is received in principle.

"Pursuant to the provisions of Article 21, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the consolidation of shares."

(2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify the applicant approved business operator to that effect using Form 56.

(Juridical Person Prescribed in Article 21-2, Paragraph (1) of the Act)

Article 35-2 (1) The juridical person specified by the Ordinance of the competent

ministry prescribed in Article 21-2, paragraph (1) of the Act shall be as follows:

- (i) a juridical person (excluding a stock company) or foreign juridical person all of whose equity is held by a stock company that is an approved business operator set forth in Article 21-2, paragraph (1) of the Act; and
 - (ii) a juridical person or foreign juridical person all of whose equity is held by a stock company who is the approved business operator set forth in Article 21-2, paragraph (1) of the Act and a specified wholly owned subsidiary corporation (meaning a stock company all of whose issued shares are held by a stock company that is said approved business operator, and the juridical person and foreign juridical person listed in the preceding item; the same shall apply hereinafter in this paragraph) or a specified wholly owned subsidiary corporation.
- (2) With regard to the application of provisions of item (ii) of the preceding paragraph, the juridical person or foreign juridical person listed in said item shall be deemed as a specified wholly owned subsidiary corporation prescribed in said item.

(Cases where a Notice of Subscription Requirement, etc. is not Required)

Article 35-3 In the case that is specified by the Ordinance of the competent ministry prescribed in Article 75, paragraph (2) of the Act, which is prescribed in Article 201, paragraph (5) of the Companies Act (Act No. 86 of 2005) as applied with changes in interpretation pursuant to the provisions of Article 21-2, paragraph (1) of the Act, shall be a case where a stock company that is an approved business operator has submitted the following documents (limited to those that contain matters equivalent to the subscriptions prescribed in Article 201, paragraph (3) of the Companies Act) by two weeks before the date as prescribed in said paragraph based on the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (including cases where the matters to be stated in said documents are provided by electromagnetic means based on the provisions of said Act) and when said documents are made available for public inspection continuously from the day two weeks before said date until said date by the Prime Minister based on the provisions of said Act:

- (i) the written notice set forth in Article 5, paragraph (1) of the Financial Instruments and Exchange Act (including amendment notice) in cases of submitting a notification set forth in Article 4, paragraph (1) through paragraph (3) of said Act;
- (ii) a shelf registration statement prescribed in Article 23-3, paragraph (1) of the Financial Instruments and Exchange Act and shelf registration supplements prescribed in Article 23-8, paragraph (1) of said Act (including amended shelf registration statement);
- (iii) an annual securities report as prescribed in Article 24, paragraph (1) of the

- Financial Instruments and Exchange Act (including amendment report);
- (iv) a quarterly securities report as prescribed in Article 24-4-7, paragraph (1) of the Financial Instruments and Exchange Act (including amendment report);
- (v) a semiannual securities report as prescribed in Article 24-5, paragraph (1) of the Financial Instruments and Exchange Act (including amendment report); and
- (vi) an extraordinary report as prescribed in article 24-5, paragraph (4) of the Financial Instruments and Exchange Act (including amendment report).

(Amount of Stated Capital)

Article 35-4 (1) The amount that is specified by the Ordinance of the competent ministry prescribed in Article 75, paragraph (2) of the Act, which is prescribed in Article 445, paragraph (1) of the Companies Act as applied with changes in interpretation pursuant to the provisions of Article 21-2, paragraph (1) of the Act, (hereinafter the amount shall be referred to as the "increase limit of stated capital, etc.") shall be the amount (in the case where the amount is less than zero, it shall be zero) that is obtained by deducting the amount listed in item (iii) from the amount that is obtained by multiplying the amount, which is obtained by deducting the amount listed in item (ii) from the amount listed in item (i), by the share issuance ratio (meaning the ratio obtained by dividing the number of shares to be issued pursuant to the provisions of Article 21-2, paragraph (1) of the Act by the sum of the number of shares to be issued pursuant to the provisions of said paragraph and the number of treasury shares to be disposed; the same shall apply hereinafter in this Article):

- (i) the value of specified shares, etc. (meaning the specified shares, etc. as set forth in Article 199, paragraph (1), item (ii) of the Companies Act as applied with changes in interpretation pursuant to the provisions of Article 21-2, paragraph (1) of the Act; hereinafter the same shall apply in this item) that are delivered at the issuance of shares or the disposition of treasury shares pursuant to the provisions of Article 21-2, paragraph (1) of the Act at the date set forth in Article 199, paragraph (1), item (iv) of the Companies Act as applied with changes in interpretation pursuant to the provision of Article 21-2, paragraph (1) of the Act (in cases where the period set forth in Article 199, paragraph (1), item (iv) of the Companies Act is specified, the day when specified shares, etc. are delivered pursuant to the provisions of Article 208, paragraph (2) of the Companies Act as applied with changes in interpretation pursuant to the provisions of Article 21-2, paragraph (1) of the Act) (as to the specified shares, etc. in the cases listed in the following (a) or (b) below, the amount specified in said (a) or (b)):

- (a) in cases where said stock company and a person who delivered said

- specified shares, etc. are in a relationship under common control (meaning a relationship under common control as prescribed in Article 2, paragraph (3), item (xxxii) of the Ordinance on Accounting of Companies (Ordinance of the Ministry of Justice No.13 of 2006)) (excluding cases where market price shall be added to said specified shares, etc.): the book value immediately before said delivery to the person who implemented said delivery of said specified shares, etc; or
- (b) in cases other than those listed in (a) and where it is not appropriate to calculate the increase limit of stated capital, etc. based on the value of said delivered specified shares, etc. : the book value specified in (a).
- (ii) The amount that said stock company that is said approved business operator specifies as the amount to be deducted from the increase limit of stated capital, etc. in the amount of costs pertaining to the delivery of shares for subscription as matters listed in Article 199, paragraph (1), item (v) of the Companies Act;
- (iii) When the amount obtained by deducting the amount listed in (b) from the amount listed in (a) is zero or more, said amount:
- (a) the book value of treasury shares to be disposed pursuant to the provisions of Article 21-2, paragraph (1) of the Act; and
- (b) the amount obtained by multiplying the amount, which is obtained by deducting the amount listed in the preceding item from the amount listed in item (i) (in the case where the amount is less than zero, the amount shall be zero), by the treasury share disposition ratio (meaning the ratio obtained by deducting the share issuance ratio from 1; the same shall apply hereinafter in this Article).
- (2) In the case set forth in the preceding paragraph, the amount listed in the following items after the issuance of shares or the disposition of treasury shares pursuant to the provisions of Article 21-2, paragraph (1) of the Act shall be the amount obtained by adding the amount specified in said items to said amount immediately before the issuance of shares or the disposition of treasury shares pursuant to the provisions of said paragraph:
- (i) other amount of capital surplus: the amount obtained by deducting the amount listed in (c) from the sum of the amounts listed in (a) and (b):
- (a) the amount obtained by multiplying the amount, which is obtained by deducting the amount listed in item (ii) of the preceding paragraph from the amount listed in item (i) of said paragraph, by the treasury shares disposition ratio;
- (b) the amount listed in the following, whichever is smaller:
1. the amount listed in item (iii) of the preceding paragraph; or
 2. the amount obtained by multiplying the amount (in cases where the amount is less than zero, the amount shall be zero), which is obtained

by deducting the amount listed in item (ii) of the preceding paragraph from the amount listed in item (i) of said paragraph, by the share issuance ratio. .

- (c) the book value of treasury shares to be disposed pursuant to the provisions of Article 21-2, paragraph (1) of the Act.
- (ii) other amounts of accumulated profit: in the case where the amount obtained by deducting the amount listed in item (ii) of the preceding paragraph from the amount listed in item (i) of said paragraph is less than zero, the amount obtained by multiplying said amount by the share issuance ratio.
- (3) In the case set forth in paragraph (1), the amount of the treasury share value (meaning the amount of the value received in exchange for such treasury shares prescribed in Article 150, paragraph (2), item (viii) and Article 158, item (viii), (b) of the Ordinance on Accounting of Companies and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act; the same shall apply in the following paragraph) shall be the amount obtained by multiplying the amount which is obtained by deducting the amount listed in paragraph (1), item (ii) from the value listed in item (i) of said paragraph by the treasury share disposition ratio.
- (4) The amount listed in paragraph (2), item (i), (b) shall be, in the case of applying the provisions of Article 150, paragraph (2), item (viii) and Article 158, item (viii), (b) of the Ordinance on Accounting of Companies and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act, said amount shall also be deemed to be included in the amount of the treasury share value.
- (5) The generally accepted corporate accounting and other corporate accounting practices shall be taken into consideration for interpretations of the terms a used in this Article and in the application of the provisions of this Article.

(The Amount of Net Assets)

Article 35-5 The method specified by the Ordinance of the competent minister prescribed in Article 796, paragraph (3), item (ii) of the Companies Act as applied mutatis mutandis by replacing the terms pursuant to Article 21-2, paragraph (3) of the Act shall be the method in which the amount of the net assets of a stock company that is an approved business operator is deemed to be the amount obtained by the amount listed in item (vii) from the sum of the amounts listed in items (i) through (vi) on the calculation date (meaning the day when the subscription requirements pertaining to issuance of shares or disposition of treasury shares prescribed in Article 21-2, paragraph (1) of the Act (meaning the subscription requirements set forth in Article 199, paragraph (2) of the Companies Act) is determined (in cases where a different time from

the day when said subscription requirements are determined (limited to the time during the period after the day when said subscription requirements are determined until the date set forth in Article 199, paragraph (1), item (iv) of the Companies Act as applied with changes in interpretation pursuant to the provisions of Article 21-2, paragraph (1) of the Act or the first day of the period set forth in Article 199, paragraph (1), item (iv) of the Companies Act) is specified, said time)) (in the case where said obtained amount is less than five million yen, the amount shall be five million yen):

- (i) the amount of stated capital;
- (ii) the amount of capital reserves;
- (iii) the amount of retained earnings reserve;
- (iv) the amount of surplus prescribed in the Article 446 of the Companies Act ;
- (v) the amount pertaining to the value / conversion difference on the last day of the most recent business year (in the case prescribed in Article 461, paragraph (2), item (ii) of the Companies Act, the period set forth in Article 441, paragraph (1), item (ii) of said Act (in the case where there are two or more of said periods, the one for which last day is the latest)) (in the case where there is no most recent business year, the day when the stock company that is the approved business operator is established) ;
- (vi) the book value of share options; and
- (vii) the sum of book values of treasury shares and own share options.

(The Number of Shares)

Article 35-6 The number specified by the Ordinance of the competent ministry prescribed in Article 796, paragraph (4) of the Companies Act as applied mutatis mutandis by replacing the terms pursuant to the provisions of Article 21-2, paragraph (3) of the Act shall be the following number, whichever is smaller:

- (i) the sum of the number obtained by multiplying the number, which is obtained by multiplying the total number of specified shares (meaning shares for which a voting right may be executed in the shareholders meeting pertaining to acts prescribed in Article 796, paragraph (4) of the Companies Act as applied mutatis mutandis by replacing the terms pursuant to the provisions Article 21-2, paragraph (3) of the Act; the same shall apply hereinafter in this Article) by one half (in the case where there are provisions in the articles of incorporation that shareholders who hold voting rights at a certain percentage or more of total number of voting rights of said specified shares must attend said shareholders meeting as a requirement for adopting resolutions in said shareholders meeting, said certain percentage), by one third (in the case where there are provisions in the articles of incorporation that a majority, a certain percentage or more, of total number of voting

- rights held by said specified shareholders (meaning shareholders of specified shares; the same shall apply hereinafter in this Article) who attended said shareholders meeting must agree with as a requirement for adopting resolutions in said shareholders meeting, the percentage obtained by deducting said certain percentage from one) and one;
- (ii) in cases where there are provisions in the articles of incorporation that a certain number or more of specified shareholders' agreements is required for adopting resolutions pertaining the act prescribed in Article 796, paragraph (4) of the Companies Act as applied mutatis mutandis by replacing the terms pursuant to the provisions of Article 21-2, paragraph (3) of the Act, the number of specified shares held by specified shareholders who stated their disagreement with said act when the number obtained by deducting the number of specified shareholders who stated their disagreement with said act to a stock company from the total number of specified shareholders is less than said certain number;
 - (iii) in cases where there are provisions in the articles of incorporation other than the provisions in the articles of incorporation set forth in the preceding two items as a requirement for adopting resolutions pertaining to the act as prescribed in Article 796, paragraph (4) of the Companies Act as applied mutatis mutandis by replacing certain terms pursuant to the provision of Article 21-2, paragraph (3) of the Act, when said resolution shall not be adopted if all of the specified shareholders who stated their disagreement with said act disagree in the shareholders meeting as prescribed in said paragraph, the number of specified shares held by specified shareholders who stated their disagreement with said act; and
 - (iv) the number specified in the articles of incorporation.

(Application for Approval of the Issuance of Shares or the Disposition of Treasury Shares as Prescribed in Article 21-2, Paragraph (1) of the Act)

Article 35-7 (1) A business operator who intends to obtain approval (including approval of changes) of a business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan for which special measures pursuant to the provisions of Article 21-2, paragraph (1) of the Act may be applied, shall attach documents stating matters concerning the appropriateness of the consideration of the specified tender offer (meaning a tender offer (including its equivalent in a foreign country) where shares to be issued or treasury shares to be disposed pursuant to the provisions of Article 21-2, paragraph (1) of the Act are delivered as consideration for the purchase) in addition to documents set forth in items of Article 4, paragraph (2) or Article 6, paragraph (3), items of Article 9, paragraph (2) or Article 11, paragraph (3), items of Article 14, paragraph (2)

or Article 16, paragraph (3), or items of Article 19, paragraph (2) or Article 21, paragraph (3).

- (2) In cases where an approved business reconstruction plan, approved management resource reutilization plan, approved management resource integration plan or approved resource productivity innovation plan includes content concerning the issuance of shares or disposition of treasury shares prescribed in Article 21-2, paragraph (1) of the Act, the competent minister shall announce the documents set forth in the preceding paragraph.

(Application for Approval of Special Provisions Concerning the Issuance and Acquisition of Class Shares Subject to Wholly Call)

Article 35-8 (1) An approved business operator who intends to obtain the approval set forth in Article 21-3, paragraph (1) of the Act shall submit to the competent minister who approved the business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan of said approved business operator an application using Form 56-2 and a copy thereof, an evaluation report or written opinion of a third person who has considerable knowledge of the valuation of shares that is used as a reference for calculating the price of the purchase, etc. prescribed in item (ii) of said paragraph, or copies of their equivalent, and a copy of the articles of incorporation of other stock companies set forth in said paragraph.

- (2) A copy of the approved plan shall be attached to the application and copy set forth in the preceding paragraph.

(Approval of Special Provisions Concerning the Issuance and Acquisition of Class Shares Subject to Wholly Call)

Article 35-9 (1) In cases where the competent minister receives the documents pursuant to the provisions of paragraph (1) of the preceding Article, examines the content promptly in light of items in Article 21-3, paragraph (1) of the Act and grants approval, he/she shall state as follows in the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant approved business operator within one month from the day when said application is received in principle.

"Pursuant to the provisions of Article 21-3, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby grant the approval."

- (2) When the competent minister denies the approval set forth in the preceding paragraph, he/she shall notify said applicant approval business operator to that effect in a notice using Form 56-3.
- (3) When the competent minister intends to grant the approval set forth in

paragraph (1), he/she shall confirm whether the applicant approved business operator has acquired all of the class shares subject to wholly call as set forth in Article 21-3, paragraph (1) of the Act within three months from the last day of a tender offer period pertaining to the tender offer set forth in said paragraph.

- (4) When the competent minister grants the approval set forth in paragraph (1), he/she shall announce the content of changes to the articles of incorporation that are necessary for the issuance of class shares subject to wholly call as set forth in Article 21-3, paragraph (1) of the Act and provisions on the matters listed in items of Article 171, paragraph (1) of the Companies Act using Form 56-4 together with copies of an evaluation report or written opinion of a third person who has considerable knowledge of the valuation of shares that is used as a reference for calculating the price of the purchase, etc. as prescribed in Article 21-3, paragraph (1), item (ii) of the Act, or copies of their equivalent, and a copy of the articles of incorporation of other stock companies as set forth in said paragraph.

(Application for Approval of Operations for Loss Compensation Undertaken by a Finance Corporation)

Article 36 (1) A business operator who intends to obtain approval (including approval for changes; hereinafter the same shall apply in this Article and the following Article) of a business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan, for which special measures pursuant to the provisions of Article 24-2, paragraph (1) of the Act may be applied shall attach the following documents respectively in addition to the documents set forth in items of Article 4, paragraph (2) or Article 6, paragraph (3), items of Article 9, paragraph (2) or Article 11, paragraph (3), items of Article 14, paragraph (2) or Article 16, paragraph (3), or items of Article 19, paragraph (2) or Article 21, paragraph (3):

- (i) a document indicating that the management conditions of a business operator who intends to receive contributions from the designated financial institution (the business operator shall simply be referred to as a "business operator" in this paragraph) have worsened due to financial disturbances;
- (ii) a document indicating that it is in conflict with the provisions pertaining to financial special provisions in a loan agreement or bond issuance contract, the amount of equity capital is decreasing or that the contributions are essential;
- (iii) a document indicating that it may have significant effects on the growth and development of the national economy in cases where it becomes difficult to continue the business of the business operator; and

- (iv) a document stating that private financial institutions other than the designated financial institution will provide loans or contributions to the business operator based on the contributions by said designated financial institution or will take measures equivalent thereto, and thereby will cooperate and engage in realizing the approved plan.
- (2) A business operator who intends to obtain approval of a business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan, for which special measures pursuant to the provisions Article 24-2, paragraph (1) of the Act may be applied shall apply for contributions to the designated financial institution when applying for an approval of said business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan.

(Approval of Operations for Loss Compensation Undertaken by a Finance Corporation)

Article 37 When the competent minister intends to grant approval of a business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan, for which special measures pursuant to the provisions Article 24-2, paragraph (1) of the Act may be applied, he/she shall confirm in advance with the competent minister listed in Article 64, paragraph (1), item (vii) of the Japan Finance Corporation Act (Act No. 57 of 2007) whether the Finance Corporation approves to perform the operation prescribed in Article 24-2, paragraph (1) of the Act with regard to the contributions by the designated financial institution for the funds necessary for the implementation of said business reconstruction plan, management resource reutilization plan, management resource integration plan or resource productivity innovation plan.

(Policies for Undertaking Operations for Business Reconstruction, etc. Facilitation)

Article 37-2 The policies for undertaking operations for business reconstruction, etc. facilitation set forth in Article 24-4, paragraph (1) of the Act shall specify the following matters:

- (i) matters concerning a system for undertaking operations for business reconstruction, etc. facilitation;
- (ii) the following matters concerning operations for business reconstruction, etc. facilitation:
 - (a) subject of the loan;
 - (b) method of the loan;
 - (c) interest rate;

- (d) due date of the loan;
- (e) grace period;
- (f) method of repayment; and
- (g) matters concerning the loan in addition to those listed in (a) through (f).
- (iii) matters concerning conditions of the loan subject to providing the credit based on operations for business reconstruction, etc. facilitation; and
- (iv) in addition to those listed in the preceding three items, matters necessary for undertaking operations for business reconstruction, etc. facilitation effectively and efficiently.

(Submission of Designated Application Form and Code of Business)

Article 37-3 (1) The designated application form and code of business shall be submitted pursuant to the provisions of Article 24-5, paragraph (2) of the Act and attached with the following documents:

- (i) the articles of incorporation and a certificate of registered matters;
 - (ii) a document evidencing the decision concerning the designated application;
 - (iii) a document stating the names and a brief biographical outline of officers;
 - (iv) a document evidencing that the person obtained a license, authorization, approval of the administrative agency as a financial institution set forth in Article 24-5, paragraph (1), item (i) of the Act or their equivalent (hereinafter collectively referred to as "license, etc." in this item), a document clarifying the status of the application for the license, etc. , or a document in lieu of these documents;
 - (v) a document pledging that the person does not fall under the items of Article 24-5, paragraph (4) of the Act; and
 - (vi) a document where the officers pledge that said officers do not fall under any of Article 24-5, paragraph (4), item (iii), (a) and (b) of the Act.
- (2) When designating, the competent minister may have the person submit documents that he/she finds to be necessary in addition to the documents listed in items of the preceding paragraph.
- (3) The designated application form set forth in paragraph (1) shall state the following matters:
- (i) trade name or name and address;
 - (ii) title and name of officers;
 - (iii) name and location of the business office or office where the person intends to undertake operations for business reconstruction, etc. promotion; and
 - (iv) date when the person intends to commence the operations for business reconstruction, etc. promotion.

(Matters to be Stated in the Code of Business)

Article 37-4 The matters to be specified by the Ordinance of the competent

ministry set forth in Article 24-5, paragraph (3) of the Act shall be as follows:

- (i) matters concerning a system for undertaking operations for the business reconstruction, etc. promotion:
 - (a) matters concerning the departments supervising operations for the business reconstruction, etc. promotion;
 - (b) matters concerning the personnel structure pertaining to operations for the business reconstruction, etc. promotion;
 - (c) matters concerning the implementation of audits pertaining to operations for the business reconstruction, etc. promotion;
 - (d) matters concerning the region for undertaking operations for the business reconstruction, etc. promotion; and
 - (e) matters concerning the establishment of the consultation window pertaining to operations for the business reconstruction, etc. promotion.
- (ii) matters concerning the method of undertaking operations for the business reconstruction, etc. promotion:
 - (a) the person to whom the loan is provided;
 - (b) funds subject to the loan;
 - (c) limit amount of the loan; and
 - (d) matters concerning procedures and audits of the loan;
- (iii) matters concerning the content of providing credit based on the operations for the business reconstruction, etc. facilitation that are necessary for the loan;
- (iv) matters concerning the management of claims pertaining to operations for the business reconstruction, etc. promotion;
- (v) matters concerning the management of books pertaining to operations for the business reconstruction, etc. promotion;
- (vi) matters concerning the entrustment of operations for the business reconstruction, etc. promotion; and
- (vii) matters concerning the undertaking of operations for the business reconstruction, etc. promotion in addition to those listed in the preceding items.

(Notification of Changes of Trade Name, etc.)

Article 37-5 (1) A designated financial institution that intends to make notification of changes in its trade name or name or address (hereinafter collectively referred to as "trade name, etc." in this paragraph) pursuant to the provisions of Article 24-6, paragraph (2) of the Act shall submit to the competent minister a written notice stating the following matters:

- (i) new trade name, etc. ;
- (ii) old trade name, etc. ;
- (iii) scheduled date of the change; and

(iv) reasons for the change.

(2) A designated financial institution that intends to make notification of a change in the location of its business office or the office where operations for the business reconstruction, etc. promotion are performed pursuant to the provisions of Article 24-6, paragraph (2) of the Act (hereinafter collectively referred to as "business office, etc." in this paragraph) shall submit to the competent minister a written notice stating the following matters (in cases where said change is caused by the establishment or abolishment of a business office, etc., excluding matters listed in item (i) and item (ii)):

(i) location before change;

(ii) location after change;

(iii) in cases where the change is caused by the establishment of the business office, etc. , the location of the business office, etc. to be established;

(iv) in cases where the change is caused by the abolishment of the business office, etc. , the location of the business office, etc. to be abolished;

(v) scheduled date of the change; and

(vi) reasons for the change.

(Application for Permission to Change the Code of Business)

Article 37-6 A designated financial institution that intends to obtain permission pursuant to the provisions of Article 24-7, paragraph (1) of the Act shall submit to the competent minister the following documents:

(i) application for permission stating the following matters:

(a) matters to be changed;

(b) scheduled date of the change; and

(c) reasons for the change.

(ii) comparison table of old and new provisions;

(iii) code of business after the change; and

(iv) a document evidencing the decision concerning the change.

(Matters to be Specified in the Agreement)

Article 37-7 The matters to be specified by the Ordinance of the competent ministry set forth in Article 24-8, paragraph (1), item (iii) of the Act shall be as follows:

(i) matters concerning the content and methods of operation for the business reconstruction, etc. promotion;

(ii) matters concerning the content and methods of operation for the business reconstruction, etc. facilitation;

(iii) matters concerning the management of claims pertaining to operations for the business reconstruction, etc. promotion; and

(iv) matters concerning the undertaking of operations for the business

reconstruction, etc. promotion and operations for the business reconstruction, etc. facilitation.

(Statements in the Book)

Article 37-8 (1) The matters to be specified by the Ordinance of the competent minister set forth in Article 24-9 of the Act shall be as follows:

- (i) status of operations undertaken for the business reconstruction, etc. promotion;
 - (ii) status of claims pertaining to operations for the business reconstruction, etc. promotion; and
 - (iii) status of providing credit based on the operations for the business reconstruction, etc. facilitation that is obtained from the Finance Corporation in order to undertake operations for the business reconstruction, etc. promotion.
- (2) The period to preserve the book set forth in Article 24-9 of the Act shall be five years from the day when the claims pertaining to operations for the business reconstruction, etc. promotion are extinguished due to payment and other grounds.

(Notification of Suspension or Abolition of Operations)

Article 37-9 A designated financial institution that intends to submit a notification pursuant to the provisions of Article 24-11, paragraph (1) of the Act shall submit to the competent minister the following documents:

- (i) a written notice stating the following matters:
 - (a) range of operations for the business reconstruction, etc. promotion that is intended to be suspended or abolished;
 - (b) date of the suspension or abolishment and the suspension period if it is to be suspended; and
 - (c) reasons for the suspension or abolishment.
- (ii) a document evidencing the determination concerning the suspension or abolishment; and
- (iii) in cases of abolishing all or part of the operations for the business reconstruction, etc. promotion, a document stating the schedule until said abolishment and a document stating dispositions after said abolishment.

(Method of Application, etc.)

Article 37-10 The designated application form, application for permission, written notice and other documents to be submitted to the competent minister pursuant to the provisions of Article 24-5, paragraph (2) of the Act, Article 24-6, paragraph (2), Article 24-7, paragraph (1) and Article 24-11, paragraph (1) and Article 37-3 of this Ordinance, Article 37-5, Article 37-6 and the preceding

Article shall be completed by submitting one original form and a copy thereof either to the Minister of Finance or the Minister of Economy Trade and Industry.

(Route of Notice in the Case of Notifying to the Prime Minister)

Article 37-11 When the competent minister notifies the Prime Minister pursuant to the provisions of Article 14 of the Order, he/she shall make notification it via the Commissioner of the Financial Services Agency.

Chapter III Facilitation of Small and Medium-Sized Enterprise Succeeding Business Revitalization

(Application for Approval of Small and Medium-Sized Enterprise Succeeding Business Revitalization Plan)

Article 38 (1) A specified small and medium-sized enterprise operator and succeeding business operator who intends to obtain approval of a small and medium-sized enterprise succeeding business revitalization plan based on the provisions of Article 39-2, paragraph (1) of the Act (including a person who intends to establish a juridical person who will be a succeeding business operator; hereinafter collectively referred to as an "applicant" in this Article and Article 39) shall submit jointly (in cases where a specified small and medium-sized enterprise operator is a person who intends to establish a juridical person that is to be a succeeding business operator, the specified small and medium-sized enterprise operator shall submit independently) to the competent minister an application using Form 57 and a copy thereof via the Minister of Economy Trade and Industry.

(2) The following documents shall be attached respectively to the application and copy set forth in the preceding paragraph:

- (i) a copy of the articles of incorporation of said applicant, balance sheet and profit and loss statement of the last business year, list of officers or employees; in cases where said applicant has registered, a certificate of registered matters; and in cases where said applicant intends to establish a succeeding business operator, a copy of the articles of incorporation pertaining to a succeeding business operator to be established, list of incorporator, employees or founders, and a documents stating the status and prospective of subscriptions of shares or contributions;
- (ii) an inspection report by experts (meaning persons who have expert knowledge and experience concerning the laws, taxation, finance, corporate finance, asset evaluation, etc. pertaining to said plan) pertaining to the plan for the continuation and reconstruction of the business of said applicant and said plan;

- (iii) a document indicating that the business of the succeeding business operator will be strengthened considerably by undertaking said small and medium-sized enterprise succeeding business revitalization plan;
- (iv) a document stating the breakdown of the usage and procurement methods of funds necessary for undertaking said small and medium-sized enterprise succeeding business revitalization plan;
- (v) a document evidencing that any of the following requirements are fulfilled:
 - (a) said small and medium-sized enterprise succeeding business revitalization plan is prepared based on the instruction or advice of approved support institutions or specified certified dispute resolution procedures;
 - (b) said small and medium-sized enterprise succeeding business revitalization plan is prepared based on the rehabilitation plan prescribed in Article 2, item (iii) of the Civil Rehabilitation Act (Act No. 225 of 1999) (limited to those for which an order of confirmation of the rehabilitation plan pursuant to the provisions of Article 174, paragraph (1) of said Act becomes final and binding) or based on the reorganization plan prescribed in Article 2, paragraph (2) of the Corporate Reorganization Act (Act No. 154 of 2002) (limited to those for which an order of confirmation of the reorganization plan pursuant to the provisions of Article 191, paragraph (1) of said Act becomes final and binding); or
 - (c) in addition to those listed in (a) and (b), said small and medium-sized enterprise succeeding business revitalization plan is prepared based on the rules on the procedures for the disposition of claims that are generally announced (excluding bankruptcy proceedings, reorganization proceedings pursuant to the provisions of the Act on Special Measures, etc. for Reorganization Proceedings for Financial Institutions, etc. (Act No. 95 of 1996) and special liquidation proceedings) (the rules shall be limited to those that are found to be fair and appropriate).
- (vi) documents specified in the following corresponding to the following categories of cases:
 - (a) in the case of stating the status based on the specified permission in said small and medium-sized enterprise succeeding business revitalization plan: a document evidencing that the specified small and medium-sized enterprise operator holds said status; and
 - (b) in the case of not stating the status based on the specified permission in said small and medium-sized enterprise succeeding business revitalization plan and where the succeeding business operator holds a status based on the permission pertaining to the succeeding business: a document evidencing that the succeeding business operator holds said status.
- (vii) a document evidencing that the small and medium-sized enterprise

- succeeding business revitalization pertaining to said small and medium-sized enterprise succeeding business revitalization plan does not significantly damage or reduce the management resources of the specified small and medium-sized enterprise operator pertaining to the business to be succeeded by the succeeding business operator;
- (viii) a document evidencing that said small and medium-sized enterprise succeeding business revitalization plan does not unreasonably harm the status of employees;
 - (ix) a document evidencing that said small and medium-sized enterprise succeeding business revitalization plan does not unreasonably harm the interest of the business operator who is the counterparty of the transaction of the specified small and medium-sized enterprise operator;
 - (x) a document indicating the names of the creditors, all or part of whose claims are extinguished due to the implementation of said small and medium-sized enterprise succeeding business revitalization plan, and the amount of claims held by said creditors; and
 - (xi) a document evidencing the agreement of creditors, all or part of whose claims are extinguished due to the implementation of said small and medium-sized enterprise succeeding business revitalization plan, to said plan.
- (3) The implementation period of the small and medium-sized enterprise succeeding business revitalization plan pertaining to the application set forth in paragraph (1) shall not exceed five years in principle.

(Approval of Small and Medium-Sized Enterprise Succeeding Business Revitalization Plan)

- Article 39 (1) In cases where the competent minister receives a small and medium-sized enterprise succeeding business revitalization plan, examines the content promptly in light of Article 39-2, paragraph (4) of the Act and approves said small and medium-sized enterprise succeeding business revitalization plan, he/she shall state as follows in the original copy of the application pertaining to said approval, sign and seal it and deliver the application as a certificate to the applicant within one month in principle. "Pursuant to the provisions of Article 39-2, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the applicant as a person who is engaging in small and medium-sized enterprise succeeding business revitalization as prescribed in Article 2, paragraph (21) of said Act."
- (2) The period set forth in the preceding paragraph shall not include the period of consultation with the administrative agency that granted said specified permission pursuant to the provisions of Article 39-2, paragraph (5) of the Act and the period required to obtain agreement for it.

- (3) When the competent minister denies the approval set forth in paragraph (1), he/she shall notify said applicant to that effect in a non-approval notice using Form 58.

(Application for Approval of Changes to an Approved Small and Medium-Sized Enterprise Succeeding Business Revitalization Plan and Its Approval)

Article 40 (1) A person who intends to obtain approval of changes to a small and medium-sized enterprise succeeding business revitalization plan based on the provisions of Article 39-3, paragraph (1) of the Act shall submit to the competent minister via the Minister of Economy, Trade and Industry an application using Form 59 and a copy thereof.

- (2) A copy of the approved small and medium-sized enterprise succeeding business revitalization plan shall be attached to the application and copy set forth in the preceding paragraph.
- (3) The implementation period of the small and medium-sized enterprise succeeding business revitalization plan pertaining to the application for approval of changes set forth in paragraph (1) shall include the period where the small and medium-sized enterprise succeeding business revitalization was implemented in accordance with the approved small and medium-sized enterprise succeeding business revitalization plan before filing said application for approval of changes and shall not exceed five years in principle.
- (4) In cases where the competent minister receives a small and medium-sized enterprise succeeding business revitalization plan pertaining to the application for approval of the changes set forth in paragraph (1), examines the content promptly in light of Article 39-2, paragraph (4) of the Act and approves said small and medium-sized enterprise succeeding business revitalization plan, he/she shall state as follows in, the original copy of the application pertaining to said approval of the changes, sign and seal it and deliver the application as a certificate to said business operator within one month from the day when said application is received in principle. "Pursuant to the provisions of Article 39-3, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities, we hereby approve the changes."
- (5) The period set forth in the preceding paragraph shall not include the period for consultation with the administrative agency and the period required for obtaining agreement thereto pursuant to the provisions of Article 39-3, paragraph (4) of the Act.
- (6) When the competent minister denies the approval set forth in paragraph (4), he/she shall notify said business operator to that effect in a notice of non-approval using Form 60.

(Minor Changes)

Article 41 (1) The minor changes specified by the Ordinance of the competent ministry set forth in Article 39-3, paragraph (1) of the Act shall be as follows:

- (i) changes to the name or address of the approved small and medium-sized enterprise succeeding business revitalization business operator; and
- (ii) in addition those listed in the preceding item, any changes that the competent minister finds do not impede the implementation of small and medium-sized enterprise succeeding business revitalization.

(2) An approved small and medium-sized enterprise succeeding business revitalization business operator who intends to make notification of minor changes to a small and medium-sized enterprise succeeding business revitalization plan based on the provisions of Article 39-3, paragraph (2) of the Act shall submit to the competent minister via the Minister of Economy, Trade and Industry a written notice using Form 61.

(Instructions on Changes to an Approved Small and Medium-Sized Enterprise Succeeding Business Revitalization Plan)

Article 42 When the competent minister instructs that changes be made to an approved small and medium-sized enterprise succeeding business revitalization plan pursuant to the provisions of Article 39-3, paragraph (6) of the Act, he/she shall notify the approved small and medium-sized enterprise succeeding business revitalization business operator to that effect using Form 62.

(Rescission of Approval of an Approved Small and Medium-Sized Enterprise Succeeding Business Revitalization Plan)

Article 43 When the competent minister rescinds the approval of an approved small and medium-sized enterprise succeeding business revitalization plan pursuant to the provisions of Article 39-3, paragraph (5) and paragraph (6) of the Act, he/she shall notify said approved small and medium-sized enterprise succeeding business revitalization business operator to that effect using Form 63.

(Report of Succession of Business and Notice to Administrative Agency)

Article 44 (1) The report pursuant to the provisions of Article 39-4, paragraph (2) of the Act shall be completed using Form 64 with the following documents attached:

- (i) a copy of an absorption-type company split agreement, incorporation-type company split plan or business transfer agreement;
- (ii) list of employees who engage in the business that the succeeding business operator will succeed;

- (iii) a copy of the accounting books of the succeeding business operator; and
 - (iv) other documents that the competent minister finds necessary.
- (2) The notice prescribed in Article 39-4, paragraph (3) of the Act shall be attached with the documents listed in the preceding paragraph.

Chapter IV Special Provisions Concerning Patent Fees

(Proceedings by Means of Documents)

- Article 45 (1) The application set forth in Article 26, paragraph (1) and Article 28, paragraph (1) of the Order (the application shall be simply referred as an "application" in the following paragraph and the following Article) shall be prepared for each case.
- (2) The name and domicile or residence of a person who submits an application, name of a representative person in cases of a juridical person, shall be stated and sealed on the application.

(Omission of Attached Documents)

- Article 46 When a person has submitted to the Commissioner of the Patent Office the documents to be attached to the application in the proceedings pertaining to the submission of other applications and there is no change to said matters, the attachment of said documents may be omitted by stating to that effect in the application; provided, however, that when the Commissioner of the Patent Office finds it particularly necessary, he/she may order said documents to be submitted.

Chapter V Miscellaneous Provisions

(Delegation of Authority)

- Article 47 (1) The authority of the Minister of Internal Affairs and Communications concerning small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Bureaus of Telecommunications who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan (including the Director of the Okinawa Bureau of Telecommunications); provided, however, that this shall not preclude the Minister of Internal Affairs and Communications from exercising his/her authority by him/herself.
- (2) The authority of the Minister of Finance concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Local Finance Bureaus (in cases where the office is in the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the

Director of the Fukuoka Local Finance Branch Bureau) or the Directors of Regional Taxation Bureaus (including the Director of the Okinawa Regional Taxation Office) who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided, however, that this shall not preclude the Minister of Finance from exercising his/her authority by him/herself.

- (3) The authority of the Minister of Health, Labour and Welfare concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Bureaus of Health and Welfare (in cases where the office is in the jurisdictional district of the Shikoku Regional Bureaus of Health and Welfare, the Director of the Shikoku Regional Bureaus of Health and Welfare) who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided however, that this shall not preclude the Minister of Health, Labour and Welfare from exercising his/her authority by him/herself.
- (4) The authority of the Minister of Agriculture, Forestry and Fisheries concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Agricultural Administration Offices who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided, however, that this shall not preclude the Minister of Agriculture, Forestry and Fisheries from exercising his/her authority by him/herself.
- (5) The authority of the Minister of Economy, Trade and Industry concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Bureaus of Economy who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided, however, that this shall not preclude the Minister of Economy, Trade and Industry from exercising his/her authority by him/herself.
- (6) The authority of the Minister of Land, Infrastructure, Transport and Tourism concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Development Bureaus and Director of Hokkaido Regional Development Bureau, Director of District Transport Bureaus (with regard to authorities pertaining to the affairs listed in Article 4, item (xv), item (xviii), item lxxxvi), item (lxxxvii), item (xcii), item (xciii) and item (cxxviii) of the Act for Establishment of the Ministry of Land, Infrastructure, Transport and Tourism (Act No.100 of 1999) and affairs

listed in item (xix) and item (xxii) of said Article pertaining to the affairs listed in item (lxxxvi) of said Article, including the Director of the Kobe District Transport Bureau) or the Directors of Regional Civil Aviation Bureaus who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided, however, that this shall not preclude the Minister of Land, Infrastructure, Transport and Tourism from exercising his/her authority by him/herself.

- (7) The authority of the Minister of the Environment concerning the small and medium-sized enterprise succeeding business revitalization plan shall be delegated to the Directors of Regional Environment Offices who supervise the location of the principle offices of the specified small and medium-sized enterprise operators of said small and medium-sized enterprise succeeding business revitalization plan; provided, however, that this shall not preclude the Minister of the Environment from exercising his/her authority by him/herself.

(Report on Implementation Status)

Article 48 (1) An approved business operator or succeeding business operator pertaining to an approved small and medium-sized enterprise succeeding business revitalization plan shall report to the competent minister using Form 65 on the implementation status in each business year during the implementation period of the approved plan within three months after the end of said business year in principle.

- (2) An approved business innovation new goods production equipment installation business operator shall report to the competent minister using Form 66 on the implementation status of the approved business innovation new goods production equipment installation plan after installation of business innovation new goods production equipment, in the business year when said equipment is installed and in the following business year without delay after the installation of the business innovation new goods production equipment and within three months after the end of each business year in principle for the business year and the following business year.

- (3) An approved resource constraint response production equipment installation business operator shall report to the competent minister using Form 67 on the implementation status of the approved resource constraint response production equipment installation plan during the period of the production and sales plan of resource restraint response products or exclusive parts, etc. that is stated in the approved resource constraint response production equipment installation plan within three months after the end of each business year in principle; provided, however, that in the first business year during the implementation period of said plan, it may be reported within three months after the end of

said business year.

- (4) A person who submits the application set forth in Article 29, paragraph (1) pursuant to item (iii) or item (v) of said paragraph and other documents directly to the competent minister may report pursuant to the provisions of the preceding paragraph directly to the competent minister.
- (5) An approved business operator (limited to a person who has obtained approval of a business reconstruction plan or management resource reutilization plan that includes a fund plan pertaining to business reconstruction or a fund plan pertaining to management resource reutilization (the fund plan shall be referred to simply as a "fund plan" hereinafter); the same shall apply in the following paragraph) shall submit to the competent minister an inventory of assets and balance sheet on a specific day within one month after the day of agreement to the debt waiver pertaining to said fund plan with the business reconstruction creditors or management resource reutilization creditors (hereinafter simply referred to as a "creditor") (the day of the agreement shall be referred to the "day of the claim waiver agreement" in this paragraph) and a profit and loss statement from the beginning day of the business year in which said specific day is included until said specific day (limited to profit and loss statements that reflect the inclusion of a valuation loss that is deemed to be necessary in accordance with generally accepted accounting procedures and other appropriate accounting procedures along with the decision on the reconstruction plan related to business reconstruction plan or reconstruction plan related to the management resource reutilization plan) within four months after said day of the claim waiver agreement.
- (6) An approved business operator shall report to the competent minister using Form 68 every business year during the implementation period of the approved plan on the implementation status for six months after the day when said business year has started, within nine months after the day when said business year started in principle (hereinafter the report shall be referred to as a "semi-annual report") and shall report to the competent minister promptly using Form 69 on the implementation status for every quarterly period of each business year.
- (7) The report set forth in paragraph (1) and the semi-annual report set forth in the preceding paragraph shall be attached with a balance sheet and profit and loss statement (in case of a report on an approved plan that includes a fund plan, limited to those audited by a certified public accountant or auditing firm).
- (8) When any of the events listed in the following items arise, a succeeding business operator pertaining to the approved small and medium-sized enterprise succeeding business revitalization plan shall report to the competent minister promptly to that effect using Form 70 with the documents listed in the following items attached:

- (i) when a specified small- and medium-sized enterprise operator pertaining to said approved small and medium-sized enterprise succeeding business revitalization receives an order to commence special liquidation: a document evidencing the order to commence special liquidation; or
 - (ii) when a decision of commencement of bankruptcy proceedings is granted to a specified small and medium-sized enterprise operator pertaining to said approved small and medium-sized enterprise succeeding business revitalization: a document evidencing the decision of commencement of bankruptcy proceedings.
- (9) In cases where the following matters occur during the implementation period of the approved plan, an approved business operator or a succeeding business operator pertaining to the approved small and medium-sized enterprise succeeding business revitalization plan shall report promptly to the competent minister using Form 71; in the case of an approved business innovation new goods production equipment installation business operator, during the period until he/she makes a report prescribed in paragraph (2); and in case of an approved resource restraint response production equipment installation business operator, during the period of production and sales plan of resource restraint response products or exclusive parts stated in the approved resource restraint response production equipment plan:
- (i) a commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, commencement of reorganization or exercise of an enterprise mortgage is applied or notified by a person other than said approved business operator or succeeding business operator pertaining to the approved small and medium-sized enterprise succeeding business revitalization plan;
 - (ii) a negotiable instrument or check is bounced (limited to those due to shortage of funds for payment) or a decision to suspend transactions is granted by a clearinghouse; and
 - (iii) transactions are suspended by major trading partners (meaning a trading partner with whom the sales and purchase amount in the preceding business year accounts for 10% or more of the total amount of sales or purchase).

(Matters to be Reported Concerning Special Provisions of the Companies Act or Civil Code)

Article 49 An approved business operator who performs the acts listed in the following items shall attach documents stating the matters listed in said items with the report prescribed in Article 48, paragraph (1):

- (i) contributions in kind or acceptance of property pursuant to the provisions of Article 18 and Article 19 of the Act (hereinafter referred to collectively as "contributions in kind, etc.): content and value of the property pertaining to

- said contributions in kind, etc. ;
- (ii) consolidation of shares undertaken at the same time as a reduction in the amount of stated capital, etc. pursuant to the provisions of Article 21 of the Act: content of said consolidation of shares undertaken at the same time as the reduction in the amount of stated capital, etc. ;
 - (iii) issuance of shares or disposition of treasury shares pursuant to the provisions of Article 21-2, paragraph (1) of the Act: content of said issuance of shares or disposition of treasury shares, results of the specified tender offer and progress of procedures pursuant to the provisions of Article 797 of the Companies Act as applied mutatis mutandis by replacing the terms pursuant to the provisions of Article 21-2, paragraph (3) of the Act;
 - (iv) acquisition of class shares subject to wholly call pursuant to the provisions of Article 21-3, paragraph (1) of the Act: content of said acquisition of class shares subject to wholly call; and
 - (v) a demand to creditors in the case of business transfer pursuant to the provisions of Article 22 of the Act: content of said business transfer.

(Matters to be Reported Concerning Special Provisions of Taxation)

Article 50 (1) An approved business operator or succeeding business operator pertaining to the approved small and medium-sized enterprise succeeding business revitalization plan to whom special provisions of taxation were applied as set forth in Article 11-2, paragraph (1), paragraph (2) or paragraph (3); Article 44-2, paragraph (1), paragraph (2) or paragraph (3); Article 68-21, paragraph (1), paragraph (2) or paragraph (3) or Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) shall attach documents stating the matters set forth in the following items that are implemented in accordance with the approved plan based on the category of special provisions listed in said items with the report prescribed in Article 48, paragraph (1):

- (i) reduction of registration tax: the following matters concerning matters listed in items of Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation:
 - (a) content of the registration;
 - (b) amount of registration tax paid; and
 - (c) reduction and exemption amount by supporting measures.
- (ii) deleted
- (iii) special depreciation of resource productivity innovation equipment, etc. : amount of special depreciation in the business year that includes the day when said resource productivity innovation equipment, etc. was used for the business; and
- (iv) reduction of the real estate acquisition tax: the following matters in the

business year that includes the day when the business transfer pertaining to the approved plan is implemented:

- (a) content of real estate that was transferred or received;
- (b) amount of real estate acquisition tax paid when said real estate was acquired; and
- (c) reduction and exemption amount by supporting measures.

(2) An approved resource restraint response production equipment installation business operator to whom special provisions of taxations were applied as set forth in Article 11-2, paragraph (1), paragraph (2) or paragraph (3); Article 44-2, paragraph (1), paragraph (2) or paragraph (3); or Article 68-21, paragraph (1), paragraph (2) or paragraph (3) of the Act on Special Measures Concerning Taxation shall attach a document stating the special depreciation amount in the business year that includes the day when the approved resource restraint response production equipment that is stated in the approved resource restraint response production equipment installation plan was used for the business, with the report prescribed in Article 48, paragraph (3).

(Matters to be Included in the Quarterly Implementation Status Report)

Article 51 A business operator who has obtained approval of a business reconstruction plan or management resource reutilization plan that includes a fund plan shall attach the following documents with the quarterly report of implementation status set forth in Article 48, paragraph (6):

- (i) a document indicating changes in sales of said business operator; and
- (ii) a document indicating changes in outstanding interest-bearing liabilities of said business operator.