

# Act on Strengthening Industrial Competitiveness

(Act No. 98 of December 11, 2013)

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## Chapter I General Provisions

### (Purpose)

Article 1 The purpose of this Act is, in view of the importance of strengthening industrial competitiveness in response to changes in the economy and social circumstances for reconstructing the Japanese economy by leading Japanese industry out of prolonged stagnation and setting them on a sustainable growth track, to establish the basic principles and responsibilities of the State and businesses with regard to the strengthening of industrial competitiveness, and to draw up an action plan therefor, with the aim of developing a system to comprehensively and integrally promote policies for strengthening industrial competitiveness, and to prepare special measures on regulations and facilitate regulatory reform through such efforts, and take measures to revitalize the functioning of industrial activities, measures to have the Innovation Network Corporation of Japan engage in business operations concerning support, etc. for specified business activities, and measures to facilitate the revitalization of small and medium-sized enterprises, thereby contributing to enhancing the lives of the public and the sound development of the national economy.

### (Definitions)

- Article 2 (1) The term "Industrial Competitiveness" as used in this Act means the capacity to achieve high profitability in industrial activities by way of ensuring high productivity and sufficient demand.
- (2) The term "Special Measures on Regulations" as used in this Act means measures under special provisions of an Act otherwise provided for by law, with regard to regulations prescribed by law or the measures under the special provisions of a Cabinet Order or order of the competent ministry (hereinafter referred to as "Cabinet Orders, etc." in this paragraph) prescribed by Cabinet Order, etc. concerning regulations prescribed by Cabinet Order, etc. and which apply to new business activities implemented in accordance with the approved new business activity plan prescribed in Article 11, paragraph (2).
- (3) The term "New Business Activities" as used in this Act means the development or production of new goods, development or provision of new services, introduction of a new method of producing or selling goods, introduction of a new method of providing services, or other new business activities that are specified by order of the competent ministry as business activities that contribute to strengthening industrial competitiveness.
- (4) The term "Functioning of Industrial Activities" as used in this Act means where industrial activities involve the development of new business, starting of a new business or withdrawal from an unprofitable business through corporate

restructuring, corporate rehabilitation, capital investment, or other business activities for improving productivity or expanding demand.

- (5) The term "Business Developing New Business" as used in this Act means a business (including a corporation to be newly incorporated; the same applies in paragraph (8)) who is developing new business through the development or production of new goods, development or provision of new services, introduction of a new method of producing or selling goods, introduction of a new method of providing services, or other new business activities and for whom outside investment is especially necessary for achieving growth in the new business into the future, and any other business specified by Order of the Ministry of Economy, Trade and Industry.
- (6) The term "Specified Investment for Developing New Business" as used in this Act means the actions of an investment limited partnership which targets a Business Developing New Business (meaning an investment limited partnership as prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998); the same applies hereinafter) (limited to an investment business mainly targeting a Business Developing New Business which intends to expand the size of its business or an investment business that falls under other requirements specified by Order of the Ministry of Economy, Trade and Industry) , and is specified by Order of the Ministry of Economy, Trade and Industry as business which is expected with confidence to involve giving proactive management or technical guidance to the Business Developing New Business.
- (7) The term "Supporting the Utilization of Specified Research Results" as used in this Act means the provision of advice, funds, or other necessary support for the business activities of a person who utilizes the results of research on technology conducted by an Incorporated National University in their business activities (meaning the Incorporated National University prescribed in Article 2, paragraph (5) of the National University Corporation Act (Act No. 112 of 2003); the same applies in Article 22), in collaboration with the Incorporated National University that contributes to the advancement of research at the Incorporated National University.
- (8) The term "Affiliated Business" as used in this Act means a business whose management is considered to be under the material control of another business, and who has a relationship specified by order of the competent ministry with the relevant other business.
- (9) The term "Affiliated Foreign Corporation" as used in this Act means a foreign corporation (including a corporation to be newly incorporated) whose management is considered effectively be under the control of a business with a head office or principal office in Japan, and who has a relationship specified by order of the competent ministry with the relevant other business.

- (10) The term "Management Resources" as used in this Act means knowledge and skills, as well as technologies, equipment, and other resources utilized in business activities.
- (11) The term "Corporate Restructuring" as used in this Act means business activities that are carried out by a business with the aim of achieving considerable improvements in productivity in all or part of its business and that fall under both of the following items:
- (i) business activities for making changes to the structure of all or part of the business (including changes to the business structure by an Affiliated Business or an Affiliated Foreign Corporation of the business) through any of the following measures:
    - (a) merger;
    - (b) company split;
    - (c) share exchange;
    - (d) share transfer;
    - (e) acceptance or transfer of a business or assets (including equivalents in foreign countries);
    - (f) receipt of contributions;
    - (g) acquisition of shares or equity in another company (limited to cases where the relevant company is to become an Affiliated Business through the acquisition);
    - (h) transfer of shares or equity in an Affiliated Business (limited to cases where it ceases to be an Affiliated Business of the business through the transfer);
    - (i) acquisition of shares, equity, or the equivalent in a foreign corporation (limited to cases where the foreign corporation is to become an Affiliated Foreign Corporation);
    - (j) transfer of shares, equity, or the equivalent in an Affiliated Foreign Corporation (limited to cases where the foreign corporation ceases to be an Affiliated Foreign Corporation of the business through the transfer);
    - (k) establishment or liquidation of a company or a foreign corporation;
    - (l) contributions to a Limited Liability Partnership (meaning the Limited Liability Partnership prescribed in Article 2 of the Limited Liability Partnership Act (Act No. 40 of 2005); the same applies in Article 97, paragraph (1), item (i)); or
    - (m) dismantling to a considerable extent of the facilities held by the business or the disposal to a considerable extent of its equipment; and
  - (ii) business activities for making changes to the field or format of all or part of the affairs that the business conducts by utilizing its management resources, wherein any of the following is carried out:
    - (a) considerable changes to the composition of goods produced or sold, or the

composition of services provided, through the development and production of new goods or development and provision of new services (referred to as the "Development, etc. of New Goods" in item (ii) of the following paragraph);

- (b) significant streamlining in the production of goods through the introduction of new methods of producing goods or the improvement of the efficiency of equipment;
  - (c) significant streamlining in the sale of goods or the provision of services through the introduction of new methods of selling goods or the introduction of a new method of providing services; or
  - (d) considerable reduction of expenses pertaining to the production of goods, through the use of new raw materials, parts or semi-finished goods, or introduction of new methods of purchasing raw materials, parts or semi-finished goods.
- (12) The term "Specified Corporate Restructuring" as used in this Act means Corporate Restructuring wherein two or more businesses effectively combine their management resources and utilize them integrally with the aim of achieving considerable improvements in productivity in all or part of their businesses, respectively, and that fall under both of the following items:
- (i) Corporate Restructuring for making changes to the structure of all or part of a business through any of the following measures:
    - (a) a consolidation-type merger or absorption-type merger among two or more of the business' Wholly Owned Subsidiary Companies (meaning stock companies whose issued shares have been wholly owned by a single business continuously since the day of its establishment; hereinafter the same applies in this item);
    - (b) an incorporation-type company split jointly effected by those two or more businesses;
    - (c) an absorption-type company split wherein a Wholly Owned Subsidiary Company of any one of those two or more businesses succeeds to all or part of the rights and obligations held by the other businesses in relation to their business;
    - (d) acceptance of contributions by a Wholly Owned Subsidiary Company of any one of those two or more businesses from the other businesses; or
    - (e) joint establishment of a company by two or more of those businesses that acquires the issued shares of their Wholly Owned Subsidiary Companies in their entirety; and
  - (ii) Corporate Restructuring wherein any one of the following companies (referred to as a "Specified Company" in Article 26, paragraph (3), Article 27, paragraph (2), and Article 33, paragraph (1)) creates a considerable new demand in a foreign country or creates a considerable new demand in Japan

through the Development, etc. of New Goods:

- (a) a company established as a result of a consolidation-type merger as set forth in (a) of the preceding item or a company that survives an absorption-type merger as set forth in (a) of the same item;
  - (b) a company established as a result of an absorption-type company split as set forth in (b) of the preceding item;
  - (c) a company that has succeeded to all or part of the rights and obligations in relation to the business as a result of an absorption-type company split as set forth in (c) of the preceding item;
  - (d) a company that has accepted contributions as set forth in (d) of the preceding item; or
  - (e) a company established as a result of the joint establishment of a company as set forth in (e) of the preceding item.
- (13) The term "Equipment for Productivity Improvement, etc." as used in this Act means facilities, equipment, apparatus, devices, or Programs (meaning the Programs prescribed in Article 2, paragraph (2) of the Act on Facilitation of Information Processing (Act No. 90 of 1970)) to be used for the production or sale of goods or provision of services that are specified by Order of the Ministry of Economy, Trade and Industry as those which especially contribute to the improvement of productivity in business.
- (14) The term "Corporate Rehabilitation" as used in this Act means the rehabilitation of the affairs of a business which owes extensive obligations, by gaining the cooperation of all or part of its creditors (excluding cases where the rehabilitation of the business is to be implemented through rehabilitation proceedings, reorganization proceedings, or other proceedings specified by an Act specified by Cabinet Order).
- (15) The term "Specified Certified Dispute Resolution Businesses" as used in this Act means Certified Dispute Resolution Businesses (meaning those persons prescribed in Article 2, item (iv) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies in Article 51) who have obtained approval as set forth in Article 51, paragraph (1).
- (16) The term "Specified Certified Dispute Resolution Procedures" as used in this Act means Certified Dispute Resolution Procedures (meaning the procedures prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution; the same applies in Article 51, paragraph (1), item (ii)) which are undertaken by a Specified Certified Dispute Resolution Business with respect to disputes pertaining to Corporate Rehabilitation.
- (17) The term "Small and Medium-sized Enterprise" as used in this Act means a person falling under any of the following:
- (i) a company whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, together with a company and an individual

- that regularly employs 300 employees or fewer, whose principal business is in the manufacturing industry, the construction industry, the transportation industry or any other business type (excluding the business types set forth in the following item to item (iv) and the business types specified by Cabinet Order set forth in item (v));
- (ii) a company whose amount of stated capital or total amount of contributions is not more than 100,000,000 yen, together with a company and an individual that regularly employs 100 employees or fewer, whose principal business is in the wholesale industry (excluding the business types specified by Cabinet Order set forth in item (v));
  - (iii) a company whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen, together with a company and an individual that regularly employs 100 employees or fewer, whose principal business is in the service industry (excluding the business types specified by Cabinet Order set forth in item (v));
  - (iv) a company whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen, together with a company and an individual that regularly employ 50 employees or fewer, whose principal business is in the retail industry (excluding the business types specified by Cabinet Order set forth in the following item);
  - (v) a company whose amount of stated capital or total amount of contributions is not more than an amount specified by Cabinet Order for each business type, together with a company and an individual that regularly employ a number of employees not more than a number specified by Cabinet Order for each business type, whose principal business is a type specified by Cabinet Order;
  - (vi) business co-operatives;
  - (vii) joint business co-operatives; or
  - (viii) business cooperatives, federations of cooperatives, and other partnerships and their federations established pursuant to a special Act that are specified by Cabinet Order.
- (18) The term "Cutting-edge Equipment, etc." as used in this Act means equipment, apparatus, or devices utilizing cutting-edge technology as specified by Order of the Ministry of Economy, Trade and Industry as those whose prices will be significantly uncertain in the future and which will contribute to strengthening industrial competitiveness.
- (19) The term "Lease Contract" as used in this Act means a contract to permit the use of Cutting-edge Equipment, etc. for consideration that does not contain provisions to the effect that either or both of the parties may give notice of termination of the contract at any time after the first date of the period to permit the use of the Cutting-edge Equipment, etc. (hereinafter, such period is

referred to as the "Lease Period" in item (i) of the following paragraph and such date is referred to as the "Effective Date" in this paragraph and item (ii) of the following paragraph) or after the expiration of a certain period from the Effective Date.

(20) The term "Lease Insurance Contract" as used in this Act means an insurance contract that falls under both of the following items:

- (i) an insurance contract wherein a person conducting business permitting the use of Cutting-edge Equipment, etc. under a Lease Contract (limited to a contract for a Lease Period not shorter than three years (referred to as a "Long-term Lease Contract" in the following item); such person is referred to as a "Leaser" in the following item) pledges to pay insurance premiums; and
- (ii) an insurance contract wherein a person who undertakes it accepts insurance premiums for a Long-term Lease Contract signed by a Leaser, pledging that the person will compensate for any damage sustained by the Leaser, when the Leaser was unable to receive the consideration for the Long-term Lease Contract on the due date after the Effective Date, based on the request of the Leaser.

(21) The term "Specified Business Activities" as used in this Act means business activities aimed towards undertaking business expected to have high productivity, or for the development of new business, utilizing management resources other than a person's own management resources, or business activities supporting the business activities.

(22) The term "Start-up" as used in this Act means the acts set forth as follows:

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

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

- (i) an individual intending to start a Start-up as set forth in item (i) of the preceding paragraph who has a concrete plan to start the Start-up within one month (or within six months for a person intending to start a Start-up by receiving support as prescribed by Order of the Ministry of Economy, Trade and Industry under Specified Start-up Support recorded in an approved start-up support plan (meaning the "Approved Start-up Support Plan" prescribed in Article 114, paragraph (2); such business is referred to as an



- "Approved Specified Start-up Support" in item (iii));
- (ii) an individual who started a Start-up as set forth in item (i) of the preceding paragraph and for whom five years have not yet elapsed since the date the business started;
  - (iii) an individual intending to start a Start-up as set forth in item (ii) of the preceding paragraph who has a concrete plan to start the Start-up within two months (or within six months for a person intending to start a Start-up by receiving support as prescribed by Order of the Ministry of Economy, Trade and Industry under an Approved Specified Start-up Support);
  - (iv) a company established through starting a Start-up as set forth in item (ii) of the preceding paragraph and for which five years have not yet elapsed since the date of that establishment;
  - (v) a company intending to start a Start-up as set forth in item (iii) of the preceding paragraph that has a concrete plan to start the Start-up; or
  - (vi) a company established through start a Start-up as set forth in item (iii) of the preceding paragraph and for which five years have not yet elapsed since the date of that establishment.
- (24) The term "Start-up Support" as used in this Act means the business of offering support to a person intending to start a Start-up by means such as providing information necessary for a Start-up, giving training, guidance or advice on a Start-up, developing factories, workplaces, stores or other facilities to be used for the business that the Founder intends to start, and leasing and managing such facilities.
- (25) The term "Specified Start-up Support" as used in this Act means Start-up Support specified by Order of the Ministry of Economy, Trade and Industry as that which will particularly contribute to facilitating Start-ups.
- (26) The term "Specified Letter of Credit" as used in this Act means a letter of credit issued by a bank, Shinkin Bank, credit cooperative or other financial institution specified by Cabinet Order (simply referred to as a "Financial Institution" in the following paragraph) at the request of a business which has its head office or principal office in Japan, which represents that obligations based on the letter of credit will be performed if the non-performance of obligations has arisen through borrowings (including discounts received on negotiable instruments) from a Foreign Bank, etc. (meaning a Foreign Bank, etc. as prescribed in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of an Affiliated Foreign Corporation of the business
- (27) The term "Specified Letter of Credit Issuance Contract" as used in this Act means a contract concluded between a business and a Financial Institution in which the Financial Institution pledges to issue a Specified Letter of Credit, and the business, if the Financial Institution has performed obligations based on the Specified Letter of Credit, pledges to pay to the Financial Institution an

amount equivalent to the amount resulting from the performance of the obligations or an amount specified by Order of the Ministry of Economy, Trade and Industry.

- (28) The term "Specified Small and Medium-sized Enterprise" as used in this Act means a Small and Medium-sized Enterprise for whom the continuation of business is becoming extremely difficult due to owing extensive obligations or the deterioration of the state of the finances due to other circumstances.
- (29) The term "SME Rehabilitation through Succession" as used in this Act means the promotion of the rehabilitation of business through the succession to all or part of the business of a Specified Small and Medium-sized Enterprise by another business by way of a company split or transfer of business, together with improvements in the balance of payments or other improvements with respect to the business succeeded to by the relevant other business.
- (30) The term "Succeeding Business" as used in this Act means a business succeeding to a business through a SME Rehabilitation through Succession.

#### (Basic Principles)

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

#### (Responsibilities of the State)

- Article 4 (1) The State is responsible for establishing measures for strengthening industrial competitiveness in a comprehensive manner and implementing them promptly and without fail, pursuant to the basic principles prescribed in the preceding Article.
- (2) When promoting measures for strengthening industrial competitiveness, the State is to set a five-year period from FY2013 (hereinafter referred to as the "Intensive Implementation Period") as a period to intensively and systematically implement measures for strengthening industrial competitiveness, and is to endeavor to review regulations or otherwise develop business environments, and take measures to support businesses to encourage their proactive business activities, such as the development of new business, starting of a new business or withdrawal from an unprofitable business through Corporate Restructuring, Corporate Rehabilitation, capital investment,

etc.

(Responsibilities of Businesses)

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

## **Chapter II Action Plan for Strengthening Industrial Competitiveness**

(Action Plan)

Article 6 (1) The government is to prepare an action plan for strengthening industrial competitiveness (hereinafter referred to as the "Action Plan" in this Article) in order to comprehensively promote measures for strengthening industrial competitiveness and implement them promptly and without fail during the Intensive Implementation Period.

(2) The Action Plan is to specify the following:

- (i) basic policies concerning measures for strengthening industrial competitiveness;
- (ii) the following particulars for each of the measures to be focused on and taken intensively for strengthening industrial competitiveness:
  - (a) details of the measures;
  - (b) deadlines for completing the measures; and
  - (c) responsible ministers; and
- (iii) other matters necessary for comprehensively promoting measures for strengthening industrial competitiveness and implementing them promptly and without fail.

(3) "Responsible Ministers" as set forth in item (ii), (c) of the preceding paragraph means the competent ministers stipulated in the Cabinet Act (Act No. 5 of 1947) for the measures prescribed in the same item specified in the Action Plan (hereinafter referred to as the "Priority Measures" in this Article and the following Article).

(4) The Action Plan is to be prepared for the period not exceeding three years from the day on which it is prepared.

(5) The Prime Minister is required to prepare a draft of the Action Plan and seek a Cabinet decision.

- (6) The government is to publicize the Action Plan it has prepared.
- (7) During the Intensive Implementation Period, at least once every fiscal year in or after FY2014, the government is to compile the progress and implementation state of the Priority Measures, evaluate such progress and the effect of the Priority Measures, review the Action Plan in consideration of the results of the evaluation and fluctuations in the state of the economy, and revise the Action Plan when the government finds it to be necessary to do so.
- (8) The provisions of paragraph (4) to paragraph (6) apply mutatis mutandis to the revision of the Action Plan.
- (9) When the government has conducted an evaluation pursuant to the provisions of paragraph (7), it is to publicize the progress and state of the implementation of the Priority Measures and the results of the evaluation set forth in the same paragraph.
- (10) The government must prepare a report on the progress and state of the implementation of the Priority Measures and the results of the evaluation set forth in paragraph (7) every fiscal year and submit it to the Diet.

(Responsibilities of Responsible Ministers)

- Article 7 (1) The relevant Responsible Minister (meaning the Responsible Minister prescribed in paragraph (3) of the preceding Article; hereinafter the same applies in this Article) is to implement the Priority Measures by the deadline for completing them.
- (2) When there is a risk that the Priority Measures might not be completed by the deadline, the relevant Responsible Minister is to take necessary measures in order to meet the deadline.
  - (3) When the relevant Responsible Minister has failed to complete the Priority Measures by the deadline, the minister is to clarify the reason therefor by the time of the evaluation under paragraph (7) of the preceding Article and take necessary measures in order to complete the Priority Measures as early as possible.

**Chapter III Preparation of Special Measures on Regulations Concerning  
New Business Activities and the Facilitation of Regulatory Reform**

(Request for New Special Measures on Regulations)

- Article 8 (1) A person who intends to start New Business Activities by receiving the application of new Special Measures on Regulations may request the competent minister to prepare the new Special Measures on Regulations, as prescribed by order of the competent ministry.
- (2) When the competent minister has received a request under the preceding paragraph and finds it necessary to take new Special Measures on Regulations

based on the request and when the new Special Measures on Regulations thus requested require any measures concerning special provisions for regulations specified by an Act or Cabinet Order under the minister's jurisdiction or by order of the relevant competent ministry, the minister is to without delay give notice to that effect and notify the requester of the details of the new Special Measures on Regulations to be taken and is to publicize the details of the new Special Measures on Regulations to be taken.

- (3) When the competent minister has received a request under paragraph (1) and finds it necessary to take new Special Measures on Regulations based on the request and when the new Special Measures on Regulations thus requested pertain to any Act, Cabinet Order, or order of the competent ministry under the jurisdiction of the head of another relevant administrative organ (when the administrative organ is a council, the administrative organ; the same applies hereinafter), the minister is to without delay request the head of another relevant administrative organ to prepare new Special Measures on Regulations and is to give notice to that effect to the requester.
- (4) When the competent minister has received a request under paragraph (1) and finds it unnecessary to take new Special Measures on Regulations based on the request, the minister is to without delay give notice to that effect and notify the requester of the reason therefor.
- (5) When the head of the relevant administrative organ has received a request under paragraph (3) and has decided to take new Special Measures on Regulations based on the request, the head is to without delay make a report to that effect and notify the competent minister who has made the request of the details of the new Special Measures on Regulations to be taken and is to publicize the details of the new Special Measures on Regulations to be taken.
- (6) When the head of the relevant administrative organ has received a request under paragraph (3) and has decided not to take any new Special Measures on Regulations based on the request, the head is to without delay make a report to that effect and notify the competent minister who has made the request of the reason therefor.
- (7) When the competent minister has received a report under the preceding two paragraphs, the minister is to without delay give notice concerning the details of the report to the person who filed a request under paragraph (1) pertaining to the report.

(Confirmation Regarding Interpretation and Application)

Article 9 (1) A person who intends to start New Business Activities may ask for confirmation from the competent minister regarding the interpretation of provisions of Acts that provide for regulations on the New Business Activities and relevant business activities and orders based on Acts (including public

notices; hereinafter the same applies in this Article and Article 15) and the applicability of the provisions to the New Business Activities and relevant business activities, as prescribed by order of the competent ministry.

- (2) When the competent minister has been asked for the confirmation under the preceding paragraph and the confirmation regarding the interpretation and the applicability of provisions pertains to Acts under the minister's jurisdiction and orders based on Acts, the minister is to without delay respond to the requester.
- (3) When the competent minister has been asked for the confirmation under paragraph (1) and the confirmation regarding the interpretation and the applicability of provisions pertains to Acts under the jurisdiction of the head of another relevant administrative organ and orders based on Acts, the minister is to without delay ask for the confirmation from the head of another relevant administrative organ. In this case, the head of the relevant administrative organ who has been asked for the confirmation is to without delay respond to the competent minister.
- (4) When the competent minister has received a response under the preceding paragraph, the minister is to without delay give notice concerning the details of the response to the person who asked for the confirmation under paragraph (1) pertaining to the response.

#### (Approval of a Plan for New Business Activities)

- Article 10 (1) A person who intends to start New Business Activities may prepare a plan for the New Business Activities (hereinafter referred to as a "Plan for New Business Activities" in this Article and Article 142), and submit it to the competent minister during the Intensive Implementation Period to seek the approval thereof, as prescribed by order of the competent ministry.
- (2) When two or more persons intend to jointly start New Business Activities, those two or more persons may jointly prepare a Plan for New Business Activities to seek the approval therefor as set forth in the preceding paragraph.
  - (3) A Plan for New Business Activities must contain the following:
    - (i) the goal of the New Business Activities;
    - (ii) details of the New Business Activities and implementation period;
    - (iii) the amount of funds necessary for carrying out the New Business Activities and how to raise it;
    - (iv) when intending to receive the application of the Special Measures on Regulations prescribed by Cabinet Order or order of the competent ministry under Article 12, the details of the Special Measures on Regulations; and
    - (v) other particulars necessary for carrying out the New Business Activities.
  - (4) When the competent minister has received an application for approval as set forth in paragraph (1) and finds the Plan for New Business Activities to

conform to both of the following items, the minister is to approve the plan:

- (i) the New Business Activities under the Plan for New Business Activities are expected to be carried out smoothly and reliably; and
  - (ii) the details of the Plan for New Business Activities do not violate this Act, orders based on this Act, or other relevant laws and orders.
- (5) When the Plan for New Business Activities contains the particulars set forth in paragraph (3), item (iv) (limited to the particulars pertaining to the Special Measures on Regulations prescribed by Cabinet Order or order of the competent ministry under Article 12 under the jurisdiction of the head of another relevant administrative organ) and the competent minister intends to grant approval as set forth in paragraph (1), the minister is to obtain the consent of the head of another relevant administrative organ with regard to the particulars set forth in the same item. In this case, when those particulars are found to be in conformity with what are provided for by Cabinet Order or order of the competent ministry, the head of another relevant administrative organ is to give consent.
- (6) When the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Plan for New Business Activities pertaining to the approval, as prescribed by order of the competent ministry.

(Changes to a Plan for New Business Activities)

- Article 11 (1) When a person who has obtained the approval set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "Approved Implementer of New Business Activities") intends to make changes to the Plan for New Business Activities pertaining to the approval, such person must seek the approval of the competent minister, as prescribed by order of the competent ministry.
- (2) When the competent minister finds that an Approved Implementer of New Business Activities is not carrying out New Business Activities in accordance with the Plan for New Business Activities pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Plan for New Business Activities"), the minister may rescind the approval.
- (3) When the competent minister finds that an Approved Plan for New Business Activities no longer conforms to either of the items of paragraph (4) of the preceding Article, the minister may direct the Approved Implementer of New Business Activities to make changes to the Approved Plan for New Business Activities or may rescind the approval.
- (4) The provisions of paragraph (4) to paragraph (6) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

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

Article 12 Special Measures on Regulations apply to New Business Activities carried out by an Approved Implementer of New Business Activities in accordance with the Approved Plan for New Business Activities, as prescribed by Cabinet Order for such New Business Activities pertaining to regulations prescribed by Cabinet Order and as prescribed by order of the competent ministry for such New Business Activities pertaining to regulations prescribed by order of the competent ministry.

(Business Operations to Facilitate New Business Activities Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 13 For the purpose of facilitating New Business Activities, the Organization for Small & Medium Enterprises and Regional Innovation is to undertake business operations to guarantee bonds (excluding short term corporate bonds as prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001); the same applies in Article 38 and Article 97, paragraph (1), item (vi)) issued by Approved Implementers of New Business Activities in order to raise funds necessary for carrying out New Business Activities in accordance with the Approved Plan for New Business Activities, and debt obligations pertaining to the borrowing of the funds.

(Review of Special Measures on Regulations)

Article 14 Based on the report set forth in Article 137, paragraph (1) and paragraph (2), the competent minister set forth in Article 8, paragraph (2) and the head of the relevant administrative organ set forth in paragraph (3) of the same Article are to review the Special Measures on Regulations pertaining to the report or otherwise take necessary measures when they find it to be necessary to do so.

(Promotion of Regulatory Reform)

Article 15 (1) The competent minister set forth in Article 8, paragraph (2) and the head of the relevant administrative organ set forth in paragraph (3) of the same Article are to discuss ideal regulations based on provisions of Acts that provide for regulations on New Business Activities and relevant business activities and orders based on Acts, in consideration of the state of the preparation and application of Special Measures on Regulations, the state of regulations in foreign countries, the advancement of technology, and other factors, and are to take legal or other measures necessary for the removal or



relaxation of regulations based on the results of the discussion.

- (2) Based on the report set forth in Article 137, paragraph (1), the competent minister may present the opinion concerning ideal regulations as prescribed in the preceding paragraph to the head of the relevant administrative organ that has jurisdiction over the Acts that provide for the regulations and orders based on Acts, when the minister finds it to be necessary.

## **Chapter IV Revitalizing the Functioning of Industrial Activities**

### **Section 1 Promotion of Specified Investment for Developing New Business and Supporting the Utilization of Specified Research Results**

(Guidelines for the Implementation of Specified Investment for Developing New Business and Supporting the Utilization of Specified Research Results)

Article 16 (1) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to establish the guidelines for the implementation of Specified Investment for Developing New Business and Supporting the Utilization of Specified Research Results (hereinafter referred to as the "Implementation Guidelines" in this Article, paragraph (3), item (i) of the following Article, and Article 20, paragraph (3), item (i)) (for the Minister of Education, Culture, Sports, Science and Technology, limited to the matters set forth in item (ii) of the following paragraph).

- (2) The Implementation Guidelines are to specify the following:
- (i) particulars concerning the means of implementing the Specified Investment for Developing New Business and other important particulars relating to the Specified Investment for Developing New Business; and
  - (ii) particulars concerning the means of implementing Supporting the Utilization of Specified Research Results and other important matters relating to Supporting the Utilization of Specified Research Results.
- (3) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to make changes to the Implementation Guidelines when any need arises due to fluctuations in the state of the economy.
- (4) When the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology intend to establish the Implementation Guidelines or make changes thereto, they are to consult with the head of the relevant administrative organ in advance.
- (5) When the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology have established the Implementation Guidelines or have made changes thereto, they are to without delay publicize the established or changed Implementation Guidelines.

(Approval of a Plan for Specified Investment for Developing New Business)

Article 17 (1) An investment limited partnership that intends to start Specified Investment for Developing New Business may prepare a plan for the Specified Investment for Developing New Business (hereinafter referred to as a "Plan for Specified Investment for Developing New Business" in this Article, the following Article, and Article 142), and submit it to the Minister of Economy, Trade and Industry during the Intensive Implementation Period to seek approval therefor, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(2) A Plan for Specified Investment for Developing New Business must contain the following:

- (i) particulars concerning the investment limited partnership that starts the Specified Investment for Developing New Business;
- (ii) details of the Specified Investment for Developing New Business and the implementation period; and
- (iii) the amount of funds necessary for conducting the Specified Investment for Developing New Business and how to raise funds.

(3) When the Minister of Economy, Trade and Industry has received an application for approval as set forth in paragraph (1) and finds the Plan for Specified Investment for Developing New Business to conform to both of the following items, the minister is to approve the plan:

- (i) the Plan for Specified Investment for Developing New Business is appropriate in light of the Implementation Guidelines; and
- (ii) the Specified Investment for Developing New Business under the Plan for Specified Investment for Developing New Business is expected to be conducted smoothly and reliably.

(4) When the Minister of Economy, Trade and Industry has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Plan for Specified Investment for Developing New Business pertaining to the approval, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Changes to a Plan for Specified Investment for Developing New Business)

Article 18 (1) When an investment limited partnership that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "Approved Partnership Conducting Specified Investment for Developing New Business") intends to make changes to the Plan for Specified Investment for Developing New Business pertaining to the approval, the partnership must seek the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and

Industry.

- (2) When the Minister of Economy, Trade and Industry finds that an Approved Partnership Conducting Specified Investment for Developing New Business is not conducting the Specified Investment for Developing New Business in accordance with the Plan for Specified Investment for Developing New Business pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Plan for Specified Investment for Developing New Business"), the minister may rescind the approval.
- (3) When the Minister of Economy, Trade and Industry finds that an Approved Plan for Specified Investment for Developing New Business no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the Approved Partnership Conducting Specified Investment for Developing New Business to make changes to the Approved Plan for Specified Investment for Developing New Business or may rescind the approval.
- (4) When the Minister of Economy, Trade and Industry has rescinded the approval under the preceding two paragraphs, the minister is to publicize such fact.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Business Operations to Facilitate Specified Investment for Developing New Business Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 19 For the purpose of facilitating Specified Investment for Developing New Business, the Organization for Small & Medium Enterprises and Regional Innovation is to undertake business to guarantee debt obligations pertaining to the borrowing of the funds necessary for Approved Partnerships Conducting Specified Investment for Developing New Business to conduct Specified Investment for Developing New Business in accordance with the Approved Plan for Specified Investment for Developing New Business.

(Approval of a Plan for Supporting the Utilization of Specified Research Results)

Article 20 (1) A person who intends to start Supporting the Utilization of Specified Research Results (including a person who intends to establish a corporation conducting Supporting the Utilization of Specified Research Results, an investment limited partnership that intends to start Supporting the Utilization of Specified Research Results, and a person who intends to incorporate an investment limited partnership conducting Supporting the Utilization of Specified Research Results under a limited partnership

agreement for investment as prescribed in Article 3, paragraph (1) of the Limited Partnership Act for Investment) may prepare a plan for the Supporting the Utilization of Specified Research Results (hereinafter referred to as a "Plan for Supporting the Utilization of Specified Research Results" in this Article, the following Article, and Article 140, paragraph (1), item (ii)), and submit it to the competent minister during the Intensive Implementation Period to seek approval therefor, as prescribed by order of the competent ministry.

- (2) A Plan for Supporting the Utilization of Specified Research Results must contain the following:
  - (i) particulars concerning the person who starts Supporting the Utilization of Specified Research Results;
  - (ii) details of Supporting the Utilization of Specified Research Results and the implementation period; and
  - (iii) the amount of funds necessary for conducting Supporting the Utilization of Specified Research Results and how to raise the funds.
- (3) When the competent minister has received an application for approval as set forth in paragraph (1) and finds the Plan for Supporting the Utilization of Specified Research Results to conform to both of the following items, the minister is to approve the plan:
  - (i) the Plan for Supporting the Utilization of Specified Research Results is appropriate in light of the Implementation Guidelines; and
  - (ii) the Supporting the Utilization of Specified Research Results under the Plan for Supporting the Utilization of Specified Research Results is expected to be conducted smoothly and reliably.
- (4) When the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Plan for Supporting the Utilization of Specified Research Results pertaining to the approval, as prescribed by order of the competent ministry.

(Changes to a Plan for Supporting the Utilization of Specified Research Results)

Article 21 (1) When a person who has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation as set forth in the same paragraph established by the person or an investment limited partnership as set forth in the same paragraph incorporated by the person; hereinafter referred to as an "Approved Business Supporting the Utilization of Specified Research Results") intends to make changes to the Plan for Supporting the Utilization of Specified Research Results pertaining to the approval, such person must seek the approval of the competent minister, as prescribed by order of the competent ministry.

- (2) When the competent minister finds that an Approved Business Supporting the Utilization of Specified Research Results is not conducting Supporting the Utilization of Specified Research Results in accordance with the Plan for Supporting the Utilization of Specified Research Results pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Plan for Supporting the Utilization of Specified Research Results"), the minister may rescind the approval.
- (3) When the competent minister finds that an Approved Plan for Supporting the Utilization of Specified Research Results no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the Approved Business Supporting the Utilization of Specified Research Results to make changes to the Approved Plan for Supporting the Utilization of Specified Research Results or may rescind the approval.
- (4) When the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize such fact.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Contributions and Other Business by Incorporated National Universities)

Article 22 For the purpose of facilitating the utilization of the results of research on technology conducted by an Incorporated National University, the Incorporated National University is to undertake business to make contributions for funds and provide the personnel and technical assistance necessary for Approved Businesses Supporting the Utilization of Specified Research Results to conduct Supporting the Utilization of Specified Research Results in accordance with the Approved Plan for Supporting the Utilization of Specified Research Results.

## **Section 2 Facilitation of Corporate Restructuring**

(Guidelines for the Implementation of Corporate Restructuring)

Article 23 (1) The Minister of Economy, Trade and Industry and the Minister of Finance are to establish the guidelines for the implementation of Corporate Restructuring (hereinafter referred to as the "Implementation Guidelines" in this Section) (for the Minister of Finance, limited to the particulars set forth in item (v) of the following paragraph).

- (2) The Implementation Guidelines are to specify the following:
  - (i) particulars concerning the setting up of goals for improvements in productivity and the soundness of financial conditions through Corporate Restructuring (excluding the particulars set forth in item (iii));

- (ii) particulars concerning the means of implementing Corporate Restructuring (excluding the particulars set forth in item (iv));
  - (iii) particulars concerning the setting up of goals for improvements in productivity and the soundness of financial conditions through the Specified Corporate Restructuring;
  - (iv) particulars concerning the means of implementing Specified Corporate Restructuring;
  - (v) particulars concerning roles to be fulfilled by the Japan Finance Corporation (hereinafter referred to as the "JFC") and Designated Financial Institutions (meaning the Designated Financial Institutions designated pursuant to the provisions of Article 41, paragraph (1); the same applies in Article 39, paragraph (1), item (i) and item (ii)) for facilitating raising the funds necessary for installing Equipment for Productivity Improvement, etc. out of measures for Corporate Restructuring or for taking measures for the Specified Corporate Restructuring; and
  - (vi) other important particulars relating to Corporate Restructuring.
- (3) The Minister of Economy, Trade and Industry and the Minister of Finance are to make changes to the Implementation Guidelines when any need arises due to fluctuations in the state of the economy.
- (4) When the Minister of Economy, Trade and Industry and the Minister of Finance intend to establish the Implementation Guidelines or make changes thereto, they are to consult with the head of the relevant administrative organ in advance.
- (5) When the Minister of Economy, Trade and Industry and the Minister of Finance have established the Implementation Guidelines or have made changes thereto, they are to without delay publicize the established or changed Implementation Guidelines.

#### (Approval of a Corporate Restructuring Plan)

- Article 24 (1) A business may prepare a plan for Corporate Restructuring that it intends to start (including Corporate Restructuring that a corporation established by the business intends to start; hereinafter such plan is referred to as a "Corporate Restructuring Plan"), and submit it to the competent minister during the Intensive Implementation Period to seek approval therefor, as prescribed by order of the competent ministry.
- (2) When two or more businesses intend to jointly start measures for Corporate Restructuring, those two or more businesses may jointly prepare a Corporate Restructuring Plan to seek approval therefor as set forth in the preceding paragraph.
- (3) A Corporate Restructuring Plan must contain the following:
- (i) the goal of Corporate Restructuring;

- (ii) indicators to show the level of improvement in productivity and how sound the financial conditions are through Corporate Restructuring;
  - (iii) details of Corporate Restructuring and the implementation period;
  - (iv) the amount of funds necessary for conducting Corporate Restructuring and how to raise the funds; and
  - (v) particulars concerning the labor associated with Corporate Restructuring.
- (4) A Corporate Restructuring Plan may contain plans for the measures to be taken by Affiliated Businesses and Affiliated Foreign Corporations for the purpose of Corporate Restructuring by the business (es).
- (5) When the competent minister has received an application for approval as set forth in paragraph (1) and finds the Corporate Restructuring Plan conforms to all of the following items, the minister is to approve the plan:
- (i) the Corporate Restructuring Plan is appropriate in light of the Implementation Guidelines;
  - (ii) Corporate Restructuring under the Corporate Restructuring Plan is expected to be conducted smoothly and reliably;
  - (iii) the improvements in productivity through Corporate Restructuring under the Corporate Restructuring Plan are expected to be sustainable in light of the market structures in the relevant field of business;
  - (iv) when business subject to the Corporate Restructuring Plan belongs to a field which is in a state of Structural Oversupply (meaning a state in which the capacity to supply clearly and significantly exceeds demand, and it is expected that this state will continue for a lengthy period; the same applies in Article 26, paragraph (4), item (iv) and Article 50), Corporate Restructuring under the Corporate Restructuring Plan will contribute to the dissolution of Structural Oversupply;
  - (v) the Corporate Restructuring Plan will not cause unreasonable damage to the state of employees; and
  - (vi) with regard to Corporate Restructuring Plans pertaining to applications filed by two or more businesses or Corporate Restructuring Plans pertaining to applications filed by businesses which have taken over affairs from another business, they conform to (a) and (b) below:
    - (a) fair competition between the business filing the application and other businesses engaging in business that belongs to the same field as the former will be maintained in light of the situation in domestic and foreign markets; and
    - (b) there is no risk of causing unreasonable damage to the interests of general consumers and related businesses.
- (6) When the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Corporate Restructuring Plan pertaining to the approval, as prescribed by order of the competent ministry.

(Changes to a Corporate Restructuring Plan)

- Article 25 (1) When a person who has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation established in accordance with the Corporate Restructuring Plan pertaining to the approval; hereinafter such person is referred to as an "Approved Business Conducting Corporate Restructuring") intends to make changes to the Corporate Restructuring Plan pertaining to the approval, such person must seek the approval of the competent minister, as prescribed by order of the competent ministry.
- (2) When the competent minister finds that an Approved Business Conducting Corporate Restructuring, or its Affiliated Business or Affiliated Foreign Corporation is not taking measures for Corporate Restructuring in accordance with the Corporate Restructuring Plan pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Corporate Restructuring Plan"), the minister may rescind the approval.
- (3) When the competent minister finds that an Approved Corporate Restructuring Plan no longer conforms to any of the items of paragraph (5) of the preceding Article, the minister may direct the Approved Business Conducting Corporate Restructuring to make changes to the Approved Corporate Restructuring Plan or may rescind the approval.
- (4) When the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize such fact.
- (5) The provisions of paragraph (5) and paragraph (6) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Approval of a Specified Corporate Restructuring Plan)

- Article 26 (1) Two or more businesses may prepare a plan for the Specified Corporate Restructuring that they intend to start (hereinafter referred to as a "Specified Corporate Restructuring Plan"), and submit it to the competent minister during the Intensive Implementation Period to seek approval therefor, as prescribed by order of the competent ministry.
- (2) A Specified Corporate Restructuring Plan must contain the following:
- (i) the goal of the Specified Corporate Restructuring;
  - (ii) indicators to show the level of the improvements in productivity and how sound the financial conditions are through the Specified Corporate Restructuring;
  - (iii) details of the Specified Corporate Restructuring and implementation period;
  - (iv) the amount of funds necessary for conducting the Specified Corporate



- Restructuring and how to raise it; and
- (v) particulars concerning the labor associated with the Specified Corporate Restructuring.
- (3) A Specified Corporate Restructuring Plan may contain plans for the measures to be taken by Specified Companies for the purpose of the Specified Corporate Restructuring of the businesses.
- (4) When the competent minister has received an application for approval as set forth in paragraph (1) and finds the Specified Corporate Restructuring Plan to conform to all of the following items, the minister is to approve the plan:
- (i) the Specified Corporate Restructuring Plan is appropriate in light of the Implementation Guidelines;
  - (ii) the Specified Corporate Restructuring under the Specified Corporate Restructuring Plan is expected to be conducted smoothly and reliably;
  - (iii) the improvements in productivity through the Specified Corporate Restructuring under the Specified Corporate Restructuring Plan are expected to be sustainable in light of the market structures in the relevant field of business;
  - (iv) when business subject to the Specified Corporate Restructuring Plan belongs to a field which is in a state of Structural Oversupply, the Specified Corporate Restructuring under the Specified Corporate Restructuring Plan will contribute to the dissolution of Structural Oversupply;
  - (v) the Specified Corporate Restructuring Plan will not cause unreasonable damage to the state of employees; and
  - (vi) the Specified Corporate Restructuring Plan conforms to (a) and (b) below:
    - (a) fair competition between the businesses filing the application and other businesses engaging in business that belongs to the same field of business as the former will be maintained in light of the situation in domestic and foreign markets; and
    - (b) there is no risk of causing unreasonable damage to the interests of general consumers and related businesses.
- (5) When the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Specified Corporate Restructuring Plan pertaining to the approval, as prescribed by order of the competent ministry.

(Changes to a Specified Corporate Restructuring Plan)

Article 27 (1) When a person who has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "Approved Business Conducting Specified Corporate Restructuring") intends to make changes to the Specified Corporate Restructuring Plan pertaining to the approval, such person must seek the approval of the competent minister, as

prescribed by order of the competent ministry.

- (2) When the competent minister finds that an Approved Business Conducting Specified Corporate Restructuring or a Specified Company is not taking measures for the Specified Corporate Restructuring in accordance with the Specified Corporate Restructuring Plan pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Specified Corporate Restructuring Plan"), the minister may rescind the approval.
- (3) When the competent minister finds that an Approved Specified Corporate Restructuring Plan no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the Approved Business Conducting Specified Corporate Restructuring to make changes to the Approved Specified Corporate Restructuring Plan or may rescind the approval.
- (4) When the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize such fact.
- (5) The provisions of paragraph (4) and paragraph (5) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Relations with the Fair Trade Commission)

Article 28 (1) When the competent minister intends to grant approval as set forth in Article 24, paragraph (1) (including the approval of changes as set forth in Article 25, paragraph (1); the same applies in paragraph (3)) with respect to a Corporate Restructuring Plan pertaining to an application filed by two or more businesses or a Corporate Restructuring Plan pertaining to an application filed by a business which has taken over the affairs of another business, or the competent minister intends to grant approval as set forth in Article 26, paragraph (1) (including the approval of changes as set forth in paragraph (1) of the preceding Article; the same applies in paragraph (3)) with respect to a Specified Corporate Restructuring Plan, and when the measures for the Corporate Restructuring to be conducted in accordance with the Corporate Restructuring Plan or the measures for the Specified Corporate Restructuring to be conducted in accordance with the Specified Corporate Restructuring Plan (hereinafter referred to as "Corporate Restructuring-Related Measures" in this paragraph) fall under the cases specified by Cabinet Order as cases where fair competition might not be ensured within the field of business to which the business engaged in by the business[es] filing the application belong, the competent minister is to forward a copy of the application form pertaining to the approval to the Fair Trade Commission and consult with the Fair Trade Commission in advance. In this case, the competent minister is to present the opinion with respect to matters concerning the influence that will be exerted by the Corporate Restructuring-

Related Measures on competition within the field of business to which the businesses engaged in by the business[es] filing the application belong, as well as with respect to other necessary matters, and is to indicate the situation in domestic and foreign markets within the field of business, the extent of improvements in productivity through the Corporate Restructuring-Related Measures, and any other supporting grounds for the opinion.

- (2) Upon having a consultation as set forth in the preceding paragraph, the competent minister and the Fair Trade Commission are to maintain a close liaison with each other so as to carry out necessary procedures promptly and appropriately, in consideration of the necessity of strengthening industrial competitiveness.
- (3) With respect to actions taken in accordance with Corporate Restructuring Plans or Specified Corporate Restructuring Plans, for which a copy of the application form has been forwarded under paragraph (1) and to which the competent minister has granted approval as set forth in Article 24, paragraph (1) or approval as set forth in Article 26, paragraph (1), the competent minister and the Fair Trade Commission are to maintain a close liaison with each other so as to prevent damage to fair competitive relations among businesses due to fluctuations in the state of the economy after the approval, as well as unreasonable damage to the interests of general consumers and related businesses.

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

- Article 29 (1) When a business newly establishes a stock company through the contribution or transfer of all or part of its assets in accordance with an Approved Corporate Restructuring Plan or an Approved Specified Corporate Restructuring Plan (hereinafter referred to as an "Approved Plan" in this Section), with respect to the application of the provisions of Article 33, paragraph (10), item (i) of the Companies Act (Act No. 86 of 2005) pertaining to the incorporators of the newly established stock company, the phrase "does not exceed 5,000,000 yen" in the same item is deemed to be replaced with "does not exceed 5,000,000 yen, and in cases prescribed in Article 29, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".
- (2) With respect to the application of the provisions of Article 47, paragraph (2) of the Commercial Registration Act (Act No. 125 of 1963) in the cases set forth in the preceding paragraph, the phrase "the following documents" in the same paragraph is deemed to be replaced with "the following documents (excluding the documents set forth in item (iv)) and documents evidencing that the contribution or transfer of assets was in accordance with an Approved Plan prescribed in Article 29, paragraph (1) of the Act on Strengthening Industrial

Competitiveness (Act No. 98 of 2013)".

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

Article 30 (1) When a business contributes to all or part of its assets to another stock company in accordance with an Approved Plan (including cases where share options are exercised), the provisions of Article 207, paragraph (1) to paragraph (8), and Article 284, paragraph (1) to paragraph (8) of the Companies Act do not apply to the relevant other stock company.

(2) With respect to the application of the provisions of Article 56 and Article 57 of the Commercial Registration Act in the cases set forth in the preceding paragraph, the phrase "the following documents" in these provisions is deemed to be replaced with "the following documents (excluding the documents set forth in item (iii) (a) and item (iv)) and documents evidencing that the contribution of assets was in accordance with an Approved Plan prescribed in Article 29, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

Article 31 (1) The provisions of paragraph (1) of the preceding Article apply mutatis mutandis when a business contributes to all or part of its assets in accordance with an Approved Plan, at the time of the issuance of shares upon entity conversion as prescribed in Article 67, item (i) of the Research and Development Partnerships Act (Act No. 81 of 1961) by a technical research partnership undergoing the entity conversion prescribed in Article 61, paragraph (2) of the same Act. In this case, the phrase "the provisions of Article 207, paragraph (1) to paragraph (8), and Article 284, paragraph (1) to paragraph (8) of the Companies Act" in paragraph (1) of the preceding Article is deemed to be replaced with "the provisions of Article 207, paragraph (1) to paragraph (8) of the Companies Act as applied mutatis mutandis pursuant to Article 75 of the Research and Development Partnerships Act (Act No. 81 of 1961)".

(2) The provisions of paragraph (1) of the preceding Article apply mutatis mutandis when a business contributes to all or part of its assets in accordance with an Approved Plan, at the time of the issuance of shares upon an incorporation-type company split as prescribed in Article 122, item (i) of the Research and Development Partnerships Act by a research and development partnership undergoing the incorporation-type company split prescribed in Article 118, paragraph (2) of the same Act. In this case, the phrase "the provisions of Article 207, paragraph (1) to paragraph (8), and Article 284, paragraph (1) to paragraph (8) of the Companies Act" in paragraph (1) of the preceding Article is deemed to be replaced with "the provisions of Article 207,

paragraph (1) to paragraph (8) of the Companies Act as applied mutatis mutandis pursuant to Article 130 of the Research and Development Partnerships Act (Act No. 81 of 1961)".

- (3) With respect to the application of the provisions of Article 169, paragraph (1) and Article 170, paragraph (1) of the Research and Development Partnerships Act in the cases set forth in the preceding two paragraphs, the phrase "the following documents, when issuing" in Article 169, paragraph (1), item (ix) and Article 170, paragraph (1), item (x) of the same Act is deemed to be replaced with "the following documents (excluding the documents set forth in (c) 1. and (d)), and documents evidencing that the contribution of assets was in accordance with an Approved Plan prescribed in Article 29, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), when issuing".

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

Article 32 (1) With respect to the application of the provisions of Article 468, paragraph (1), Article 784, paragraph (1), and Article 796, paragraph (1) of the Companies Act pertaining to a stock company that is a Specified Affiliated Business of an Approved Business Conducting Corporate Restructuring (meaning an Affiliated Business, in which two thirds or more of the voting rights of all shareholders are held by the Approved Business Conducting Corporate Restructuring or by a stock company all of whose issued shares are held by the Approved Business Conducting Corporate Restructuring; hereinafter the same applies in this Article) and which performs any of the following acts (with respect to acts as set forth in item (iii) to item (vi), limited to an act resulting in a stock company) in accordance with an Approved Corporate Restructuring Plan, the phrase "Special Controlling Company (hereinafter, when nine tenths (9/10) (or, when any proportion higher than that is provided for in the articles of incorporation, such proportion) or more of the voting rights of all shareholders of a Stock Company are held by other Company, and by Stock Companies all of the issued shares in which are held by such other Company and other corporations prescribed by the applicable Order of the Ministry of Justice as entities equivalent to the above, referring to such other Company" in Article 468, paragraph (1) of the same Act is deemed to be replaced with "Specified Special Controlling Company (when a stock company is a Specified Affiliated Business (meaning the Specified Affiliated Business prescribed in Article 32, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); hereinafter the same applies in this Article) in an Approved Corporate Restructuring Plan as prescribed in Article 25, paragraph (2) of the same Act, a Specified Special Controlling

Company means an Approved Business Conducting Corporate Restructuring as prescribed in Article 25, paragraph (1) of the same Act pertaining to the Specified Affiliated Business, another Specified Affiliated Business of the Approved Business Conducting Corporate Restructuring, another Approved Business Conducting Corporate Restructuring pertaining to the Approved Corporate Restructuring Plan, or a Specified Affiliated Business of the relevant other Approved Business Conducting Corporate Restructuring; the same applies hereinafter); and the phrase "Special Controlling Company" in Article 784, paragraph (1) and Article 796, paragraph (1) of the Companies Act is deemed to be replaced with "Specified Special Controlling Company":

- (i) transfer of business;
- (ii) acceptance of all business;
- (iii) absorption-type merger;
- (iv) absorption-type company split;
- (v) succession to all or part of the rights and obligations held by another company concerning its business through an absorption-type company split;
- (vi) share exchange; or
- (vii) acquisition of all issued shares of another stock company through a share exchange.

(2) When a Specified Affiliated Business of an Approved Business Conducting Corporate Restructuring that is a stock company performs either of the following acts in accordance with an Approved Corporate Restructuring Plan, the provisions of Article 804, paragraph (1) of the Companies Act do not apply to the Specified Affiliated Business:

- (i) consolidation-type merger (limited to cases where a consolidation-type merger is executed with the Approved Business Conducting Corporate Restructuring, another Specified Affiliated Business of the Approved Business Conducting Corporate Restructuring, another Approved Business Conducting Corporate Restructuring pertaining to the Approved Corporate Restructuring Plan, or a Specified Affiliated Business of the relevant other Approved Business Conducting Corporate Restructuring, and the company established through the consolidation-type merger is a stock company); or
- (ii) incorporation-type company split (excluding cases where the company established through an incorporation-type company split is a membership company, and the cases prescribed in Article 805 of the Companies Act).

(3) In the cases prescribed in the preceding paragraph, when any of the acts set forth in the items of the same paragraph are in violation of laws and orders or the articles of incorporation and there is a risk that the shareholders of a Specified Affiliated Business are likely to be disadvantaged, the shareholders of the Specified Affiliated Business may demand that the Specified Affiliated Business should refrain from the acts.

- (4) With respect to the application of the provisions of Article 806, paragraph (3) and Article 808, paragraph (3) of the Companies Act in the cases set forth in the preceding two paragraphs, the phrase "the day of resolution of the shareholders meeting set forth in Article 804 (1)" in Article 806, paragraph (3) of the same Act is deemed to be replaced with "day of resolution of the shareholders meeting set forth in Article 804 (1) (in the cases prescribed in Article 32, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)"; and the phrase "and in the cases prescribed in Article 805, the day of the preparation of the Incorporation-type Company Split plan" in Article 808, paragraph (3) of the same Act is deemed to be replaced with "in the cases prescribed in Article 805, the day of the preparation of the Incorporation-type Company Split plan, and in the cases prescribed in Article 32, paragraph (2) of the Act on Strengthening Industrial Competitiveness, the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)".
- (5) With respect to the application of the provisions of Article 80, Article 81, Article 85, Article 86, and Article 89 of the Commercial Registration Act in the cases set forth in paragraph (1) and paragraph (2), the phrase "the following documents" in Article 80 of the same Act is deemed to be replaced with "the following documents, a document evidencing the obtainment of the approval set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval of changes as set forth in Article 25, paragraph (1) of the same Act; hereinafter simply referred to as the "Approval"), and a document evidencing that the absorption-type merger was in accordance with the plan for which the Approval was obtained"; the phrase "the following documents" in Article 81 of the same Act is deemed to be replaced with "the following documents, a document evidencing the obtainment of the Approval, and a document evidencing that the consolidation-type merger was in accordance with the plan for which the Approval was obtained"; the phrase "the consolidation-type merger agreement" in item (vi) of the same Article is deemed to be replaced with "the consolidation-type merger agreement (in the cases prescribed in Article 32, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that the case provided for therein is applicable, a document or minutes of board of directors evidencing that the consent of the majority of the directors has been obtained)"; the phrase "the following documents" in Article 85 of the same Act is deemed to be replaced with "the following documents, a document evidencing the obtainment of the Approval, and a document evidencing that the

absorption-type company split, or the succession to all or part of the rights and obligations held by another company concerning its business through an absorption-type company split, was in accordance with the plan for which the Approval was obtained"; the phrase "the following documents" in Article 86 of the same Act is deemed to be replaced with "the following documents, a document evidencing the obtainment of the Approval, and a document evidencing that the incorporation-type company split was in accordance with the plan for which the Approval was obtained"; the phrase "has been obtained" in item (vi) of the same Article is deemed to be replaced with "has been obtained, and in the cases prescribed in Article 32, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that the case provided for therein is applicable, a document or minutes of board of directors evidencing that the consent of the majority of the directors has been obtained"; and the phrase "the following documents" in Article 89 of the same Act is deemed to be replaced with "the following documents, a document evidencing the obtainment of the Approval, and a document evidencing that the share exchange or acquisition of all of the issued shares of another company through a share exchange was in accordance with the plan for which the Approval was obtained."

(Special Provisions Concerning the Consolidation of Shares)

Article 33 (1) With respect to the application of the provisions of Article 180, paragraph (2) of the Companies Act pertaining to the consolidation of shares undertaken, at the same time as a reduction in the amount of stated capital, capital reserves or retained earnings reserves, in accordance with the Approved Plan by a stock company that is an Approved Business Conducting Corporate Restructuring or its Affiliated Business (hereinafter referred to as an "Approved Business Conducting Corporate Restructuring, etc.") or an Approved Business Conducting Specified Corporate Restructuring or a Specified Company pertaining to the approval (hereinafter referred to as an "Approved Business Conducting Specified Corporate Restructuring, etc.") which falls under both of the following items, the phrase "a shareholders meeting" in the same paragraph is deemed to be replaced with "a shareholders meeting (for a company with a board of directors, a board of directors meeting)":

- (i) there is a reduction in the number of share units, or a discontinuation of that number, at the same time as the consolidation of shares; and
- (ii) there is no fall in the number of share units owned by each individual shareholder after the consolidation of shares (when a number of share units is discontinued at the time as the consolidation of shares, the number of shares owned by each individual shareholder), below the number of share



units held by each individual shareholder before the consolidation.

(2) With respect to the application of the provisions of Article 61 of the Commercial Registration Act in the cases set forth in the preceding paragraph, the phrase "documents listed in Article 59, paragraph (1), item (ii)" in the same Article is deemed to be replaced with "documents as set forth in Article 59, paragraph (1), item (ii), and a document evidencing that the consolidation of shares was in accordance with the Approved Plan prescribed in Article 29, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning the Issuance of Shares or the Disposal of Treasury Shares upon Tender Offer in Exchange for Shares)

Article 34 (1) When a stock company that is an Approved Business Conducting Corporate Restructuring intends to make another stock company its Affiliated Business through the acquisition of shares of the relevant other stock company by way of a Tender Offer (meaning the Tender Offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); hereinafter the same applies in this paragraph and paragraph (1) of the following Article) in accordance with an Approved Corporate Restructuring Plan (including cases where it intends to make a foreign corporation its Affiliated Foreign Corporation through the acquisition of shares, equity, or the equivalent in the foreign corporation by means equivalent to a Tender Offer in foreign countries; hereinafter the same applies in this paragraph), and when it issues shares or disposes of treasury shares in exchange for the acquisition; or when a stock company that is an Approved Business Conducting Corporate Restructuring issues shares or disposes of treasury shares to its Subsidiary (meaning the Subsidiary prescribed in Article 2, item (iii) of the Companies Act and limited to stock companies all of whose issued shares are held by the company and other corporations specified by order of the competent ministry as those equivalent thereto; hereinafter the same applies in this paragraph) in accordance with an Approved Corporate Restructuring Plan and the Subsidiary intends to make another stock company its Affiliated Business through the acquisition of shares of the relevant other stock company by way of a Tender Offer in exchange for the shares in accordance with the Approved Corporate Restructuring Plan; with respect to the application of the provisions of Article 199, Article 201 (excluding paragraph (1) and paragraph (2)), Article 208, and Article 445 of the Companies Act pertaining to the Approved Business Conducting Corporate Restructuring, the phrases set forth in the middle column of the following table that are used in the provisions of the same Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and any

other necessary technical replacement of the phrases are to be specified by Cabinet Order.

the part other than the items below of Article 199, paragraph (1)	a Stock Company intends to solicit persons to subscribe for shares it issues or for Treasury Shares it disposes of	a stock company that is an Approved Business Conducting Corporate Restructuring as prescribed in Article 25, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) intends to solicit persons to subscribe for shares it issues or for treasury shares it disposes of in an exchange for the acquisition of shares of another stock company by way of a Tender Offer (meaning the Tender Offer prescribed in Article 27-2, paragraph (6) of the Financial Instruments and Exchange Act (Act No. 25 of 1948); hereinafter the same applies) in accordance with an Approved Corporate Restructuring Plan as prescribed in Article 25, paragraph (2) of the Industrial Competitiveness Enhancement Act
	the following particulars	the following particulars (excluding the matters set forth in item (iii))
Article 199, paragraph (1), item (i)	The number of Shares for Subscription (or, for a Company with Class Shares, the classes and the number of the Shares for Subscription. The same applies hereinafter in this Section.)	The number of shares of the relevant other stock company (including shares, equity, or similar instruments of the foreign corporation) to be contributed in exchange for one of the shares for subscription, as well as of share options and bonds with share options (hereinafter referred to as the "Specified Shares, etc.") of the relevant other stock company purchased along with the shares upon the Tender Offer

Article 199, paragraph (1), item (ii)	The Amount to Be Paid in (meaning the amount of the monies to be paid in in exchange for one of the Shares for Subscription, or the amount of any property other than monies to be contributed. The same applies hereinafter in this Section.) for the Shares for Subscription	The number of shares of the relevant other stock company (including shares, equity, or the equivalent in the foreign corporation) to be contributed in exchange for one of the shares for subscription, as well as of share options and bonds with share options (hereinafter referred to as "Specified Shares, etc.") of the relevant other stock company purchased along with the shares upon the Tender Offer
Article 199, paragraph (1), item (iv)	the payment of the monies in exchange for the Shares for Subscription, or the contribution of the property under the preceding item	the contribution of the Specified Shares, etc. of the relevant other stock company in exchange for the shares for subscription
Article 201, paragraph (3)	by a resolution of the board of directors meeting provided for in Article 199(2) applied by the reading of terms pursuant to the provisions of the preceding paragraph	not by a resolution of the board of directors meeting under Article 796, paragraph (2) as applied mutatis mutandis pursuant to the provisions of Article 34, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 201, paragraph (5)	the applicable Order of the Ministry of Justice	the applicable order of the competent ministry prescribed in Article 140, paragraph (2) of the Act on Strengthening Industrial Competitiveness (hereinafter simply referred to as "Order of the Competent Ministry")

Article 208, paragraph (2)	the Properties Contributed in Kind equivalent in value to the entire Amount to Be Paid in of the Shares for Subscription for which the subscribers respectively subscribed	all of the Specified Shares, etc. of the relevant other stock company to be contributed in exchange for the shares for subscription
Article 445, paragraph (1)	the amount of properties	the amount specified by Order of the Competent Ministry as the amount of properties
Article 445, paragraph (2)	the amount of contribution	the amount specified by Order of the Competent Ministry as the amount of the contribution

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

Article 234, paragraph (1)	In cases where a Stock Company delivers shares in such Stock Company to the persons listed in the following items when any act listed in such items is carried out	In cases where a stock company delivers such shares to persons who have submitted applications for subscription for such shares at the time of the issuance of shares or disposal of treasury shares under Article 34, paragraph (1) of the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "Issuance, etc. of Specified Shares")
	the number of the shares of such Stock Company	the number of the shares of the stock company that is the Approved Business Conducting Corporate Restructuring
the part other than the items below of Article 796, paragraph (2)	paragraphs (1) to (3) of the preceding Article	Article 199, paragraph (2)
	one-fifth (or, in cases where a lesser proportion is prescribed in the articles of incorporation of the Surviving Stock Company, etc., such proportion)	one-fifth

	the cases listed in the items of paragraph (2) of the preceding Article or the cases prescribed in the proviso to the preceding paragraph	the cases where all or part of the shares to be delivered to persons who have submitted applications for subscription for such shares at the time of the Issuance, etc. of Specified Shares are shares with restrictions on the transfer of the stock company that is the Approved Business Conducting Corporate Restructuring and when the stock company that is the Approved Business Conducting Corporate Restructuring is not a public company
Article 796, paragraph (2), item (i)	the total amount of the amounts listed below:	the amount obtained by multiplying the number of shares of the stock company that is the Approved Business Conducting Corporate Restructuring to be delivered to persons who have submitted applications for subscription for such shares at the time of the Issuance, etc. of Specified Shares
	(a) the amount obtained by multiplying the number of shares of the Surviving Stock Company, etc. to be delivered to shareholders of the Stock Company Absorbed in Absorption-type Merger or the Wholly Owned Subsidiary Company in Share Exchange, to partners of the Membership Company Absorbed in Absorption-type Merger or to the Splitting Company in Absorption-type Company Split (hereinafter referred to as "Shareholders, etc. of the Absorbed Company, etc." in this item) by the amount of net assets per share;	
	(b) the total amount of the book value of Bonds, Share Options or Bonds with Share Options of the Surviving Stock Company, etc. to be delivered to Shareholders, etc. of the Absorbed Company, etc.; and	
	(c) the total amount of the book value of property other than shares, etc. of the Surviving Stock Company, etc. to be delivered to Shareholders, etc. of the Absorbed Company, etc.	

Article 796, paragraph (2), item (ii)	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	the applicable Order of the Ministry of Justice	the order of the competent ministry prescribed in Article 140, paragraph (2) of the Act on Strengthening Industrial Competitiveness (hereinafter simply referred to as the "Order of the Competent Ministry")
Article 796, paragraph (3)	the applicable Order of the Ministry of Justice	Order of the Competent Ministry
	paragraph (1) of the preceding Article	Article 199, paragraph (2)
	the Absorption-type Merger, etc.	the Issuance, etc. of Specified Shares
	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	such Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	the Effective Day	the date set forth in Article 199, paragraph (1), item (iv) as applied, by replacing the phrases, pursuant to the provisions of Article 34, paragraph (1) of the Act on Strengthening Industrial Competitiveness or the first day of the period set forth in the same item (hereinafter referred to as the "Specified Date, etc.")
	obtain the approval of the Absorption-type Merger Agreement, etc.	determine the subscription requirements

Article 797, paragraph (1)	an Absorption-type Merger, etc.	the Issuance, etc. of Specified Shares
	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
Article 797, paragraph (2), item (i) (limited to the part other than (a) and (b))	the Absorption-type Merger, etc.	the Issuance, etc. of Specified Shares
Article 797, paragraph (2), item (i), (a)	such Absorption-type Merger, etc.	the Issuance, etc. of Specified Shares
	such Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
Article 797, paragraph (3)	A Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	the Effective Day	the Specified Date, etc.
	that it will effect an Absorption-type Merger, etc. and the trade name and domicile of the Absorbed Company, etc. (or, in the cases prescribed in Article 795(3), the fact that it will effect an Absorption-type Merger, etc., the trade name and domicile of the Absorbed Company, etc. and the matters concerning shares set forth in that paragraph)	that it will carry out the Issuance, etc. of Specified Shares, and the trade name and domicile of the relevant other stock company or foreign corporation
Article 797, paragraph (4), item (i)	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring



Article 797, paragraph (4), item (ii)	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	obtains the approval of the Absorption-type Merger Agreement, etc. by the resolution of a shareholders meeting set forth in Article 795(1)	determines subscription requirements by a resolution of the board of directors meeting as set forth in Article 199, paragraph (2)
Article 797, paragraph (5)	the Effective Day	the Specified Date, etc.
Article 797, paragraph (6) and paragraph (7)	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
Article 797, paragraph (8)	the Absorption-type Merger, etc. is cancelled	the Issuance, etc. of Specified Shares is cancelled in its entirety
Article 798, paragraph (1) and paragraph (2)	the Surviving Stock Company, etc.	the stock company that is the Approved Business Conducting Corporate Restructuring
	the Effective Day	the Specified Date, etc.
Article 798, paragraph (3)	the Effective Day	the Specified Date, etc.
Article 798, paragraph (4) and paragraph (5)	Surviving Stock Company, etc.	stock company that is the Approved Business Conducting Corporate Restructuring

- (4) With respect to the application of the provisions of Article 56 of the Commercial Registration Act in the cases set forth in paragraph (1), the phrase "the following documents" in the same Article is deemed to be replaced with "the following documents (excluding the documents set forth in item (iii) (a) and item (iv)), and a document evidencing that the issuance of shares was in

accordance with the plan for which the approval set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval of changes as set forth in Article 25, paragraph (1) of the same Act) was obtained".

- (5) The provisions of Article 155 (excluding paragraph (8)) the Act on Book-Entry Transfer of Company Bonds, Shares, etc. apply to the cases set forth in paragraph (1). In this case, the phrase "intends to perform any of the acts set forth in the items of Article 116, paragraph (1) of the Companies Act, consolidation of shares prescribed in Article 182-2, paragraph (1) of the same Act, business transfer, etc. (meaning the business transfer, etc. prescribed in Article 468, paragraph (1) of the same Act; the same applies in paragraph (4)), merger, conclusion of an absorption-type company split agreement, incorporation-type company split, conclusion of a share exchange agreement, or share transfer" in paragraph (1) of the same Article is deemed to be replaced with "intends to undertake the issuance of shares or disposal of treasury shares under Article 34, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "the day when any of the acts set forth in the items of Article 116, paragraph (1) of the Companies Act, consolidation of shares prescribed in Article 182-2, paragraph (1) of the same Act, business transfer, etc., absorption-type merger, absorption-type company split, or a share exchange becomes effective or the day of the establishment of a company through a consolidation-type merger, incorporation-type company split, or share transfer" in paragraph (4) of the same Article is deemed to be replaced with "the date set forth in Article 199, paragraph (1), item (iv) of the Companies Act as applied, by replacing the phrases, pursuant to the provisions of Article 34, paragraph (1) of the Act on Strengthening Industrial Competitiveness or the first day of the period set forth in the same item"; and any other necessary technical replacement of the phrases are to be specified by Cabinet Order.

(Special Provisions Concerning the Issue and Acquisition of Shares Subject to Class-Wide Call)

- Article 35 (1) If an Approved Business Conducting Corporate Restructuring has acquired the shares of another stock company by way of a Tender Offer in accordance with an Approved Corporate Restructuring Plan (limited to cases where it has come to hold nine tenths or more of the voting rights of all shareholders of the relevant other stock company and nine tenths or more of the voting rights of shareholders of class shares for which the provisions of the articles of incorporation is to be created with respect to the matters set forth in Article 108, paragraph (1), item (vii) of the Companies Act); with respect to the application of the provisions of Article 111, paragraph (2), Article 155, Article

171, Article 172, Article 173, paragraph (2), Article 234, and Article 466 of the same Act pertaining to changes to the articles of incorporation necessary for the issuance of Shares Subject to Class-Wide Call (meaning the Shares Subject to Class-Wide Call prescribed in Article 171, paragraph (1) of the same Act; hereinafter the same applies in this paragraph) undertaken by the relevant other stock company, and the acquisition of all of the Shares Subject to Class-Wide Call (when the number of shares of the relevant other stock company that need to be issued to shareholders of the relevant other stock company upon the acquisition includes a fraction of less than one share, including sales of the number of shares equivalent to the total sum of the fractions (when the total sum includes a fraction of less than one, such fraction is to be rounded off) by means other than an auction), and for which approval has been obtained from the competent minister as the acquisition that falls under both of the following items, as prescribed by order of the competent ministry; the phrases set forth in the middle column of the following table that are used in the provisions of the same Act as set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table, and any other necessary technical replacement of the phrases is to be specified by Cabinet Order:

- (i) the acquisition is not in violation of laws and orders or the articles of incorporation; and
- (ii) the Consideration for Acquisition (meaning the Consideration for Acquisition prescribed in Article 171, paragraph (1) of the Companies Act) equivalent to the Price for Purchase, etc. (meaning the Price for Purchase, etc. prescribed in Article 27-2, paragraph (3) of the Financial Instruments and Exchange Act) at the Tender Offer is allocated to shareholders of the relevant other stock company upon the acquisition of the Shares Subject to Class-Wide Call.

Article 111, paragraph (2)	the following Class Shareholders	the following class shareholders (in cases where the approval of the competent minister set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) has been obtained, limited to class shareholders set forth in item (ii) or item (iii))
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Article 171, paragraph (1)	the following matters must be prescribed by resolution of such shareholders meeting	the following matters must be prescribed by resolution of such shareholders meeting; provided, however, that in cases where the approval of the competent minister set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness has been obtained, the Shares Subject to Class-Wide Call pertaining to the approval may be acquired and the following matters may be prescribed without a resolution from a shareholders meeting
Article 172, paragraph (1)	the following shareholders	all shareholders
	the day of the shareholders meeting under that paragraph	the day of the notification under Article 169, paragraph (3) as applied mutatis mutandis pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms, or the day of the public notice set forth in Article 169, paragraph (4) as applied mutatis mutandis pursuant to the provisions of Article 35, paragraph (2) of the same Act
Article 173, paragraph (2)	provisions made by resolution of the shareholders meeting under Article 171(1)	what has been specified under Article 171, paragraph (1) as applied, by replacing the phrases, pursuant to the provisions of Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 234, paragraph (2)	using a means other than auction with the permission of the court. In such cases, if there are two or more directors, the petition for such permission must be filed with the consent of all directors	using a means other than an auction pertaining to the approval of the competent minister set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness

Article 466	after its incorporation	after its incorporation; provided, however, that changes to the articles of incorporation, for which the approval of the competent minister set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness has been obtained, may be effected without a resolution from a shareholders meeting
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(2) With respect to the application of the provisions of Article 46, paragraph (1), paragraph (2), paragraph (4), and paragraph (5) of the Commercial Registration Act in the cases set forth in the preceding paragraph, the phrase "a document evidencing that such consent or unanimous consent has been obtained" in paragraph (1) of the same Article is deemed to be replaced with "a document evidencing that such consent or unanimous consent has been obtained, and a document evidencing the obtainment of the approval of the competent minister as set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; the phrase "the relevant minutes" in paragraph (2) of the same Article is deemed to be replaced with "the relevant minutes, and a document evidencing the obtainment of the approval of the competent minister as set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; and the phrase "a document evidencing that such decision has been made" in paragraph (4) and paragraph (5) of the same Article is deemed to be replaced with "a document evidencing that such decision has been made, and a document evidencing the obtainment of the approval of the competent minister as set forth in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness."

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

Article 36 (1) A business which is a stock company (hereinafter simply referred to as a "Company" in this paragraph and paragraph (4)) may, when a resolution of the shareholders meeting or the board of directors or a decision by executive officers has been made with respect to the transfer of all or part of a business undertaken in accordance with an Approved Plan, give separate notices to each of its Specified Obligees (meaning, from among persons holding claims against the Company, those who will hold claims against those persons taking over all or part of the business, and who will not hold the claims against the Company through the transfer of all or part of the business; hereinafter the

same applies in this Article), within two weeks from the date of the resolution or decision, explaining the outline of the transfer of all or part of the business, and may require them to state any objections to the transfer of all or part of the business, if any, within a fixed period of time.

- (2) The period set forth in the preceding paragraph must not be less than one month.
- (3) When a Specified Obligee who has received a notice as prescribed in paragraph (1) has stated no objection within the period set forth in the same paragraph, the Specified Obligee is deemed to have approved the transfer of all or part of the business.
- (4) When a Specified Obligee has stated an objection within the period set forth in paragraph (1), the Company must entrust appropriate assets to a trust company or financial institution engaged in a trust business with the aim of liquidation or the provision of reasonable security, or having the Specified Obligee receive repayment; provided, however, that this does not apply when there is no risk of damage to the Specified Obligee even if the transfer of all of part of the business takes place.

(Special Provisions of the Limited Partnership Act for Investment)

Article 37 (1) Each of the partners of an investment limited partnership may, for the purpose of facilitating Corporate Restructuring, under the terms of the partnership agreement set forth in Article 3, paragraph (1) of the Limited Partnership Act for Investment, jointly pledge to manage a business acquiring and holding shares, share options or Designated Securities (meaning the Designated Securities prescribed in item (iii) of the same paragraph) issued by a foreign corporation, or equity or the equivalent in a foreign corporation that pertain to an Affiliated Foreign Corporation (limited to an Affiliated Foreign Corporation when a plan concerning measures to be taken by the Affiliated Foreign Corporation is included in the Approved Corporate Restructuring Plan), in addition to the business activities set forth in the items of the same paragraph.

- (2) With respect to the application of the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment pertaining to partners of an investment limited partnership who have pledged to manage a business prescribed in the preceding paragraph, in Article 7, paragraph (4) of the same Act, the phrase "acts other than the business activities listed in Article 3 (1)" is deemed to be replaced with "acts other than the business activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 37, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and the phrase "a business other than those set forth in the same paragraph" is deemed to be replaced with "acts other than the business

activities set forth in Article 3, paragraph (1) or the business activities prescribed in Article 37, paragraph (1) of the same Act".

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

Article 38 For the purpose of facilitating Corporate Restructuring, the Organization for Small & Medium Enterprises and Regional Innovation is to undertake business operations to guarantee bonds issued by persons as set forth in the following items in order to raise funds as specified therein, and debt obligations pertaining to the borrowing of the funds:

- (i) Approved Businesses Conducting Corporate Restructuring, etc.: funds necessary for taking measures for Corporate Restructuring in accordance with an Approved Corporate Restructuring Plan; and
- (ii) Approved Businesses Conducting Specified Corporate Restructuring, etc.: funds necessary for taking measures for Specified Corporate Restructuring in accordance with an Approved Specified Corporate Restructuring Plan.

(Business Operations to Facilitate Corporate Restructuring Promotion Undertaken by the JFC)

Article 39 (1) Notwithstanding the provisions of Article 1 and Article 11 of the Japan Finance Corporation Act (Act No. 57 of 2007; referred to as the "JFC Act" in the following paragraph), the JFC may undertake the following business operations (hereinafter referred to as "Business Operations to Facilitate Corporate Restructuring Promotion"):

- (i) business operations to lend a Designated Financial Institution funds for offering loans for funds for installing Equipment for Productivity Improvement, etc. or other measures for Corporate Restructuring as specified by Cabinet Order that are taken by an Approved Business Conducting Corporate Restructuring, etc. in accordance with an Approved Corporate Restructuring Plan (such measures are referred to as "Approved Corporate Restructuring-Related Measures" in Article 41, paragraph (1)), and incidental business operations; and
- (ii) business operations to lend a Designated Financial Institution funds necessary for offering loans for funds necessary for measures for the Specified Corporate Restructuring specified by Cabinet Order that are taken by an Approved Business Conducting Specified Corporate Restructuring, etc. in accordance with an Approved Specified Corporate Restructuring Plan (such measures are referred to as "Approved Specified Corporate Restructuring-Related Measures" in Article 41, paragraph (1)), and incidental business operations.

(2) When Business Operations to Facilitate Corporate Restructuring Promotion

are undertaken, the operations are deemed to be Business Operations to Facilitate Specified Business Promotion as prescribed in Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (Act No. 38 of 2010); and the phrases set forth in the middle column of the table of Article 17 of the same Act that are used in the provisions of the JFC Act set forth in the left-hand column of the same table (excluding the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table) are deemed to be replaced with the phrases set forth in the right-hand column of the table of the same Article, and the phrases set forth in the middle column of the following table that are used in the provisions of the JFC Act set forth in the left-hand column of the same table are deemed to be replaced with the phrases set forth in the right-hand column of the same table. In this case, the necessary technical replacement of the phrases is to be specified by Cabinet Order.

Article 58, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 58, paragraph (2) and Article 59, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness
Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied, by replacing the phrases, pursuant to the provisions of Article 39, paragraph (2) of the Act on Strengthening Industrial Competitiveness
Article 73, item (i)	this Act	this Act (including cases where applied, by replacing the phrases, pursuant to the provisions of Article 39, paragraph (2) of the Act on Strengthening Industrial Competitiveness)
Article 73, item (iii)	Article 11	Article 11 and Article 39, paragraph (1) of the Act on Strengthening Industrial Competitiveness



Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) (including cases where applied, by replacing the phrases, pursuant to the provisions of Article 39, paragraph (2) of the Act on Strengthening Industrial Competitiveness)
Article 47, paragraph (1) of the Supplementary Provisions	business of the JFC	business operations of the JFC (excluding the Business to Facilitate Corporate Restructuring prescribed in Article 39, paragraph (1) of the Act on Strengthening Industrial Competitiveness)

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

Article 40 (1) In line with the Implementation Guidelines (limited to the particulars set forth in Article 23, paragraph (2), item (v); the same applies in paragraph (1), item (ii) and paragraph (2) of the following Article), the JFC must specify the method and conditions of Business Operations to Facilitate Corporate Restructuring Promotion and other policies for undertaking the same (hereinafter referred to as "Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion"), as prescribed by order of the competent ministry.

- (2) When intending to specify Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion, the JFC must obtain the authorization of the competent minister. This also applies when the JFC intends to make changes to those policies.
- (3) When the JFC has obtained the authorization of the competent minister set forth in the preceding paragraph, it must without delay publicize the Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion.
- (4) The JFC must undertake Business Operations to Facilitate Corporate Restructuring Promotion in accordance with the Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion.

(Designation of Designated Financial Institutions)

Article 41 (1) With respect to a business to offer loans for funds necessary for Approved Corporate Restructuring-Related Measures taken by an Approved Business Conducting Corporate Restructuring, etc. in accordance with an Approved Corporate Restructuring Plan or for Approved Specified Corporate Restructuring-Related Measures taken by an Approved Business Conducting

Specified Corporate Restructuring, etc. in accordance with an Approved Specified Corporate Restructuring Plan, which is to be undertaken by way of borrowing funds necessary for the loans from the JFC (hereinafter referred to as "Business Operations to Promote Corporate Restructuring"), the competent minister may designate those that are deemed to conform to all of the following items as Designated Financial Institutions, upon application from them, as prescribed by order of the competent ministry:

- (i) they fall under the category of a bank or other financial institutions specified by Cabinet Order;
  - (ii) their business regulations prescribed in the following paragraph are in conformity with laws and orders, the Implementation Guidelines, and the Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion, and are sufficient for undertaking Business Operations to Promote Corporate Restructuring properly and reliably; and
  - (iii) in light of the personnel structure, they have the knowledge and experience for undertaking Business Operations to Promote Corporate Restructuring properly and reliably.
- (2) A person intending to receive designation under the preceding paragraph (hereinafter simply referred to as "Designation" in this Section) must specify the Business Regulations for Business Operations to Promote Corporate Restructuring Promotion (referred to as the "Business Regulations" in the following paragraph and Article 43), in line with the Implementation Guidelines, and the Policies for Undertaking Business Operations to Facilitate Corporate Restructuring Promotion, in accordance with the procedures specified by order of the competent ministry, and submit it to the competent minister together with a designated application form.
- (3) The Business Regulations must specify particulars concerning the implementation framework for and the means of implementing Business Operations to Promote Corporate Restructuring and other particulars specified by order of the competent ministry.
- (4) Those falling under any of the following items may not receive Designation:
- (i) a person who has violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these, and has been sentenced to a punishment heavier than a fine, and for whom five years have not yet elapsed since the day on which the execution of the sentence has been completed or since the day on which the person ceased to be subject to execution of the sentence;
  - (ii) a person whose Designation has been rescinded pursuant to the provisions of Article 48, paragraph (1) or paragraph (2), and for whom five years have not yet elapsed since the day of the rescission; or
  - (iii) a corporation, any of whose officers in charge of its business fall under

either of the following:

- (a) an adult ward, a person under curatorship, or a bankrupt whose civil rights have not been restored; or
- (b) if a Designated Financial Institution has had its Designation rescinded pursuant to the provisions of Article 48, paragraph (1) or paragraph (2), a person who was an officer of the Designated Financial Institution within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing pertaining to the rescission of the Designation, and for whom five years have not yet elapsed since the day of the rescission.

(Public Notice of a Designation)

- Article 42 (1) When the competent minister has made a Designation, the minister is to issue a public notice concerning the trade name or name, and the address of the Designated Financial Institution, as well as the location of the business office or office where it undertakes Business Operations to Promote Corporate Restructuring.
- (2) When a Designated Financial Institution intends to change its trade name or name, address, location of the business office or office where it undertakes Business Operations to Promote Corporate Restructuring, it must notify the competent minister of that fact in advance.
- (3) When the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

(Authorization of Changes to the Business Regulations)

- Article 43 (1) When intending to change the Business Regulations, a Designated Financial Institution must obtain the authorization of the competent minister.
- (2) When the competent minister finds that the Business Regulations of a Designated Financial Institution is no longer appropriate for the proper and reliable implementation of Business Operations to Promote Corporate Restructuring, the minister may order the institution to change its Business Regulations.

(Agreement)

- Article 44 (1) The JFC is to conclude an agreement containing the following particulars with a Designated Financial Institution, with respect to Business Operations to Facilitate Corporate Restructuring Promotion, and undertake its business in accordance with the agreement:
- (i) particulars concerning the standards for conditions for loans for Business Operations to Promote Corporate Restructuring undertaken by the Designated Financial Institution;

- (ii) a requirement for the Designated Financial Institution to prepare a report on its financial situation and the state of implementation of Business Operations to Promote Corporate Restructuring and submit it to the JFC; and
  - (iii) the details and means of Business Operations to Promote Corporate Restructuring undertaken by the Designated Financial Institution and Business Operations to Facilitate Corporate Restructuring Promotion undertaken by the JFC, and other particulars specified by order of the competent ministry, beyond what are set forth in the preceding two items.
- (2) When intending to conclude an agreement as set forth in the preceding paragraph, the JFC must obtain the authorization of the competent minister. This also applies when the JFC intends to make changes to the agreement.

(Bookkeeping)

Article 45 A Designated Financial Institution must keep books with respect to Business Operations to Promote Corporate Restructuring, record the matters specified by order of the competent ministry, and preserve it, as prescribed by order of the competent ministry.

(Supervision Orders)

Article 46 When the competent minister finds it necessary for the enforcement of this Act, the minister may issue orders necessary for supervision with respect to Business Operations to Promote Corporate Restructuring to a Designated Financial Institution.

(Suspension or Discontinuation of Business Operations)

- Article 47 (1) When a Designated Financial Institution intends to suspend or discontinue all or part of the Business Operations to Promote Corporate Restructuring, it must notify the competent minister of that fact in advance, as prescribed by order of the competent ministry.
- (2) When the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice of that fact.
- (3) When a Designated Financial Institution has discontinued all of the Business Operations to Promote Corporate Restructuring, the Designation of the Designated Financial Institution ceases to be effective.

(Rescission of a Designation)

Article 48 (1) When a Designated Financial Institution has come to fall under any of the items (excluding item (ii)) of Article 41, paragraph (4), the competent minister is to rescind the Designation of the Designated Financial Institution.

- (2) When a Designated Financial Institution falls under any of the following items, the competent minister may rescind the Designation of the Designated Financial Institution:
- (i) when the Designated Financial Institution is deemed to be incapable of undertaking Business Operations to Promote Corporate Restructuring properly and reliably;
  - (ii) when there has been a wrongful act relating to the Designation; or
  - (iii) when the Designated Financial Institution has violated this Act or an order or disposition based on this Act.
- (3) When the competent minister has rescinded a Designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice of that fact.

(Completion of Business Operations due to Rescission of Designation)

Article 49 When a Designation of a Designated Financial Institution has ceased to be effective pursuant to the provisions of Article 47, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a person that was the Designated Financial Institution or its general successor is deemed to be the Designated Financial Institution within the context of its purpose of completing transactions based on the agreement on the Business Operations to Promote Corporate Restructuring undertaken by the Designated Financial Institution.

(Investigation)

Article 50 When the government finds it necessary for facilitating Corporate Restructuring through businesses, it is to investigate the supply and demand trends of goods or services, whether each field of business is in a state of Structural Oversupply, or other particulars concerning market structures, and publicize the results thereof.

### **Section 3 Facilitation of Corporate Rehabilitation**

(Approval of Certified Dispute Resolution Businesses)

Article 51 (1) Certified Dispute Resolution Businesses that have specified the scope of disputes set forth in Article 6, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution, while including disputes pertaining to Corporate Rehabilitation, may obtain the approval of the Minister of Economy, Trade and Industry with respect to the fact that they conform to both of the following items, as prescribed by Order of the Ministry of Economy, Trade and Industry:

- (i) they can appoint a person falling under the requirements for a person

considered to have specialist knowledge and practical experience pertaining to Corporate Rehabilitation as specified by Order of the Ministry of Economy, Trade and Industry, as a Dispute Resolution Provider (meaning the Dispute Resolution Provider set forth in Article 2, item (ii) of the Act on Promotion of Use of Alternative Dispute Resolution); and

(ii) the means of implementation for the Certified Dispute Resolution

Procedures with respect to disputes pertaining to Corporate Rehabilitation are in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry.

(2) When the Minister of Economy, Trade and Industry finds that the Certified Dispute Resolution Business pertaining to the application for approval set forth in the preceding paragraph conforms to both of the items of the preceding paragraph, the minister is to grant approval as set forth in the same paragraph.

(3) When the Minister of Economy, Trade and Industry finds that a Certified Dispute Resolution Business who has obtained the approval set forth in paragraph (1) no longer conforms to either of the items of the same paragraph, or finds that confirmation pertaining to the reduction of the amount of bonds to be redeemed set forth in Article 56, paragraph (1) or confirmation pertaining to the borrowing of funds set forth in Article 58, paragraph (1) is not being made properly, the minister may rescind the approval.

(Special Provisions Concerning Conciliation Authorities)

Article 52 If a business has filed an application for conciliation pertaining to the Arrangement of Specified Debts, etc. (meaning the Arrangement of Specified Debts, etc. prescribed in Article 2, paragraph (2) of the Act on Special Conciliation Proceedings for Expediting Arrangement of Specified Debts, etc. (Act No. 158 of 1999)) (limited to cases where a request as set forth in Article 3, paragraph (2) of the same Act was made at the time of the application for conciliation), when Specified Dispute Resolution Procedures had been undertaken with respect to the incident pertaining to the application prior to the application, the court is to make a judgment as to whether it is appropriate for the conciliation to be undertaken only by judges pursuant to the provisions of the proviso to Article 5, paragraph (1) of the Civil Conciliation Act (Act No. 222 of 1951), in consideration of the fact that the Specified Dispute Resolution Procedures had been undertaken.

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

Article 53 With respect to Corporate Rehabilitation participated in by the persons set forth in the following items, the Organization for Small & Medium Enterprises and Regional Innovation is to guarantee obligations pertaining to

the borrowing of funds that are indispensable for the continuation of the affairs of a business intending to conduct Corporate Rehabilitation within the period specified respectively in each of the same items (when an application for the starting of bankruptcy proceedings, the starting of rehabilitation proceedings, the starting of reorganization proceedings, or the starting of special liquidation has been filed within the period, the period up to the time when the application was filed; such period is referred to as the "Corporate Rehabilitation Preparation Period" in paragraph (1) of the following Article):

- (i) Specified Certified Dispute Resolution Businesses: the period between the starting of the specified dispute resolution procedures up to their termination; or
- (ii) the Organization for Small & Medium Enterprises and Regional Innovation or Approved Support Institutions (meaning the Approved Support Institutions prescribed in Article 127, paragraph (2); the same applies in Article 55, paragraph (1) and Article 126, paragraph (1)): the period between the starting of the provision of guidance or advice (excluding guidance or advice provided under the specified dispute resolution procedures) with respect to the preparation of a plan for Corporate Rehabilitation pertaining to a Small and Medium-sized Enterprise intending to conduct Corporate Rehabilitation, up to the moment when it becomes clear that all of the obligees subject to the plan have reached an agreement, or will not reach an agreement, with respect to the plan.

(Special Provisions of the Small and Medium-sized Enterprise Credit Insurance Act)

Article 54 (1) With respect to the application of the provisions of the Small and Medium-sized Enterprise Credit Insurance Act (Act No. 264 of 1950) set forth in the left-hand column of the following table pertaining to the insurance relationships of ordinary insurance prescribed in Article 3, paragraph (1) of the same Act (hereinafter referred to as "Ordinary Insurance"), unsecured insurance prescribed in Article 3-2, paragraph (1) of the same Act (hereinafter referred to as "Unsecured Insurance"), or special petty insurance prescribed in Article 3-3, paragraph (1) of the same Act (hereinafter referred to as "Special Petty Insurance") that pertain to Small and Medium-sized Enterprises who have received a Corporate Rehabilitation Facilitation-related Guarantee (meaning a guarantee of obligations as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1) or Article 3-3, paragraph (1) of the same Act that pertains to the borrowing of funds (limited to the borrowing of funds within the Corporate Rehabilitation Preparation Period) necessary to be allocated as expenses for the purpose of purchasing raw materials by a Small and Medium-sized Enterprise intending to conduct Corporate Rehabilitation or other

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

Article 3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Facilitation- related Guarantee prescribed in Article 54, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as a "Corporate Rehabilitation Facilitation-related Guarantee") and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Facilitation- related Guarantee and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise, respectively,
Article 3-2, paragraph (3)	out of the amount of the borrowings	out of the amount of the borrowings for the Corporate Rehabilitation Facilitation- related Guarantee and other guarantees, respectively
	the obligee	the obligees for the Corporate Rehabilitation Facilitation- related Guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	the borrowings guaranteed for the Corporate Rehabilitation Facilitation-related Guarantee and other guarantees, respectively,
	the obligee	the obligees for the Corporate Rehabilitation Facilitation- related Guarantee and other guarantees, respectively,



- (2) With respect to the application of the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-sized Enterprise Credit Insurance Act pertaining to the insurance relationships of Ordinary Insurance that pertain to a Corporate Rehabilitation Facilitation-related Guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent for Unsecured Insurance, Special Petty Insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, Corporate Rehabilitation insurance, and specific corporate bond insurance)" are deemed to be replaced with "80 percent".
- (3) The amount of insurance premiums relating to the insurance relationships of Ordinary Insurance, Unsecured Insurance, or Special Petty Insurance that pertain to a Corporate Rehabilitation Facilitation-related Guarantee is to be the amount obtained by multiplying the insurance amount by a ratio specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

Article 55 (1) With respect to the application of the provisions of the Small and Medium-sized Enterprise Credit Insurance Act set forth in the left-hand column of the following table pertaining to the insurance relationships of Ordinary Insurance, Unsecured Insurance, or Special Petty Insurance that pertain to Small and Medium-sized Enterprises who have received a Corporate Rehabilitation Plan Implementation-related Guarantee (meaning a guarantee of obligations as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1) or Article 3-3, paragraph (1) of the same Act that pertains to funds necessary for Corporate Rehabilitation to be conducted in accordance with a plan for Corporate Rehabilitation set forth in Article 53, item (ii) prepared through receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or Approved Support Institutions (limited to a plan for which all of the obligees subject to the plan have reached an agreement) or a plan for Corporate Rehabilitation as prescribed by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Article), the phrases set forth in the middle column of the same table that are used in these provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Plan Implementation-related Guarantee prescribed in Article 55, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as a "Corporate Rehabilitation Plan Implementation-related Guarantee") and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise Operator, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Plan Implementation-related Guarantee and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise Operator, respectively,
Article 3-2, paragraph (3)	out of the amount of said the borrowings	out of the amount of said the borrowings for the Business Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively
	the obligee	the obligees for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	out of the borrowings for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively
	the obligee	the obligees for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively,

- (2) With respect to the application of the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-sized Enterprise Credit Insurance Act pertaining to the insurance relationships of Ordinary Insurance that pertains to a Corporate Rehabilitation Plan Implementation-related Guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent for Unsecured Insurance, Special Petty Insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)" are deemed to be replaced with "80 percent".
- (3) The amount of insurance premiums relating to the insurance relationships of Ordinary Insurance, Unsecured Insurance, or Special Petty Insurance that pertain to a Corporate Rehabilitation Plan Implementation-related Guarantee is to be the amount obtained by multiplying the insurance amount by a ratio specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

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

Article 56 (1) A business intending to promote Corporate Rehabilitation through Specified Certified Dispute Resolution Procedures may request the Specified Certified Dispute Resolution Business undertaking the Specified Certified Dispute Resolution Procedures to confirm that the reduction of the amount of bonds to be redeemed based on a resolution at the bondholders meeting is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry and Cabinet Office Order as being indispensable for the Corporate Rehabilitation of the business.

- (2) When having made a confirmation as set forth in the preceding paragraph, the Specified Certified Dispute Resolution Business is to give notice to that effect to the business who sought the confirmation.

(Special Provisions Concerning Decisions on the Authorization of Resolutions at a Bondholders Meeting)

Article 57 (1) When an application has been filed for the authorization prescribed in Article 732 of the Companies Act pertaining to a resolution at a bondholders meeting to the effect that the amount of bonds to be redeemed is to be reduced, which has been confirmed by a Specified Certified Dispute Resolution Business pursuant to the provisions of paragraph (1) of the preceding Article, the court is to make a decision as to whether the resolution

at the bondholders meeting falls under the cases set forth in Article 733, item (iv) of the same Act, in consideration of the fact that it had been confirmed that the reduction is indispensable for the Corporate Rehabilitation of the relevant business.

- (2) When an application has been filed for the authorization prescribed in the preceding paragraph, the court may request the Specified Certified Dispute Resolution Business to present opinions.

(Confirmation by a Specified Certified Dispute Resolution Business on the Borrowing of Funds)

Article 58 (1) A business intending to promote Corporate Rehabilitation through Specified Certified Dispute Resolution Procedures may request the Specified Certified Dispute Resolution Business undertaking the Specified Certified Dispute Resolution Procedures to confirm that the borrowing of funds by the relevant business during a period from the starting of the Specified Certified Dispute Resolution Procedures up to their termination conforms to both of the following items:

- (i) it is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as being indispensable for the continuation of the affairs of the business; and
  - (ii) with respect to the preferential treatment of the performance of claims pertaining to the borrowing of funds above, the performance of other claims against the business that are held, as of the time of the borrowing of funds, by obligees who are party to the dispute under the Specified Certified Dispute Resolution Procedures, the consent of all the obligees has been obtained.
- (2) When having made a confirmation as set forth in the preceding paragraph, the Specified Certified Dispute Resolution Business is to give notice to that effect to the business who sought the confirmation.

(Special Provisions Concerning Rehabilitation Proceedings)

Article 59 If a ruling has been rendered on the starting of rehabilitation proceedings with respect to a business who has borrowed funds that were confirmed pursuant to the provisions of paragraph (1) of the preceding Article, when a Proposed Rehabilitation Plan (meaning the Proposed Rehabilitation Plan set forth in Article 163, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999)) that creates a difference in the details of changes to rights between rehabilitation claims pertaining to the borrowed funds that were confirmed pursuant to the provisions of the same paragraph and other rehabilitation claims (limited to rehabilitation claims that were held by the obligees set forth in item (ii) of the same paragraph at the time of giving the

consent set forth in the same item) has been submitted or approved, the Court (meaning an individual judge or a council of judges dealing with the rehabilitation case) is to make a decision as to whether the Proposed Rehabilitation Plan falls under the cases where equality will not be compromised even if the difference prescribed in the proviso to Article 155, paragraph (1) of the same Act is created, in consideration of the fact that it had been confirmed that the borrowing of funds conforms to both of the items of paragraph (1) of the preceding Article.

(Special Provisions Concerning Reorganization Proceedings)

Article 60 If a ruling has been rendered on the starting of reorganization proceedings with respect to a business who has borrowed funds that were confirmed pursuant to the provisions of Article 58, paragraph (1), when a proposed reorganization plan that creates a difference in the details of changes to rights between reorganization claims pertaining to the borrowed funds that were confirmed pursuant to the provisions of the same paragraph and other reorganization claims of the same type (limited to reorganization claims that were held by the obligees set forth in item (ii) of the same paragraph at the time of giving the consent set forth in the same item) has been submitted or approved, the Court (meaning an individual judge or a council of judges dealing with the reorganization case) is to make a decision as to whether the proposed reorganization plan falls under the cases where equality will not be compromised even if the difference prescribed in the proviso to Article 168, paragraph (1) of the Corporate Reorganization Act (Act No. 154 of 2002) is created, in consideration of the fact that it had been confirmed that the borrowing of funds conforms to both of the items of Article 58, paragraph (1).

#### **Section 4 Corporations Promoting Equipment Installation**

(Designation of Corporations Promoting Equipment Installation)

Article 61 (1) The Minister of Economy, Trade and Industry may designate general incorporated associations, general incorporated foundations, or other corporations specified by Cabinet Order whose purpose to conduct business to promote the installation of Cutting-edge Equipment, etc. and are found to conform to all of the following items with regard to business operations prescribed in the following paragraph (hereinafter referred to as "Business Operations to Promote Equipment Installation") as corporations promoting equipment installation, upon application from the entities, as prescribed by Order of the Ministry of Economy, Trade and Industry:

- (i) it has a financial basis that is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as required for

- properly undertaking Business Operations to Promote Equipment Installation, and has favorable prospects for income and expenditures pertaining to Business Operations to Promote Equipment Installation;
- (ii) the plan for undertaking Business Operations to Promote Equipment Installation, which covers personnel, operational procedures, and other particulars, is appropriate for properly undertaking Business Operations to Promote Equipment Installation;
  - (iii) the composition of the officers or members poses no risk of interfering with the fair implementation of Business Operations to Promote Equipment Installation; and
  - (iv) when it undertakes business operations other than Business Operations to Promote Equipment Installation, the relevant other business operations pose no risk of interfering with the fair implementation of Business Operations to Promote Equipment Installation.
- (2) A corporation promoting equipment installation is to undertake the following:
- (i) underwriting of Lease Insurance Contracts;
  - (ii) provision of information, advice, guidance or other assistance to persons undertaking business permitting the use of Cutting-edge Equipment, etc. under a Lease Contract; and
  - (iii) business incidental to those set forth in the preceding two items.
- (3) A person who falls under any of the following items may not receive the designation under paragraph (1) (hereinafter simply referred to as the "Designation" in this Section):
- (i) a person who has received a penal sentence for a violation of the provisions of this Act and for whom two years have not yet elapsed since the day on which the execution of the sentence has been completed or since the day on which the person ceased to be subject to execution of the sentence;
  - (ii) a person whose Designation has been rescinded pursuant to the provisions of Article 72, paragraph (1) or paragraph (2), and for whom two years have not yet elapsed since the day of the rescission; or
  - (iii) a person any of whose officers falls under either of the following:
    - (a) a person who falls under item (i); or
    - (b) a person who was dismissed by an order under Article 63, paragraph (2), and for whom two years have not yet elapsed since the day of the dismissal.

(Public Notice of a Designation)

Article 62 (1) When the Minister of Economy, Trade and Industry has made a Designation, the minister is to issue a public notice concerning the name and the address of the corporation promoting equipment installation, the location of the office where it undertakes Business Operations to Promote Equipment Installation, and the day of commencing Business Operations to Promote

#### Equipment Installation.

- (2) When a corporation promoting equipment installation intends to change its name, address, or location of the office where it undertakes Business Operations to Promote Equipment Installation, it must notify the Minister of Economy, Trade and Industry of that fact by two weeks prior to the day of making the change.
- (3) If the Minister of Economy, Trade and Industry receives a notification under the preceding paragraph, the minister is to issue a public notice of that fact.

#### (Appointment and Dismissal of Officers)

- Article 63 (1) The appointment and dismissal of officers of a corporation promoting equipment installation does not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.
- (2) When an officer of a corporation promoting equipment installation has committed any act in violation of this Act or an order based on this Act, or a disposition based on these, or a Business Regulations prescribed in paragraph (1) of the following Article, or has committed an extremely inappropriate act in relation to Business Operations to Promote Equipment Installation, the Minister of Economy, Trade and Industry may order the corporation promoting equipment installation to dismiss the officer.

#### (Business Regulations)

- Article 64 (1) A corporation promoting equipment installation must specify the business regulations for Business Operations to Promote Equipment Installation (hereinafter referred to as the "Business Regulations" in this Article) prior to the commencing of Business Operations to Promote Equipment Installation and obtain the authorization of the Minister of Economy, Trade and Industry. This also applies when the corporation intends to make changes to the Business Regulations.
- (2) The implementation means of Business Operations to Promote Equipment Installation and other particulars to be specified in the Business Regulations are to be prescribed by Order of the Ministry of Economy, Trade and Industry.
  - (3) When the Minister of Economy, Trade and Industry finds that the Business Regulations for which the minister has given the authorization set forth in paragraph (1) is no longer appropriate for the proper and reliable implementation of Business Operations to Promote Equipment Installation, the minister may order the corporation to change its Business Regulations.

#### (Business Plans)

- Article 65 (1) A corporation promoting equipment installation must prepare a

business plan and an income and expenditure budget for each business year before the start thereof (for the business year containing the day on which it received the Designation, after receiving the Designation without delay), and obtain the authorization of the Minister of Economy, Trade and Industry. This also applies when it intends to make changes to those documents.

- (2) A corporation promoting equipment installation must prepare a business report and a settlement of accounts for each business year and submit them to the Minister of Economy, Trade and Industry within three months of the end of each business year.

(Separate Accounting)

Article 66 A corporation promoting equipment installation must separate accounting and prepare separate accounts for each of the following business operations:

- (i) business as set forth in Article 61, paragraph (2), item (i) and incidental business operations; and
- (ii) business other than that set forth in the preceding item.

(Liability Reserves)

Article 67 A corporation promoting equipment installation must save liability reserves as of the end of each business year, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Bookkeeping)

Article 68 A corporation promoting equipment installation must keep books with respect to Business Operations to Promote Equipment Installation, record particulars specified by Order of the Ministry of Economy, Trade and Industry, and keep them, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Delegation of Important Matters Concerning Finance and Accounting to Order of the Ministry of Economy, Trade and Industry)

Article 69 Beyond what is provided for in this Section, important matters concerning finance and accounting of a corporation promoting equipment installation when it undertakes Business Operations to Promote Equipment Installation are to be specified by Order of the Ministry of Economy, Trade and Industry.

(Supervision Orders)

Article 70 When the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may issue orders necessary for the



supervision with respect to Business Operations to Promote Equipment Installation to a corporation promoting equipment installation.

(Suspension or Discontinuation of Business Operations)

Article 71 (1) A corporation promoting equipment installation must not suspend or discontinue all or part of its Business Operations to Promote Equipment Installation unless it obtains the permission of the Minister of Economy, Trade and Industry.

(2) When the Minister of Economy, Trade and Industry has given the permission set forth in the preceding paragraph, the minister is to issue a public notice of that fact.

(3) When the Minister of Economy, Trade and Industry has permitted the discontinuation of all of the Business Operations to Promote Equipment Installation, the Designation of the relevant corporation promoting equipment installation ceases to be effective.

(Rescission of a Designation)

Article 72 (1) When a corporation promoting equipment installation has come to fall under any of the items (excluding item (ii)) of Article 61, paragraph (3), the Minister of Economy, Trade and Industry is to rescind the Designation of the corporation promoting equipment installation.

(2) When a corporation promoting equipment installation falls under any of the following items, the Minister of Economy, Trade and Industry may rescind the Designation of the corporation promoting equipment installation, or specify a time period and order the suspension of all or part of the Business Operations to Promote Equipment Installation:

(i) when the corporation is deemed to be incapable of undertaking Business Operations to Promote Equipment Installation properly and reliably;

(ii) when there has been a wrongful act relating to the Designation; or

(iii) when the corporation has violated this Act, an order based on this Act, or a disposition based on these.

(3) When the Minister of Economy, Trade and Industry has rescinded a Designation pursuant to the provisions of the preceding two paragraphs, or has ordered the suspension of all or part of the Business Operations to Promote Equipment Installation pursuant to the provisions of the preceding paragraph, the minister is to issue a public notice of that fact.

(Measures Associated with the Rescission of Designations)

Article 73 (1) When a corporation promoting equipment installation has had its Designation rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, it must turn over all of its Business

Operations to Promote Equipment Installation to another corporation promoting equipment installation designated by the Minister of Economy, Trade and Industry as a corporation to succeed to all of the Business Operations to Promote Equipment Installation.

- (2) Beyond what is provided for in the preceding paragraph, the succession of Business Operations to Promote Equipment Installation and other necessary matters if a Designation has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article are to be specified by Order of the Ministry of Economy, Trade and Industry.

(Provision of Information)

Article 74 The Minister of Economy, Trade and Industry is to provide the information and materials, or guidance and advice necessary for the implementation of Business Operations to Promote Equipment Installation to a corporation promoting equipment installation.

## **Section 5 Utilization of Intellectual Property Rights in Business Activities**

Article 75 (1) Regarding a patent application (limited to a patent application for which a request for examination of the application has been filed during the Intensive Implementation Period) concerning an invention belonging to technology fields specified by Order of the Ministry of Economy, Trade and Industry as those contributing to strengthening industrial competitiveness, when a person who should pay patent fees for each year from the first to the tenth year pursuant to the provisions of Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959) is a person who falls under the requirements specified by Cabinet Order in consideration of such person's financial resources and level of contribution to strengthening industrial competitiveness through the creation of new industry, the Commissioner of the Japan Patent Office may grant such person a reduction of, exemption from, or a grace period for the payment of the patent fees, as prescribed by Cabinet Order.

- (2) When a person who files a request for examination (limited to a request filed during the Intensive Implementation Period), is a person who falls under the requirements prescribed in the same paragraph, the Commissioner of the Japan Patent Office may, with regard to such person's own patent application concerning an invention prescribed in the preceding paragraph, grant such person a reduction of or exemption from the payment of the fees for a request for examination of the application that are to be paid pursuant to the provisions of Article 195, paragraph (2) of the Patent Act, as prescribed by Cabinet Order.

(3) When a person who files an International Application (meaning International Application as prescribed in Article 2 of the Act on International Applications under the Patent Cooperation Treaty (Act No. 30 of 1978) and limited to such application filed during the Intensive Implementation Period) in Japanese, concerning an invention prescribed in paragraph (1), is a person who falls under the requirements prescribed in the same paragraph, the Commissioner of the Japan Patent Office may grant such person a reduction of or exemption from the payment of the fees that are to be paid pursuant to the provisions of Article 18, paragraph (2) (excluding the portion set forth in row (ii) of the table of the same paragraph) of the same Act (limited to the portion pertaining to the amount specified by Cabinet Order set forth in the same paragraph within the amount set forth in column 3 of the same table as prescribed in the same paragraph), as prescribed by Cabinet Order.

**Chapter V Support for Specified Business Activities by the Innovation  
Network Corporation of Japan  
Section 1 General Provisions**

(Purpose of the Innovation Network Corporation of Japan)

Article 76 The Innovation Network Corporation of Japan is to be a stock company, with the purpose of promoting Specified Business Activities within Japan through providing funds and other support towards Specified Business Activities, considering the circumstances in which innovation in industrial activities by effectively utilizing management resources other than those owned individually has become increasingly important in order for Japanese industries to properly deal with the recent structural changes in the global economy.

(Number)

Article 77 The Innovation Network Corporation of Japan (hereinafter referred to as the "INCJ") is to be limited to one incorporated company.

(Shares Owned by the Government)

Article 78 The government is to ordinarily hold a number of shares equivalent to 50 percent or greater of the total number of shares issued by the INCJ (excluding shares of a class specified as being unable to exercise voting rights with respect to all of the matters for which a resolution can be made at a shareholders meeting; hereinafter the same applies in this Article).

(Authorization of Shares, Bonds and Borrowings)

Article 79 (1) When the INCJ intends to solicit persons to subscribe for the

Shares for Subscription prescribed in Article 199, paragraph (1) of the Companies Act (referred to as "Shares for Subscription" in Article 155, item (i)), the Share Options for Subscription prescribed in Article 238, paragraph (1) of the same Act (referred to as "Share Options for Subscription" in the same item), or the Bonds for Subscription prescribed in Article 676 of the same Act (referred to as "Bonds for Subscription" in Article 108 and the same item); or intends to issue shares, bonds or share options at a share exchange; or intends to borrow funds, it must obtain the authorization of the Minister of Economy, Trade and Industry.

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

(Contributions by the Government)

Article 80 The government may make contributions to the INCJ, when it considers it to be necessary, within a range of amounts specified in the budget.

(Trade Name)

Article 81 (1) The INCJ must use the words "Innovation Network Corporation of Japan" in its trade name.

- (2) Those other than the INCJ must not use the words "Innovation Network Corporation" in their names.

## **Section 2 Incorporation**

(Particulars Specified or Recorded in the Articles of Incorporation)

Article 82 (1) Beyond the particulars set forth in the items of Article 27 of the Companies Act, the following particulars must be specified or recorded in the articles of incorporation of the INCJ:

- (i) the number of shares (when the INCJ is intended to be incorporated as a company with class shares, their class and the number of shares in each class) issued at the time of the incorporation of the INCJ (referred to as "Shares Issued at Incorporation" in the following item, item (iii), and the following Article);
- (ii) the amount to be paid-in for Shares Issued at Incorporation (meaning the amount of money paid, or assets other than money contributed, in exchange for one Share Issued at Incorporation);
- (iii) the number of Shares Issued at Incorporation allotted to the government (when the INCJ is intended to be incorporated as a company with class shares, their class and the number of shares in each class);
- (iv) the particulars set forth in Article 107, paragraph (1), item (i) of the Companies Act;

- (v) the fact that a board of directors and company auditors are to be installed;  
and
  - (vi) the fact that the INCJ is to be dissolved upon the completion of the  
business operations set forth in the items of Article 97, paragraph (1).
- (2) The following particulars must not be specified or recorded in the articles of incorporation of the INCJ:
- (i) the fact that an audit, etc. committee or a nominating committee, etc.  
prescribed in Article 2, item (xii) of the Companies Act is to be installed; and
  - (ii) the provisions provided otherwise in the proviso to Article 139, paragraph  
(1) of the Companies Act.

(Authorization of Incorporation)

Article 83 The incorporators of the INCJ must prepare the articles of incorporation and, after having subscribed for their allotted Shares Issued at Incorporation, promptly submit the articles of incorporation and the business plan to the Minister of Economy, Trade and Industry and apply for authorization of incorporation.

Article 84 (1) If an application for authorization under the preceding Article has been filed, the Minister of Economy, Trade and Industry is to examine whether the application conforms to all of the following:

- (i) the procedures of the incorporation and the details of the articles of incorporation are in conformity with the provisions of laws and orders;
  - (ii) false statements are not made or recorded, and false signatures or names and seals (including measures in lieu of the affixation of signatures or names and seals pursuant to the provisions of Article 26, paragraph (2) of the Companies Act) are not contained in the articles of incorporation; and
  - (iii) it is found that the sound management of business operations will realistically contribute to the promotion of Specified Business Activities within Japan.
- (2) When the Minister of Economy, Trade and Industry finds that the application conforms to all of the items of the preceding paragraph as a result of the examination carried out pursuant to the provisions of the same paragraph, the minister is to give authorization for the incorporation.

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

Article 85 The appointment and dismissal of the Directors at Incorporation prescribed in Article 38, paragraph (1) of the Companies Act and the Auditors at Incorporation prescribed in paragraph (2), item (ii) of the same Article do not become effective unless the authorization of the Minister of Economy,

Trade and Industry has been obtained.

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

Article 86 With respect to the application of the provisions of Article 30, paragraph (2), Article 34, paragraph (1), Article 59, paragraph (1), item (i) and Article 963, paragraph (1) of the Companies Act, the phrase "Articles of incorporation that are certified by a notary public pursuant to the preceding paragraph may not be amended before the formation of the Stock Company" in Article 30, paragraph (2) of the same Act is deemed to be replaced with "Articles of incorporation may not be amended before the formation of the Innovation Network Corporation of Japan after the authorization set forth in Article 84, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; the phrase "subscription for Shares Issued at Incorporation" in Article 34, paragraph (1) of the same Act is deemed to be replaced with "the authorization set forth in Article 84, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; the phrase "The date of the certification of the articles of incorporation and the name of the notary public who effected such certification" in Article 59, paragraph (1), item (i) of the same Act is deemed to be replaced with "the date of the authorization set forth in Article 84, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; and the phrase "Article 34 (1)" in Article 963, paragraph (1) of the same Act is deemed to be replaced with "Article 34, paragraph (1) (including cases where applied, by replacing the phrases, pursuant to the provisions of Article 86 of the Act on Strengthening Industrial Competitiveness)".

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

Article 87 The provisions of Article 30, paragraph (1) and Article 33 of the Companies Act do not apply to the incorporation of the INCJ.

### **Section 3 Administration**

(Authorization of the Appointment of Directors and Company Auditors)

Article 88 Resolutions on the appointment and dismissal of directors and company auditors do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

(Obligation of Confidentiality by Directors)

Article 89 The directors, accounting advisors (when an accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), company auditors, or employees of the INCJ, or persons who were

employed as such, must not divulge or misappropriate any confidential information that has come to their knowledge in the performance of their duties.

(Establishment of the Innovation Network Committee)

Article 90 An Innovation Network Committee (hereinafter referred to as the "Committee" in this Chapter) is to be established in the INCJ.

(Authority of the Committee)

Article 91 (1) The Committee is to make the following decisions (when support for Specified Business Activities (limited to support provided in the business operations set forth in Article 97, paragraph (1), item (i) to item (vii); hereinafter referred to as "Support for Specified Business Activities") solely consists of contributions (limited to contributions whose amount is below a certain amount and other contributions specified by Order of the Ministry of Economy, Trade and Industry), excluding the decision set forth in item (i)):

- (i) decisions on businesses that are to be subject to Support for Specified Business Activities as set forth in Article 99, paragraph (1), and on the details of the Support for Specified Business Activities;
- (ii) decisions on the transfer of shares or claims or other dispositions set forth in Article 101, paragraph (1); and
- (iii) beyond what is set forth in the preceding two items, decisions on the matters set forth in Article 362, paragraph (4), item (i) and item (ii) of the Companies Act that have been delegated through a resolution of the board of directors.

(2) The Committee is deemed to have received the delegation from the board of directors with respect to decisions on the matters set forth in item (i) of the preceding paragraph (excluding cases where Support for Specified Business Activities solely consists of contributions (limited to contributions whose amount is below a certain amount and other contributions specified by Order of the Ministry of Economy, Trade and Industry)) and decisions on the matters set forth in item (ii) of the same paragraph.

(Committee Organization)

Article 92 (1) The Committee is to be composed of three to seven members who are directors.

- (2) One or more representative directors and one or more outside directors must be included within the members of the Committee.
- (3) Committee members are to be decided through a resolution of the board of directors.
- (4) Resolutions on the appointment and dismissal of Committee members do not

become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

- (5) Committee members perform their duties independently.
- (6) The Committee must have a chairperson, who is to be elected from among the Committee members.
- (7) The chairperson presides over all of the affairs of the Committee.
- (8) The Committee must designate, in advance, a Committee member to undertake the duties of the chairperson in the event that the chairperson is unable to perform duties.

(Committee Operations)

Article 93 (1) The Committee is to be convened by the chairperson (or, when the chairperson is unable to perform duty, the person who undertakes the duties of the chairperson as prescribed in paragraph (8) of the preceding Article; the same applies in the following paragraph and paragraph (3)).

- (2) The Committee may not hold a meeting or make resolutions without the attendance of the chairperson and at least two thirds of the total number of incumbent Committee members.
- (3) A resolution of the Committee is to be made by a majority of the attending Committee members. In the event of a tie, the chairperson is to make a decision.
- (4) Committee members who have a special interest with respect to a resolution pursuant to the provisions of the preceding paragraph may not participate in voting on it.
- (5) The number of Committee members who may not participate in voting pursuant to the provisions of the preceding paragraph is not be included in the number of incumbent Committee members prescribed in paragraph (2).
- (6) Company auditors must attend Committee meetings and, when it is considered necessary, state their opinions.
- (7) After a resolution has been made pursuant to the provisions of paragraph (3), a member of the Committee who has been appointed by the Committee must without delay notify the board of directors of the details of the resolution.
- (8) When minutes have been prepared with respect to the resolutions of the Committee, as prescribed by Order of the Ministry of Economy, Trade and Industry, and those minutes are in the form of written documents, Committee members and company auditors who attended the Committee meeting must sign, or affix their names and seals to those minutes.
- (9) If the minutes set forth in the preceding paragraph have been prepared in the form of electronic or magnetic records (meaning records used in computer data processing, which are created in electronic form, magnetic form, or any other form that is impossible to perceive through the human senses alone, which is



used in information processing by computers; hereinafter the same applies in this paragraph and paragraph (2), item (ii) of the following Article), measures in lieu of the affixation of signatures or names and seals specified by Order of the Ministry of Economy, Trade and Industry must be taken with respect to the particulars recorded in the electronic or magnetic records.

- (10) Beyond what is provided for in the preceding paragraphs and the following Article, the Committee is to decide on the procedures for resolutions and other necessary matters concerning its own operations.

(Committee Minutes)

Article 94 (1) The INCJ must keep the minutes set forth in paragraph (8) of the preceding Article at its head office for ten years from the date of the Committee meeting.

- (2) Shareholders may make the following requests, when it is necessary for exercising their rights, and on receiving the permission of the court:

- (i) when the minutes set forth in the preceding paragraph are prepared in the form of written documents, a request to inspect or copy the documents; and
- (ii) when the minutes set forth in the preceding paragraph are prepared in the form of electronic or magnetic records, a request to inspect or copy anything representing the particulars recorded in the electronic or magnetic records in a manner specified by Order of the Ministry of Economy, Trade and Industry.

- (3) Obligees may make requests as set forth in the items of the preceding paragraph with respect to the minutes set forth in paragraph (1), when it is necessary for pursuing the liability of a Committee member, and on receiving the permission of the court.

- (4) The court may not give the permission set forth in paragraph (2) or the preceding paragraph when it considers that substantial detriment to the INCJ is likely to be caused by the inspection or copying pertaining to the requests set forth in the items of paragraph (2) or the request set forth in the preceding paragraph.

- (5) The provisions of Article 868, paragraph (1), Article 869, Article 870, paragraph (2) (limited to the portion pertaining to item (i)), Article 870-2, the main clause of Article 871, Article 872 (limited to the portion pertaining to item (v)), Article 872-2, the main clause of Article 873, Article 875 and Article 876 of the Companies Act apply mutatis mutandis to the permission set forth in paragraph (2) and paragraph (3).

- (6) The directors may make requests set forth in the items of paragraph (2) with respect to the minutes set forth in paragraph (1).

(Registration of Committee Members)

Article 95 (1) When the INCJ has appointed Committee members, it must

register their names at the location of its head office within two weeks. This also applies when changes to the names of the Committee members have arisen.

- (2) In filing an application for registration of the appointment of Committee members pursuant to the provisions of the preceding paragraph, documents evidencing the appointment of Committee members and the appointed Committee members' acceptance of the assumption of office must be attached to a written application.
- (3) In filing an application for registration of changes due to the resignation of Committee members, documents evidencing the fact must be attached to a written application.
- (4) With respect to directors who are appointed as Committee members and who are outside directors, the INCJ must register the fact that they are outside directors.

(Changes to the Articles of Incorporation)

Article 96 Resolutions on changes to the articles of incorporation of the INCJ do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

## **Section 4 Business**

(Scope of Business)

Article 97 (1) The INCJ is to undertake the following business, for the purpose of achieving its objective:

- (i) making contributions to Subject Businesses (meaning businesses (including partnerships established through a partnership agreement prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), silent partnerships established through a silent partnership agreement prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899), investment limited partnerships or limited liability partnerships or organizations equivalent to those partnerships that are located abroad; hereinafter the same applies in this Chapter) that are subject to support pursuant to the provisions of Article 99, paragraph (1); the same applies hereinafter):
- (ii) making contributions to the Foundation (meaning the Foundation prescribed in Article 131 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)) of a Subject Business;
- (iii) loaning of funds to a Subject Business;
- (iv) acquisition of Securities (meaning the Securities set forth in the items of Article 2, paragraph (1) of the Financial Instruments and Exchange Act and those deemed to be Securities pursuant to the provisions of paragraph (2) of

- the same Article; hereinafter the same applies in this item and item (xii)) issued by a Subject Business and Securities held by a Subject Business;
- (v) acquisition of monetary claims against a Subject Business and monetary claims held by a Subject Business;
  - (vi) guaranteeing of bonds issued by a Subject Business and obligations pertaining to the borrowing of funds;
  - (vii) solicitation or private placement of Securities (limited to the rights set forth in Article 2, paragraph (2), item (v) or item (vi) of the Financial Instruments and Exchange Act that are deemed to be Securities pursuant to the provisions of the same paragraph) for the purpose of a Subject Business;
  - (viii) dispatch of experts to a business which is carrying out or intending to carry out Specified Business Activities;
  - (ix) provision of advice to a business which is carrying out or intending to carry out Specified Business Activities;
  - (x) transfer, establishment or authorization of Intellectual Property Rights (meaning the Intellectual Property Rights set forth in Article 2, paragraph (2) of the Basic Act on Intellectual Property (Act No. 122 of 2002), and the equivalent in foreign countries; the same applies in the following item), or disclosure of Trade Secrets (meaning the Trade Secrets set forth in Article 2, paragraph (6) of the Unfair Competition Prevention Act (Act No. 47 of 1993) or the equivalent in foreign countries; the same applies in the following item), to a business who is carrying out or intending to carry out Specified Business Activities;
  - (xi) acquisition or receipt of the transfer, establishment, or authorization of Intellectual Property Rights necessary for the business set forth in the preceding item, or receipt of the disclosure of Trade Secrets;
  - (xii) transfer or other disposition of shares, share options, equity or securities (referred to as "Shares, etc." in Article 101, paragraph (1) and paragraph (2)) that the INCJ holds;
  - (xiii) administration of claims and their transfer or other disposition;
  - (xiv) necessary negotiations and investigations relating to the business set forth in the preceding items;
  - (xv) investigations and provision of information necessary for the promotion of Specified Business Activities;
  - (xvi) business incidental to those set forth in the preceding items; and
  - (xvii) beyond what is set forth in the preceding items, business necessary for achieving the objective of the INCJ.
- (2) When the INCJ intends to undertake the business set forth in item (xvii) of the preceding paragraph, it must obtain the authorization of the Minister of Economy, Trade and Industry in advance.

(Support Standards)

- Article 98 (1) The Minister of Economy, Trade and Industry is to specify the standards that the INCJ must comply with when deciding on a business that is to be subject to Support for Specified Business Activities and the details of the Support for Specified Business Activities (such standards are referred to as the "Support Standards" in the following paragraph, paragraph (3) and paragraph (1) of the following Article).
- (2) When intending to specify the Support Standards pursuant to the provisions of the preceding paragraph, the Minister of Economy, Trade and Industry is to hear, in advance, the opinion of the minister who has jurisdiction over the business pertaining to the activities that are to be subject to Support for Specified Business Activities (referred to as the "minister with jurisdiction" in paragraph (4) and paragraph (5) of the following Article).
- (3) When the Minister of Economy, Trade and Industry has specified the Support Standards pursuant to the provisions of paragraph (1), the minister is to publicize them.

(Decision of Support)

- Article 99 (1) When the INCJ intends to provide Support for Specified Business Activities, it must decide on a business that is to be subject to it and the details of the Support for Specified Business Activities, in accordance with the Support Standards.
- (2) When the INCJ intends to make a decision on whether or not to provide Support for Specified Business Activities, it must notify the Minister of Economy, Trade and Industry of that fact in advance and specify a reasonable period of time for the minister to state the opinion; provided, however, that this does not apply when Support for Specified Business Activities solely consists of contributions (limited to contributions whose amount is below a certain amount and other contributions specified by Cabinet Order).
- (3) When the INCJ has made a decision to provide Support for Specified Business Activities in cases prescribed in the proviso to the preceding paragraph, it must promptly report to the Minister of Economy, Trade and Industry to that effect and on the details of the Support for Specified Business Activities.
- (4) When the Minister of Economy, Trade and Industry has received a notification pursuant to the provisions of paragraph (2), the minister is to promptly notify the minister with jurisdiction of the details of the notification.
- (5) If the minister with jurisdiction has received a notification pursuant to the provisions of the preceding paragraph, when the minister finds it to be necessary in view of the situation in the field of business to which the business belongs, the minister may state the opinion to the INCJ within the period of time set forth in paragraph (2).

(Revocation of the Decision of Support)

Article 100 (1) In the following cases, the INCJ must promptly revoke a decision of support:

- (i) when a Subject Business does not carry out Specified Business Activities;  
and
  - (ii) when a Subject Business has received a ruling on the starting of bankruptcy proceedings, a ruling on the starting of rehabilitation proceedings, a ruling on the starting of reorganization proceedings, an order to start special liquidation, or an approval of foreign insolvency proceedings.
- (2) When the INCJ has revoked the decision of support pursuant to the provisions of the preceding paragraph, it must immediately notify the Subject Business of that fact.

(Transfer and Other Dispositions of Shares)

Article 101 (1) When the INCJ intends to make a decision on the transfer and other disposition of Shares, etc. or claims pertaining to a Subject Business that it holds, it must notify the Minister of Economy, Trade and Industry of that fact in advance and specify a reasonable period of time for the minister to state the opinion.

- (2) The INCJ must endeavor to transfer or otherwise dispose of all Shares, etc. and claims that it holds by March 31, 2025, in consideration of the economic situation and the state of the business of Subject Businesses.
- (3) The redemption date for loans that are subject to a guarantee of obligations by the INCJ must be not later than March 31, 2025.

## **Section 5 State Assistance**

Article 102 (1) The Minister of Economy, Trade and Industry and heads of national administrative organs are to endeavor to provide the INCJ and Subject Business with advice and any other assistance necessary for the smooth and reliable implementation of their business.

- (2) Beyond what is provided for in the preceding paragraph, the Minister of Economy, Trade and Industry and heads of national administrative organs are to cooperate and develop mutual coordination so as to promote the smooth and reliable implementation of business by the INCJ and Subject Businesses.

## **Section 6 Finance and Accounting**

(Budget Authorization)

Article 103 (1) Before the start of each business year, the INCJ must submit the

budget for the relevant business year to the Minister of Economy, Trade and Industry, and obtain the authorization of the minister. This also applies when the INCJ intends to make changes to the budget.

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

(Resolutions on Dividends of Surplus)

Article 104 Resolutions of the INCJ on dividends of surplus and other dispositions of surplus do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

(Financial Statements)

Article 105 The INCJ must submit a balance sheet, profit and loss statement, and business report within three months from the end of each business year, for the relevant business year to the Minister of Economy, Trade and Industry.

(Government Guarantees)

Article 106 Notwithstanding the provisions of Article 3 of the Act on the Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946), the government may provide guarantees for obligations pertaining to the bonds or the borrowing by the INCJ set forth in Article 79, paragraph (1) within the limit of the amount approved by the Diet.

## **Section 7 Supervision**

(Supervision)

Article 107 (1) The INCJ is to be supervised by the Minister of Economy, Trade and Industry in accordance with what is provided for by this Act.

- (2) When the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may issue orders to the INCJ concerning its business as necessary for its supervision.

(Consultations with the Minister of Finance)

Article 108 When the Minister of Economy, Trade and Industry intends to give the authorization set forth in Article 79, paragraph (1) (limited to cases where the INCJ intends to solicit persons to subscribe for the Shares for Subscription, issue bonds at a share exchange, or borrow funds), Article 84, paragraph (2), Article 96, Article 97, paragraph (2), Article 103, paragraph (1), Article 104, or Article 111, the minister is to consult with the Minister of Finance.

(Evaluation on the Performance of Business Operations)

Article 109 (1) The Minister of Economy, Trade and Industry is to make evaluations with respect to the performance of business operations by the INCJ for each business year.

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

## **Section 8 Dissolution**

(Dissolution of the INCJ)

Article 110 The INCJ is to be dissolved through the completion of the business set forth in the items of Article 97, paragraph (1).

(Resolutions on Mergers)

Article 111 Resolutions on mergers, company splits, transfer or acceptance of business, and dissolution of the INCJ do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

## **Chapter VI Revitalization of Small and Medium-Sized Enterprises**

### **Section 1 Support for Start-ups**

(Guidelines for the Implementation of Start-up Support)

Article 112 (1) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to establish guidelines for the implementation of start-up support (hereinafter referred to as "Implementation Guidelines" in this Article and paragraph (4), item (i) of the following Article) for the purpose of properly supporting start-ups by undertaking the start-up support, thereby contributing to the revitalization of small and medium-sized enterprises.

(2) The Implementation Guidelines are to specify the following:

- (i) particulars concerning the setting-up of goals for the promotion of start-ups through start-up support;
- (ii) particulars concerning the means of implementing start-up support;
- (iii) particulars concerning roles to be fulfilled by municipalities (including special wards; hereinafter the same applies) pertaining to the implementation of start-up support; and
- (iv) other important particulars relating to start-up support.

(3) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to make changes to the Implementation Guidelines when any need arises due to fluctuations in the state of the

economy.

- (4) When the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications intends to establish Implementation Guidelines or make changes thereto, they are to in advance consult with the ministers with jurisdiction over the business of Small and Medium-sized Enterprises, and hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council.
- (5) When the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications have established Implementation Guidelines or have made changes thereto, they are to without delay publicize the established or changed Implementation Guidelines.

(Approval of a Start-up Support Plan)

- Article 113 (1) A municipality may prepare a plan for the start-up support it intends to undertake (including start-up support that a person other than the municipality intends to undertake in collaboration with the municipality's start-up support; hereinafter the same applies) (hereinafter such plan is referred to as a "Start-up Support Plan"), and submit it to the competent minister during the Intensive Implementation Period to seek approval therefor, as prescribed by order of the competent ministry.
- (2) When two or more municipalities intend to jointly undertake their start-up support, those two or more municipalities may jointly prepare a Start-up Support Plan to seek approval therefor as set forth in the preceding paragraph.
  - (3) A Start-up Support Plan must contain the following:
    - (i) the goal of the start-up support;
    - (ii) details of the start-up support that the municipalities intend to undertake (when all or part of the start-up support falls under the Specified Start-up Support, including to that effect), and particulars concerning the means of implementing thereof;
    - (iii) when there is any start-up support that a person other than the municipalities intends to undertake in collaboration with the municipalities' start-up support, the following:
      - (a) name and address of the person who undertakes the start-up support and in the case of a corporation, the name of its representative;
      - (b) details of the start-up support (when all or part of the start-up support falls under the Specified Start-up Support, including to that effect), and particulars concerning the means of implementing thereof; and
      - (c) particulars concerning the collaboration with the start-up support that the municipalities intend to undertake; and
    - (iv) period for the plan.
  - (4) When the competent minister has received an application for approval as set



forth in paragraph (1) and finds the Start-up Support Plan to conform to both of the following items, the minister is to approve the plan:

- (i) the Start-up Support Plan is appropriate in light of the Implementation Guidelines; and
  - (ii) the start-up support under the Start-up Support Plan is expected to be conducted smoothly and reliably.
- (5) When the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the details of the Start-up Support Plan pertaining to the approval, as prescribed by order of the competent ministry.

(Changes to a Start-up Support Plan)

- Article 114 (1) When a municipality that has obtained approval as set forth in paragraph (1) of the preceding Article (hereinafter referred to as an "Approved Municipality") intends to make changes to the Start-up Support Plan pertaining to the approval, the municipality must seek the approval of the competent minister, as prescribed by order of the competent ministry.
- (2) When the competent minister finds that an Approved Municipality (including a person who intends to undertake start-up support in collaboration with the start-up support that the Approved Municipality intends to undertake under the Start-up Support Plan pertaining to the approval (when an approval has been granted for changes under the preceding paragraph, the plan after the changes; hereinafter referred to as an "Approved Start-up Support Plan"); such collaborative business is referred to as an "Approved Collaborative Start-up Support" in Article 116 and such person is referred to as an "Approved Collaborative Start-up Support Business" in Article 117, paragraph (1) and Article 134) is not conducting the start-up support in accordance with the Approved Start-up Support Plan, the minister may rescind the approval.
- (3) When the competent minister finds that an Approved Start-up Support Plan no longer conforms to either of the items of paragraph (4) of the preceding Article, the minister may direct the Approved Municipality to make changes to the Approved Start-up Support Plan or may rescind the approval.
- (4) When the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize such fact.
- (5) The provisions of paragraph (4) and paragraph (5) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1).

(Special Provisions of the Small and Medium-sized Enterprise Credit Insurance Act)

- Article 115 (1) With respect to the application of the provisions of Article 3-2, paragraph (1) and paragraph (3) of the Small and Medium-sized Enterprise Credit Insurance Act pertaining to the insurance relationships of Unsecured

Insurance that pertain to Small and Medium-sized Enterprises who are Founders (including the Founders set forth in Article 2, paragraph (23), item (i), item (iii), and item (v); hereinafter the same applies) having received a Start-up-related Guarantee (meaning a guarantee of obligations prescribed in Article 3-2, paragraph (1) of the same Act pertaining to the required funds of a Founder that is specified by Order of the Ministry of Economy, Trade and Industry; hereinafter the same applies in this Article), in paragraph (1) of the same Article, the phrase "Small and Medium-sized Enterprise" is deemed to be replaced with "Small and Medium-sized Enterprise (including the Founders set forth in Article 2, paragraph (23), item (i), item (iii), and item (v) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); hereinafter the same applies)"; the phrase "the total insurance value per each Small and Medium-sized Enterprise" is deemed to be replaced with "the total insurance value of the insurance relationships pertaining to a Start-up-related Guarantee prescribed in Article 115, paragraph (1) of the same Act (hereinafter referred to as a "Start-up-related Guarantee") and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise, respectively,"; and the phrase "80,000,000 yen" is deemed to be replaced with "10,000,000 yen (or 15,000,000 yen for the total insurance value of the insurance relationships pertaining to a Start-up-related Guarantee that pertains to the funds required for a start-up by receiving support through the approved specified start-up support prescribed in Article 2, paragraph (23), item (i) of the same Act, as prescribed by Order of the Ministry of Economy, Trade and Industry (hereinafter referred to as a "Supported Start-up-related Guarantee")) and 80,000,000 yen"; and in paragraph (3) of the same Article, the phrase "the amount guaranteed out of the amount of the borrowings" is deemed to be replaced with "the amount guaranteed out of the amount of the borrowings, for each of the Start-up-related Guarantee and other guarantees, respectively,"; the phrase "exceed 80,000,000 yen" is deemed to be replaced with "exceed 10,000,000 yen (or 15,000,000 yen for a Supported Start-up-related Guarantee) and 80,000,000 yen"; the phrase "a Small and Medium-sized Enterprise who is the obligor" is deemed to be replaced with "a Small and Medium-sized Enterprise who is the obligor, for each of the Start-up-related Guarantee and other guarantees"; and the phrase "from 80,000,000 yen" is deemed to be replaced with "from 10,000,000 yen (or 15,000,000 yen for a Supported Start-up-related Guarantee) and 80,000,000 yen, respectively."

(2) The Founder set forth in Article 2, paragraph (23), item (i), item (iii), and item (v) that has received a Start-up-related Guarantee is deemed to be a Small and Medium-sized Enterprise as set forth in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3-2 and Article 4 to Article 8 of the same Act apply to such

Founder.

- (3) With respect to the application of the provisions of Article 3-2, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to the insurance relationships of Unsecured Insurance from among those pertaining to Start-up-related Guarantees that pertain to Small and Medium-sized Enterprises who are Founders falling under both of the following items, the phrase "80 percent" in Article 3-2, paragraph (2) of the same Act and the phrase "70 percent (or 80 percent, for Unsecured Insurance, Special Petty Insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, Corporate Rehabilitation insurance, and specific corporate bond insurance)" in Article 5 of the same Act are deemed to be replaced with "90 percent":
- (i) they fall under either of the following:
    - (a) if they fall under the categories of persons set forth in Article 2, paragraph (23), item (i) to item (iii), they have experienced the discontinuation of a business they managed in the past due to a worsening of its circumstances, or they were an officer conducting the business of a company that was dissolved due to a worsening of its circumstances as of the day on which the dissolution occurred; or
    - (b) if they fall under the categories of persons set forth in Article 2, paragraph (23), item (iv), the individual who established the company has experienced the discontinuation of a business the individual managed in the past due to a worsening of its circumstances, or the individual was an officer conducting the business of a company that was dissolved due to a worsening of its circumstances as of the day on which the dissolution occurred; and
  - (ii) they made an offer for the entrustment of a guarantee of obligations pertaining to the insurance relationships prior to the date on which five years have elapsed from the date of the discontinuation of business or the date of dissolution prescribed in (a) and (b) of the preceding item.
- (4) The limit on the total of the insurance values of the insurance relationships of Unsecured Insurance that are designated by Cabinet Order relating to an individual that has received a Start-up-related Guarantee is to be specified by Cabinet Order.
- (5) The amount of insurance premiums relating to the insurance relationships of Unsecured Insurance that pertain to Start-up-related Guarantees is to be an amount obtained by multiplying the insurance amount by a ratio specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

Article 116 A general incorporated association or general incorporated foundation (limited to a general incorporated association for which at least a half of the voting rights in its general meeting of members are held by Small and Medium-sized Enterprises and a general incorporated foundation for which at least a half of the value of the property contributed upon its incorporation has been contributed by Small and Medium-sized Enterprises) or a specified nonprofit corporation prescribed in Article 2, paragraph (2) of the Act to Promote Specified Non-profit Activities (Act No. 7 of 1998) (limited to a specified nonprofit corporation for which at least a half of the rights to vote in its general meeting of members are held by Small and Medium-sized Enterprises) that undertakes an Approved Collaborative Start-up Support and has received a guarantee of obligations prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to funds necessary for undertaking the Approved Collaborative Start-up Support (referred to as an "Approved General Incorporated Association, etc." in this Article), the Approved General Incorporated Association, etc. is deemed to be a Small and Medium-sized Enterprise as set forth in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3, Article 3-2, and Article 4 to Article 8 of the same Act apply to such Approved General Incorporated Association, etc. In this case, with respect to the application of the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the same Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for undertaking an Approved Collaborative Start-up Support prescribed in Article 114, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Provision of Information to Approved Municipalities)

- Article 117 (1) In response to a request from an Approved Municipality or an Approved Collaborative Start-up Support, the Organization for Small & Medium Enterprises and Regional Innovation is to provide information concerning the relevant start-up support or other necessary cooperation.
- (2) Prefectures may provide municipalities that intend to prepare a Start-up Support Plan or Approved Municipalities with information concerning a start-up support or other assistance.

(Special Provisions of the Small and Medium-sized Enterprise Credit Insurance Act)

- Article 118 (1) The obligations of Small and Medium-sized Enterprises based on a Specified Letter of Credit Issuance Contract are deemed to be obligations on a loan as prescribed in Article 3, paragraph (1) of the Small and Medium-Sized

Enterprise Credit Insurance Act, and the provisions of Article 3 and Article 4 to Article 8 of the same Act apply thereto. In this case, with respect to the application of the provisions of Article 3, paragraph (1) of the same Act pertaining to the insurance relationships of Ordinary Insurance that pertain to Small and Medium-sized Enterprises that have received a Specified Letter of Credit-related Guarantee (meaning a guarantee of obligations based on a Specified Letter of Credit Issuance Contract; hereinafter the same applies in this Article), in the same paragraph, the phrase "the total insurance value per each Small and Medium-sized Enterprise" is deemed to be replaced with "the total insurance value of the insurance relationships pertaining to a Specified Letter of Credit-related Guarantee as prescribed in Article 118, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise, respectively,"; the phrase "the total amount guaranteed out of the amount of the borrowings" is deemed to be replaced with "the total amount guaranteed (or the maximum amount in the case of a special guarantee) out of the amount of obligations based on a Specified Letter of Credit Issuance Contract (meaning the Specified Letter of Credit Issuance Contract set forth in Article 2, paragraph (27) of the same Act) (limited to the amount equivalent to the amount of borrowings from a Foreign Bank, etc. (meaning the Foreign Bank, etc. as set forth in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of an Affiliated Foreign Corporation (meaning the Affiliated Foreign Corporation as set forth in Article 2, paragraph (9) of the Act on Strengthening Industrial Competitiveness) of the Small and Medium-sized Enterprise) and the total amount guaranteed out of the amount of the borrowings"; and the phrase "reaches" is deemed to be replaced with ", respectively, reaches".

- (2) With respect to the application of the provisions of the Small and Medium-sized Enterprise Credit Insurance Act set forth in the left-hand column of the following table pertaining to the insurance relationships of Ordinary Insurance that pertain to a Specified Letter of Credit-related Guarantee, the phrases set forth in the middle column of the same table that are used in these provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (2)	70 percent	80 percent
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Article 3, paragraph (3)	the amount guaranteed out of the amount of the borrowings	the amount of obligations based on a Specified Letter of Credit Issuance Contract (meaning the Specified Letter of Credit Issuance Contract set forth in Article 2, paragraph (27) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies hereinafter) (limited to the amount equivalent to the amount of the borrowings from a Foreign Bank, etc. (meaning the Foreign Bank, etc. set forth in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981); the same applies hereinafter) of an Affiliated Foreign Corporation (meaning the Affiliated Foreign Corporation set forth in Article 2, paragraph (9) of the Industrial Competitiveness Enhancement Act; the same applies hereinafter) of a Small and Medium-sized Enterprise; the same applies hereinafter)
	amount guaranteed	amount guaranteed (or the maximum amount in the case of a special guarantee)
	performance of borrowings (in the case of the discounting of bills, payment of bills, and in the case of the discounting of electronically recorded monetary claims, payment of the obligations pertaining to electronically recorded monetary claims)	performance of obligations based on a Specified Letter of Credit Issuance Contract

Article 3, paragraph (4)	Borrowings (in the case of the discounting of bills, funds receiving financing through the discounting of bills, and in the case of the discounting of electronically recorded monetary claims, funds receiving financing through the discounting of electronically recorded monetary claims) for which the establishment of the insurance relationships set forth in paragraph (1) has been guaranteed a Small and Medium-sized Enterprise Operator	Borrowings from a Foreign Bank, etc. of an Affiliated Foreign Corporation of a Small and Medium-sized Enterprise as prescribed in the preceding paragraph in cases where the establishment of the insurance relationships set forth in paragraph (1) has been guaranteed  the Small and Medium-sized Enterprise Operator
Article 5	performed (or paid in the case of the discounting of bills or the discounting of electronically recorded monetary claims; the same applies hereinafter)	performed
	borrowings (in the case of the discounting of bills, bill obligations, and in the case of the discounting of electronically recorded monetary claims, obligations pertaining to electronically recorded monetary claims; the same applies hereinafter), obligations pertaining to bonds (excluding those pertaining to interest; the same applies hereinafter), or specified payables	obligations based on a Specified Letter of Credit Issuance Contract

	70 percent (or 80 percent for Unsecured Insurance, Special Petty Insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)"	80 percent
Article 5, item (i) and item (iii) and Article 8, item (i) and item (iii)	borrowings or obligations pertaining to bonds	obligations based on a Specified Letter of Credit Issuance Contract

(Consideration for Increasing Opportunities for Receipt of Orders under State Contracts for Small and Medium-sized Enterprises Which Succeeded in Developing New Business)

Article 119 The State, etc. as prescribed in Article 2, paragraph (2) of the Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies by Small and Medium-Sized Enterprises (Act No. 97 of 1966) is to give consideration to increasing opportunities for receipt of orders for Small and Medium-sized Enterprises as prescribed in the items of Article 2, paragraph (1) of the same Act who have succeeded in developing new goods, new technologies or new services, commercialization, exploitation of demand or other newly exploited business, in concluding the State contracts, etc. prescribed in Article 3 of the same Act, while paying due attention to the proper use of budgets, for the purpose of promptly realizing the revitalization of Small and Medium-sized Enterprises.

## **Section 2 Facilitation of SME Rehabilitation through Succession**

(Guidelines for the Implementation of SME Rehabilitation through Succession)

Article 120 (1) The Minister of Economy, Trade and Industry is to establish the guidelines for the implementation of SME Rehabilitation through Succession (hereinafter referred to as the "Implementation Guidelines" in this Article and paragraph (4), item (i) of the following Article) for the purpose of properly supporting the rehabilitation of small and medium-sized enterprise businesses



through SME Rehabilitation through Succession, thereby contributing to their revitalization.

- (2) The Implementation Guidelines are to specify the following:
  - (i) particulars concerning the setting up of goals for the strengthening of business through SME Rehabilitation through Succession;
  - (ii) particulars concerning the means of implementing SME Rehabilitation through Succession; and
  - (iii) other important particulars relating to SME Rehabilitation through Succession.
- (3) The Minister of Economy, Trade and Industry is to make changes to the Implementation Guidelines when any need arises due to fluctuations in the state of the economy.
- (4) When the Minister of Economy, Trade and Industry intends to establish the Implementation Guidelines or make changes thereto, the minister is to consult with the ministers who have jurisdiction over the business of Small and Medium-sized Enterprises, and hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance.
- (5) When the Minister of Economy, Trade and Industry has established the Implementation Guidelines or has made changes thereto, the minister is to without delay publicize the established or changed Implementation Guidelines.

(Approval of a Plan for SME Rehabilitation through Succession)

Article 121 (1) A Specified Small and Medium-sized Enterprise and a Succeeding Business (including those intending to establish a corporation that will become a Succeeding Business) may jointly (when a Specified Small and Medium-sized Enterprise intends to establish a corporation that will become a Succeeding Business, the Specified Small and Medium-sized Enterprise may act independently) prepare a plan concerning SME Rehabilitation through Succession they intend to conduct (hereinafter referred to as a "Plan for SME Rehabilitation through Succession"), and submit it to the competent minister during the Intensive Implementation Period to seek approval therefor, as prescribed by order of the competent ministry.

- (2) Plan for SME Rehabilitation through Succession must contain the following particulars:
  - (i) the goal of SME Rehabilitation through Succession;
  - (ii) particulars concerning the state of the business operations and financial conditions of the Specified Small and Medium-sized Enterprise;
  - (iii) particulars concerning the Succeeding Business;
  - (iv) indicators to show the levels of the strengthening of business through SME Rehabilitation through Succession;
  - (v) details of SME Rehabilitation through Succession and implementation

- period;
- (vi) the amount of funds necessary for conducting SME Rehabilitation through Succession and how to raise them; and
  - (vii) particulars concerning the labor associated with SME Rehabilitation through Succession.
- (3) A Plan for SME Rehabilitation through Succession may record the state of a Specified Small and Medium-sized Enterprise based on Specified Permission, etc. (meaning permission, etc. set forth in Article 2, item (iii) of the Administrative Procedure Act (Act No. 88 of 1993) that is specified by Cabinet Order as being permission, etc. if a state based thereon is held by a Specified Small and Medium-sized Enterprise, and the state is succeeded to by a Succeeding Business, it would be especially conducive to the facilitation of the SME Rehabilitation through Succession; hereinafter the same applies from this Article to Article 123), which a Succeeding Business intends to succeed to for the purposes of the SME Rehabilitation through Succession.
- (4) When the competent minister has received an application for approval as set forth in paragraph (1) and finds the Plan for SME Rehabilitation through Succession to conform to all of the following items, the minister is to approve the plan:
- (i) the Plan for SME Rehabilitation through Succession is appropriate in light of the Implementation Guidelines;
  - (ii) SME Rehabilitation through Succession under the Plan for SME Rehabilitation through Succession is expected to be conducted smoothly and reliably;
  - (iii) the management resources of the Specified Small and Medium-sized Enterprise pertaining to the business succeeded to by the Succeeding Business will not be significantly lost or damaged through SME Rehabilitation through Succession under the Plan for SME Rehabilitation through Succession;
  - (iv) the Plan for SME Rehabilitation through Succession will not cause unreasonable damage to the state of employees; and
  - (v) there is no risk that the Plan for SME Rehabilitation through Succession will cause unreasonable damage to the interests of businesses that are counterparties to transactions with the Specified Small and Medium-sized Enterprise.
- (5) When a Plan for SME Rehabilitation through Succession records the state of a Specified Small and Medium-sized Enterprise, based on a Specified Permission, etc. as set forth in paragraph (3), and when the competent minister intends to grant approval as set forth in the preceding paragraph, the minister is to consult with and obtain the consent of the administrative agency which had given the Specified Permission, etc.

- (6) An administrative agency may request the competent minister and the person filing the application for approval set forth in paragraph (1) to submit the information necessary for giving consent.
- (7) An administrative agency is to determine whether or not to give consent, while taking into consideration the purpose of the provisions on which the Specified Permission, etc. is to be based.
- (8) Beyond what is provided for in the preceding three paragraphs, the necessary particulars concerning consent are to be specified by Cabinet Order.

(Changes to a Plan for SME Rehabilitation through Succession)

- Article 122 (1) When a person who has obtained approval as set forth in paragraph (1) of the preceding Article (including a corporation that is to become a Succeeding Business established by the person who has obtained the approval in accordance with the Plan for SME Rehabilitation through Succession pertaining to the approval; hereinafter such person is referred to as an "Approved Business Conducting SME Rehabilitation through Succession") intends to make changes to the Plan for SME Rehabilitation through Succession pertaining to the approval, such person must obtain the approval of the competent minister, as prescribed by order of the competent ministry; provided, however, that this does not apply with respect to minor changes specified by order of the competent ministry.
- (2) When an Approved Business Conducting SME Rehabilitation through Succession has made minor changes as specified by order of the competent ministry as set forth in the proviso to the preceding paragraph, the Business must without delay notify the competent minister of that fact.
  - (3) An application for approval for the changes set forth in paragraph (1) and a notification of changes pursuant to the provisions of the preceding paragraph are to be made jointly by the Approved Business Conducting SME Rehabilitation through Succession (when the application or notification pertains to a Plan for SME Rehabilitation through Succession pertaining to a Specified Small and Medium-sized Enterprise that has independently obtained the approval set forth in paragraph (1) of the preceding Article, and such application or notification is made prior to the establishment of a corporation that is to become a Succeeding Business in accordance with the Plan for SME Rehabilitation through Succession, the specified Small and Medium-sized Enterprise may act independently); provided, however, that after a Succeeding Business has succeeded to the business in accordance with the Plan for SME Rehabilitation through Succession pertaining to the approval set forth in paragraph (1) of the same Article (when an approval has been granted for changes pursuant to the provisions of paragraph (1) or a notification of changes has been made pursuant to the provisions of the preceding paragraph, the plan

after the changes; hereinafter such plan is referred to as an "Approved Plan for SME Rehabilitation through Succession"), the Succeeding Business may act independently.

(4) If an application for the approval of changes pursuant to the provisions of paragraph (1) has been filed before a Succeeding Business succeeds to a business in accordance with the Approved Plan for SME Rehabilitation through Succession, and the changes fall under either of the following items, when the competent minister intends to grant approval as set forth in the same paragraph, the minister is to consult with and obtain the consent of the administrative agency specified in the same items:

(i) changes to a Plan for SME Rehabilitation through Succession pertaining to the approval set forth in paragraph (4) of the preceding Article that the competent minister has granted by obtaining the consent of the administrative agency pursuant to the provisions of paragraph (5) of the same Article: the administrative agency (when the changes are intended to delete all or part of the record concerning the state of the Specified Small and Medium-sized Enterprise based on a Specified Permission, etc., excluding the administrative agency that has given the Specified Permission, etc. pertaining to the deletion); or

(ii) changes intended to newly record the state of a Specified Small and Medium-sized Enterprise based on a Specified Permission, etc.: the administrative agency that has given the Specified Permission, etc.

(5) If the competent minister finds that an Approved Business Conducting SME Rehabilitation through Succession is not conducting SME Rehabilitation through Succession in accordance with the Approved Plan for SME Rehabilitation through Succession, the minister may rescind the approval.

(6) If the competent minister finds that an Approved Plan for SME Rehabilitation through Succession no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the Approved Business Conducting SME Rehabilitation through Succession to make changes to the Approved Plan for SME Rehabilitation through Succession or may rescind the approval.

(7) The provisions of paragraph (4) of the preceding Article apply mutatis mutandis to the approval set forth in paragraph (1), and the provisions of paragraph (6) to paragraph (8) of the same Article apply mutatis mutandis to the consent set forth in paragraph (4).

(Succession of State Based on Specified Permission)

Article 123 (1) When an Approved Plan for SME Rehabilitation through Succession records the state of a Specified Small and Medium-sized Enterprise, based on a Specified Permission, etc. as set forth in Article 121, paragraph (3),

if a Succeeding Business has succeeded to a business in accordance with the Approved Plan for SME Rehabilitation through Succession, the Succeeding Business is to succeed to the state of a Specified Small and Medium-sized Enterprise based on the Specified Permission, etc., irrespective of the provisions of laws and orders on which the Specified Permission, etc. is to be based.

- (2) When a Succeeding Business has succeeded to a business in accordance with the Approved Plan for SME Rehabilitation through Succession, the relevant Approved Business Conducting SME Rehabilitation through Succession must without delay report that fact to the competent minister, attaching a document evidencing it.
- (3) If a Succeeding Business has succeeded to the state of a Specified Small and Medium-sized Enterprise, based on a Specified Permission, etc., pursuant to the provisions of paragraph (1), and if the competent minister has received a report pursuant to the provisions of the preceding paragraph, the minister is to give notice concerning the particulars thus reported to the administrative agency pertaining to the Specified Permission, etc., as prescribed by order of the competent ministry.
- (4) Beyond what is provided for by this Act, necessary particulars concerning the succession of a state based on a Specified Permission, etc. are to be specified by Cabinet Order.

(Special Provisions of the Small and Medium-sized Enterprise Credit Insurance Act)

Article 124 With respect to the application of the provisions of the Small and Medium-sized Enterprise Credit Insurance Act set forth in the left-hand column of the following table pertaining to the insurance relationships of Ordinary Insurance, Unsecured Insurance, or Special Petty Insurance that pertain to Small and Medium-sized Enterprises (limited to Succeeding Businesses (excluding corporations established in accordance with an Approved Plan for SME Rehabilitation through Succession)) who have received a SME Rehabilitation through a Succession-related Guarantee (meaning a guarantee of obligations as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1) or Article 3-3, paragraph (1) of the same Act that pertain to funds necessary for SME Rehabilitation through Succession to be conducted in accordance with an Approved Plan for SME Rehabilitation through Succession), the phrases set forth in the middle column of the same table that are used in those provisions are deemed to be replaced with the phrases set forth in the right-hand column of the same table.

Article 3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Plan Implementation-related Guarantee prescribed in Article 55, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as a "Corporate Rehabilitation Plan Implementation-related Guarantee") and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each Small and Medium- sized Enterprise	the total insurance value of the insurance relationships pertaining to a Corporate Rehabilitation Plan Implementation-related Guarantee and the total insurance value for other insurance relationships per each Small and Medium-sized Enterprise Operator, respectively,
Article 3-2, paragraph (3)	out of the amount of the borrowings	out of the amount of the borrowings for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively
	the obligee	the obligees for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	out of the borrowings for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively
	the obligee	the obligees for the Corporate Rehabilitation Plan Implementation-related Guarantee and other guarantees, respectively,

(Special Provisions of the Small and Medium Business Investment & Consultation Corporation Act)

Article 125 (1) Small and Medium Business Investment & Consultation

Corporations may undertake the following business, beyond the business set forth in the items of Article 5, paragraph (1) of the Small and Medium Business Investment & Consultation Corporation Act:

- (i) subscription for shares issued by a Small and Medium-sized Enterprise at the time of the establishment of a stock company with an amount of stated capital exceeding 300,000,000 yen for the purpose of conducting SME Rehabilitation through Succession in accordance with an Approved Plan for SME Rehabilitation through Succession, and the holding of shares pertaining to the subscription; and
  - (ii) subscription for shares, share options (excluding those attached to bonds with share options) or bonds with share options, etc. issued by a stock company (limited to a Succeeding Business) with an amount of stated capital exceeding 300,000,000 yen from among Small and Medium-sized Enterprises for the purpose of procuring funds necessary for conducting SME Rehabilitation through Succession in accordance with an Approved Plan for SME Rehabilitation through Succession, and the holding of shares, share options (including shares issued or transferred through their exercise), or bonds with share options, etc. (including shares issued or transferred through the exercise of share options attached to bonds with share options, etc.) pertaining to the subscription.
- (2) The subscription for shares and holding of shares pertaining to the subscription, pursuant to the provisions of item (i) of the preceding paragraph, and the subscription for shares, share options (excluding those attached to bonds with share options), or bonds with share options, etc. and the holding of shares, share options (including shares issued or transferred through their exercise) and bonds with share options, etc. (including shares issued or transferred through the exercise of share options attached to bonds with share options, etc.) pertaining to the subscription, pursuant to the provisions of item (ii) of the same paragraph, are deemed to be the businesses set forth in Article 5, paragraph (1), item (i) and item (ii) of the Small and Medium Business Investment & Consultation Corporation Act, respectively, with respect to the application of the provisions of the same Act.

**Section 3 Development of a Support System for Small and Medium-Sized Enterprise Revitalization**

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

Article 126 (1) For the purpose of properly supporting the rehabilitation of small and medium-sized enterprise businesses through SME Rehabilitation through Succession or other efforts, and thereby contributing to their revitalization, the Minister of Economy, Trade and Industry is to establish basic guidelines concerning support measures to be taken by the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation and Approved Support Institutions (hereinafter referred to as the "Support Guidelines" in this Article and paragraph (1) of the following Article).

(2) The Support Guidelines are to specify the following:

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

(3) The Minister of Economy, Trade and Industry is to make changes to the Support Guidelines when any need arises due to fluctuations in the state of the economy.

(4) When the Minister of Economy, Trade and Industry intends to establish Support Guidelines or make changes thereto, the minister is to consult with the ministers who have jurisdiction over the businesses of Small and Medium-sized Enterprises, and hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance.

(5) When the Minister of Economy, Trade and Industry has established the Support Guidelines or has made changes thereto, the minister is to without delay publicize the established or changed Support Guidelines.

(Approved Support Institutions)

Article 127 (1) Based on the Support Guidelines and as prescribed by Order of the Ministry of Economy, Trade and Industry, the Minister of Economy, Trade and Industry may approve a society of commerce and industry, a prefectural federation of societies of commerce, a chamber of commerce, or a designated corporation prescribed in Article 7, paragraph (1) of the Small and Medium-Sized Enterprise Support Act (Act No. 147 of 1963) that is considered to be able to undertake the business prescribed in the following paragraph (hereinafter referred to as "Business to Support Small and Medium-sized Enterprise Revitalization") in all or part of the area of a prefecture, properly and reliably, as a person undertaking Business to Support Small and Medium-sized Enterprise Revitalization, upon application from them.



- (2) A person who has obtained the approval as set forth in the preceding paragraph (hereinafter referred to as an "Approved Support Institution") is to undertake the following business operations in the area set forth in paragraph (4), item (iv), (c) pertaining to the approval, beyond what is provided for by other laws and orders:
- (i) the provision of necessary guidance or advice upon request from a Small and Medium-sized Enterprise undertaking or intending to undertake either of the following (when undertaking or intending to undertake what is set forth in (a), including an individual not currently engaged in business):
    - (a) streamlining of the production or the sale of goods or the provision of services, by effectively combining and integrally utilizing existing management resources and new management resources pertaining to the businesses to be succeeded to from other Small and Medium-sized Enterprise(s) through a merger, acceptance of business, or the equivalent thereto; or
    - (b) rehabilitation of a business through a SME Rehabilitation through Succession or other efforts;
  - (ii) mediation concerning a merger, the transfer or acceptance of business, or the equivalent thereto pertaining to what is set forth in (a) of the preceding item;
  - (iii) the provision of training concerning what is set forth in (a) or (b) of item (i) to Small and Medium-sized Enterprises and persons undertaking business supporting improvements to their management, together with their employees;
  - (iv) the collection, investigation and research of necessary information related to the business set forth in the preceding three items, together with the dissemination of the results thereof; and
  - (v) the implementation of investigations necessary for undertaking the business set forth in Article 133, item (i), based on an entrustment from the Organization for Small & Medium Enterprises and Regional Innovation.
- (3) An Approved Support Institution may undertake Private Dispute Resolution Procedures (meaning the procedures prescribed in Article 2, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution) regarding disputes pertaining to Corporate Rehabilitation, by obtaining the certification set forth in Article 5 of the same Act and the approval set forth in Article 51, paragraph (1), beyond the business specified by other laws and orders and the business set forth in the items of the preceding paragraph.
- (4) A person intending to obtain the approval set forth in paragraph (1) must submit a written application for approval containing the following particulars to the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry:

- (i) name and address;
- (ii) location of the office;
- (iii) candidates for council members to be appointed as members of the Small and Medium-sized Enterprise Revitalization Support Council as prescribed in paragraph (1) of the following Article; and
- (iv) the following particulars concerning Business to Support Small and Medium-sized Enterprise Revitalization:
  - (a) details of Business to Support Small and Medium-sized Enterprise Revitalization;
  - (b) an implementation framework for Business to Support Small and Medium-sized Enterprise Revitalization;
  - (c) areas in which to undertake Business to Support Small and Medium-sized Enterprise Revitalization; and
  - (d) other particulars specified by Order of the Ministry of Economy, Trade and Industry.
- (5) When there have been any changes to the particulars set forth in item (i) and item (ii) of the preceding paragraph, an Approved Support Institution must without delay notify the Minister of Economy, Trade and Industry of that fact, and when it intends to make changes (excluding minor changes specified by Order of the Ministry of Economy, Trade and Industry) to the particulars set forth in item (iv) of the same paragraph, it must notify the Minister of Economy, Trade and Industry of that fact in advance.

(Small and Medium-sized Enterprise Revitalization Support Councils)

Article 128 (1) A Small and Medium-sized Enterprise Revitalization Support Council must be established in an Approved Support Institution.

- (2) A Small and Medium-sized Enterprise Revitalization Support Council must be composed of the head of the Approved Support Institution and the council members the head appoints.
- (3) Members of a Small and Medium-sized Enterprise Revitalization Support Council must be appointed from among persons who have practical experience or relevant knowledge and experience pertaining to Business to Support Small and Medium-sized Enterprise Revitalization.
- (4) When the head of an Approved Support Institution has appointed members of a Small and Medium-sized Enterprise Revitalization Support Council, the head must notify the Minister of Economy, Trade and Industry of that fact, as prescribed by Order of the Ministry of Economy, Trade and Industry. This also applies when changes have arisen in the membership of the Small and Medium-sized Enterprise Revitalization Support Council.
- (5) A Small and Medium-sized Enterprise Revitalization Support Council must deliberate and decide on the concrete details, necessary particulars concerning

the securing of the implementation framework, and other particulars regarding the execution of Business to Support Small and Medium-sized Enterprise Revitalization undertaken by the Approved Support Institution, and must provide specialist advice to the Approved Support Institution.

- (6) Beyond what is prescribed in the preceding items, necessary particulars concerning the organization and operation of Small and Medium-sized Enterprise Revitalization Support Councils are to be specified by Cabinet Order.

(Obligation of Confidentiality)

Article 129 (1) Officers or employees of Approved Support Institutions or members of Small and Medium-sized Enterprise Revitalization Support Councils, or persons who were employed as such, must not divulge or misappropriate any confidential information that has come to their knowledge regarding Business to Support Small and Medium-sized Enterprise Revitalization.

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

- (i) when the Organization for Small & Medium Enterprises and Regional Innovation needs to receive information from an Approved Support Institution for the purpose of smoothly undertaking the business operations set forth in Article 133, item (iv), information concerning the business operations that is provided by officers or employees of the Approved Support Institution or members of the Small and Medium-sized Enterprise Revitalization Support Council to the Organization for Small & Medium Enterprises and Regional Innovation;
- (ii) when an Approved Support Institution needs to receive advice from the Organization for Small & Medium Enterprises and Regional Innovation or dispatch of experts for the purpose of smoothly undertaking the business operations set forth in Article 127, paragraph (2), item (i) (limited to those pertaining to what is set forth in (b) of the same item) and the business operations set forth in item (ii) of the same paragraph, information concerning the business operations that is provided by officers or employees of the Approved Support Institution or members of the Small and Medium-sized Enterprise Revitalization Support Council to the Organization for Small & Medium Enterprises and Regional Innovation; and
- (iii) when an Approved Support Institution needs to receive information from another Approved Support Institution for the purpose of smoothly undertaking the business operations set forth in Article 127, paragraph (2), item (ii), information concerning the business operations that is provided by officers or employees of the Approved Support Institution or members of the

Small and Medium-sized Enterprise Revitalization Support Council to officers or employees of the relevant other Approved Support Institution or members of the Small and Medium-sized Enterprise Revitalization Support Council.

(Orders for Improvement)

Article 130 When the Minister of Economy, Trade and Industry determines that improvements are necessary with respect to Business to Support Small and Medium-sized Enterprise Revitalization being undertaken by an Approved Support Institution, the minister may order the Approved Support Institution to take measures necessary for those improvements.

(Rescission of Approval)

Article 131 When an Approved Support Institution has violated an order pursuant to the provisions of the preceding Article, the Minister of Economy, Trade and Industry may rescind its approval.

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

Article 132 With respect to Approved Support Institutions that have received a guarantee of obligations as prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to funds necessary for undertaking a Specified Small and Medium-sized Enterprise Revitalization Support Business (meaning a business pertaining to Business to Support Small and Medium-sized Enterprise Revitalization that have been decided on by a Small and Medium-sized Enterprise Revitalization Support Council), the Approved Support Institutions are deemed to be the Small and Medium-sized Enterprises set forth in Article 2, paragraph (1) of the same Act, and the provisions of Article 3, Article 3-2, and Article 4 to Article 8 of the same Act apply to them. In this case, with respect to the application of the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the same Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for undertaking a Specified Small and Medium-sized Enterprise Revitalization Support Business as prescribed in Article 132 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

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

Article 133 The Organization for Small & Medium Enterprises and Regional Innovation is to undertake the following business operations for the purpose of

supporting the revitalization of small and medium-sized enterprises:

- (i) providing investment limited partnership (limited to those specified by Cabinet Order as those providing capital to businesses that conduct Corporate Restructuring or SME Rehabilitation through Succession; such partnerships are referred to as a "Specified Investment Limited Partnership" in paragraph (2) of the following Article) that undertake investments in small and medium-sized enterprises with the necessary funds for the investments;
- (ii) undertaking the business activities set forth in Article 127, paragraph (2), item (i) to item (iv);
- (iii) dispatching experts and offering other necessary cooperation for the implementation of Business to Support Small and Medium-sized Enterprise Revitalization in response to requests from Approved Support Institutions; and
- (iv) evaluating the state of implementation of Business to Support Small and Medium-sized Enterprise Revitalization and reporting the results thereof to the Minister of Economy, Trade and Industry.

## **Chapter VII Miscellaneous Provisions**

(Securing of Funds)

- Article 134 (1) The State is to endeavor to secure funds necessary for an Approved Business Conducting Corporate Restructuring or an Approved Business Conducting Specified Corporate Restructuring to take measures for the purpose of Business Reconstruction or Specified Corporate Restructuring in accordance with an Approved Corporate Restructuring Plan or an Approved Specified Corporate Restructuring Plan, or funds necessary for an Approved Implementer of New Business Activities, an Approved Partnership Conducting Specified Investment for Developing New Business, an Approved Business Supporting the Utilization of Specified Research Results, an Approved Municipality, or an Approved Collaborative Start-up Support Business or an Approved Business Conducting SME Rehabilitation through Succession to conduct New Business Activities, Specified Investment for Developing New Business, Supporting the Utilization of Specified Research Results, a Start-up Support, or SME Rehabilitation through Succession, in accordance with an Approved Plan for New Business Activities, an Approved Plan for Specified Investment for Developing New Business, an Approved Plan for Supporting the Utilization of Specified Research Results, an Approved Start-up Support Plan, or an Approved Plan for SME Rehabilitation through Succession.
- (2) The State is to endeavor to secure funds necessary for Specified Investment Limited Partnership to enhance the equity capital of a business conducting

## Corporate Restructuring or SME Rehabilitation through Succession.

### (Stability of Employment)

Article 135 (1) When Approved Businesses Conducting Corporate Restructuring, Approved Businesses Conducting Specified Corporate Restructuring, or Approved Businesses Conducting SME Rehabilitation through Succession (hereinafter referred to as "Approved Businesses" in this Article and Article 139) conduct Corporate Restructuring, Specified Corporate Restructuring, or SME Rehabilitation through Succession in accordance with an Approved Corporate Restructuring Plan, an Approved Specified Corporate Restructuring Plan, or an Approved Plan for SME Rehabilitation through Succession, they must gain the understanding and cooperation of the workers in their employment, and must endeavor to take necessary measures for preventing unemployment and otherwise promoting the stability of employment, with respect to the workers.

- (2) The State is to endeavor to take necessary measures for preventing unemployment and otherwise promoting the stability of employment, with respect to workers who are employed by Approved Businesses.
- (3) The State is to endeavor to take necessary measures for providing job placement and otherwise contributing to the stability of work and lifestyle, with respect to workers who were employed by Approved Businesses.
- (4) The State and prefectures are to endeavor to take necessary measures for providing vocational training and otherwise promoting the development and improvement of skills, with respect to workers who are employed by Approved Business and workers who were employed by Approved Business.
- (5) The State and prefectures are to endeavor to take necessary measures for contributing to the facilitation of responses towards the new economic environment, with respect to the related Small and Medium-sized Enterprises of Approved Business.

### (Consideration towards Small and Medium-sized Enterprises)

Article 136 For the purpose of strengthening the business foundations of Small and Medium-sized Enterprises who are significantly affected by Corporate Restructuring or SME Rehabilitation through Succession implemented by another business, the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation, chambers of commerce, and chambers of commerce and industry are to endeavor to provide advice, training, or information concerning methods of management or technologies regarding the businesses conducted by the Small and Medium-sized Enterprises, and comprehensively promote other necessary measures.

(Collection of Reports)

Article 137 (1) The competent minister may request reports from an Approved Implementer of New Business Activities, an Approved Business Supporting the Utilization of Specified Research Results (when the Approved Business Supporting the Utilization of Specified Research Results is an investment limited partnership, an unlimited liability partner of the investment limited partnership) an Approved Business Conducting Corporate Restructuring, an Approved Business Conducting Specified Corporate Restructuring, or an Approved Business Conducting SME Rehabilitation through Succession, with respect to the implementation state of an Approved Plan for New Business Activities, Approved Plan for Supporting the Utilization of Specified Research Results, Approved Corporate Restructuring Plan, Approved Specified Corporate Restructuring Plan, or Approved Plan for SME Rehabilitation through Succession.

- (2) The head of the relevant administrative organ set forth in Article 8, paragraph (3) may request reports from an Approved Implementer of New Business Activities, with respect to the application of the relevant Special Measures on Regulations.
- (3) The competent minister may request reports from an Approved Municipality, with respect to the implementation state of an Approved Start-up Support Plan.
- (4) The Minister of Economy, Trade and Industry may request reports from an unlimited liability partner of an Approved Partnership Conducting Specified Investment for Developing New Business, with respect to the implementation state of an Approved Plan for Specified Investment for Developing New Business.
- (5) The Minister of Economy, Trade and Industry may request reports from an Approved Support Institution, with respect to the implementation state of Business to Support Small and Medium-sized Enterprise Revitalization.
- (6) The Minister of Economy, Trade and Industry may, to the extent necessary for the purpose of the enforcement of this Act, request reports from a Specified Certified Dispute Resolution Business, with respect to the implementation state of business operations for Specified Certified Dispute Resolution Procedures, business operations for confirmation pertaining to the reduction of the amount of bonds to be redeemed prescribed in Article 56, paragraph (1), or business operations for confirmation pertaining to the borrowing of funds prescribed in Article 58, paragraph (1).

(Collection of Reports from Designated Financial Institutions)

Article 138 (1) When the competent minister finds it necessary for the enforcement of this Act, the minister may have a Designated Financial Institution report on Business Operations to Promote Corporate Restructuring,

or direct the officials of the ministry to enter the business office or office of the Designated Financial Institution, and perform inspections of its account books, documentation and other items.

- (2) When the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may have a corporation promoting equipment installation report on Business Operations to Promote Equipment Installation, or direct the officials of the ministry to enter the office of the corporation promoting equipment installation, and perform inspections of its account books, documentation and other items.
- (3) When the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act, the minister may have the INCJ report on its business operations, or direct the officials of the ministry to enter the business office, office, or other workplaces of the INCJ, and perform inspections of its account books, documentation and other items.
- (4) Officials conducting on-site inspections pursuant to the provisions of the preceding three paragraphs must carry a certificate of identification and display it to the persons concerned.
- (5) The authority to conduct on-site inspections pursuant to the provisions of paragraph (1) to paragraph (3) must not be construed as being approved for the purpose of a criminal investigation.

#### (Liaison and Cooperation)

Article 139 When enforcing this Act, the competent ministers and the Minister of Health, Labour and Welfare are to maintain a close liaison and cooperate with each other with respect to particulars concerning the employment of workers pertaining to Approved Businesses.

#### (Competent Ministers)

Article 140 (1) The competent ministers under this Act are to be the ministers specified in the following items for each category of the particulars set forth respectively therein:

- (i) particulars concerning New Business Activities: the minister with jurisdiction over the business pertaining to New Business Activities;
- (ii) particulars concerning Plans for Supporting the Utilization of Specified Research Results: the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology;
- (iii) particulars concerning Corporate Restructuring Plans: the minister with jurisdiction over the business pertaining to Corporate Restructuring Plans;
- (iv) particulars concerning Specified Corporate Restructuring Plans: the minister with jurisdiction over the business pertaining to Specified Corporate Restructuring Plans;



- (v) particulars concerning Business Activities to Facilitate Corporate Restructuring Promotion and Business Activities to Promote Corporate Restructuring: the Minister of Economy, Trade and Industry and the Minister of Finance;
  - (vi) particulars concerning Start-up Support Plans: the Minister of Economy, Trade and Industry, the Minister of Internal Affairs and Communications, and the minister with jurisdiction over Start-up Support under Start-up Support Plans; and
  - (vii) particulars concerning Plans for SME Rehabilitation through Succession: the Minister of Economy, Trade and Industry and the minister with jurisdiction over the business pertaining to Plans for SME Rehabilitation through Succession.
- (2) Orders of the competent ministry under this Act are to be orders issued by the competent ministers.
- (3) Notwithstanding the provisions of the preceding paragraph, orders of the competent ministry in Article 2, paragraph (2), Article 8, paragraph (2) and paragraph (3), Article 10, paragraph (3) and paragraph (5), and Article 12 are to be Cabinet Secretariat Orders (including public notices), Cabinet Office Orders (including public notices), or Ministerial Orders (including public notices) of the Cabinet Secretariat, Cabinet Office or respective ministries who have jurisdiction over Acts that provide for regulations and orders based on Acts (excluding the Rules of the National Personnel Authority, Rules of the Fair Trade Commission, Rules of the National Public Safety Commission, Rules of the Environmental Disputes Coordination Commission, Rules of the Public Security Examination Commission, Rules of the Central Labor Relations Commission, Rules of the Japan Transport Safety Board, and Rules of the Nuclear Regulation Authority); provided, however, that with respect to regulations under the jurisdiction of the National Personnel Authority, the Fair Trade Commission, the National Public Safety Commission, the Environmental Disputes Coordination Commission, the Public Security Examination Commission, the Central Labor Relations Commission, the Japan Transport Safety Board, or the Nuclear Regulation Authority, orders of the competent ministry are to be the Rules of the National Personnel Authority, Rules of the Fair Trade Commission, Rules of the National Public Safety Commission, Rules of the Environmental Disputes Coordination Commission, Rules of the Public Security Examination Commission, Rules of the Central Labor Relations Commission, Rules of the Japan Transport Safety Board, and Rules of the Nuclear Regulation Authority, respectively.

(Delegation of Authority)

Article 141 The authority of the competent minister pursuant to this Act may be

delegated to the head of a local branch or department, as prescribed by order of the competent ministry.

(Relationship between the INCJ and the Approval of Plans for Business Activities)

Article 142 When the INCJ provides Support for Specified Business Activities, it must, as necessary, take measures such as encouraging Subject Business to file applications for the approval of Plans for New Business Activities set forth in Article 10, paragraph (1), the approval of Plans for Specified Investment for Developing New Business set forth in Article 17, paragraph (1), the approval of Corporate Restructuring Plans set forth in Article 24, paragraph (1), or the approval of Specified Corporate Restructuring Plans set forth in Article 26, paragraph (1), and thereby endeavor to effectively provide such support in conjunction with those measures.

(Transitional Measures)

Article 143 When enacting, revising or abolishing an order pursuant to this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order to the extent considered reasonably necessary for the enactment, revision or abolition thereof.

## **Chapter VIII Penal Provisions**

Article 144 (1) When a director, accounting advisor (when the accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), company auditor or employee of the INCJ has accepted, or solicited or promised to accept a bribe in connection with duties, such person is to be punished by imprisonment with required labor for not more than three years. If such person has conducted unlawful acts, or has failed to act appropriately, the person is to be punished by imprisonment with required labor for not more than five years.

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

Article 145 (1) A person who has given, or offered or promised to give a bribe as set forth in paragraph (1) of the preceding Article is to be punished by imprisonment with required labor for not more than three years or by a fine of not more than 1,000,000 yen.

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

may be exempted from punishment.

Article 146 (1) The crime set forth in Article 144, paragraph (1) also applies to persons who have committed the crime set forth in the same paragraph outside of Japan.

(2) The crime set forth in paragraph (1) of the preceding Article is to be dealt with in accordance with the provisions of the Penal Code (Act No. 45 of 1907).

Article 147 In the event of the violation of an order of suspension of Business Operations to Promote Equipment Installation issued pursuant to the provisions of Article 72, paragraph (2), the officer or employee of the corporation promoting equipment installation who has committed the violation is to be punished by imprisonment with required labor for not more than one year or a fine of not more than 500,000 yen.

Article 148 When a director, accounting advisor (when the accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), company auditor or employee of the INCJ, or a person who was employed as such has divulged or misappropriated confidential information that has come to their knowledge in the performance of duties, in violation of the provisions of Article 89, such person is to be punished by imprisonment with required labor for not more than one year, or a fine of not more than 500,000 yen.

Article 149 If a report has not been made pursuant to the provisions of Article 138, paragraph (3), or a false report has been made, or an inspection pursuant to the provisions of the same paragraph has been refused, obstructed or evaded, the director, accounting advisor (when the accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), company auditor or employee of the INCJ who has committed the violation is to be punished by a fine of not more than 500,000 yen.

Article 150 When falling under any of the following items, the person who has committed the violation is to be punished by a fine of not more than 300,000 yen:

- (i) when a person has failed to keep books or record particulars in books, in violation of the provisions of Article 45, or has recorded false statements in books, or has failed to keep books;
- (ii) when a person has failed to make a notification pursuant to the provisions of Article 47, paragraph (1), or has made a false notification;
- (iii) when a person has failed to make a report pursuant to the provisions of

Article 123, paragraph (2), or Article 137, paragraph (1), paragraph (2) or paragraph (4) to paragraph (6), or has made a false report; or  
(iv) when a person has failed to make a report pursuant to the provisions of Article 138, paragraph (1), or has made a false report, or has refused, obstructed or evaded an inspection to be conducted pursuant to the provisions of the same paragraph.

Article 151 When falling under any of the following items, the officer or employee of the corporation promoting equipment installation who has committed the violation is to be punished by a fine of not more than 300,000 yen:

- (i) when a person has failed to keep books or record particulars in books, in violation of the provisions of Article 68, or has recorded false statements in books, or has failed to keep books;
- (ii) when a person has discontinued all of the Business Operations to Promote Equipment Installation without obtaining permission pursuant to the provisions of Article 71, paragraph (1); or
- (iii) when a person has failed to make a report pursuant to the provisions of Article 138, paragraph (2), or has made a false report, or has refused, obstructed or evaded an inspection to be conducted pursuant to the provisions of the same paragraph.

Article 152 When the representative of a corporation or an agent, employee or any other worker of a corporation or an individual has committed a violation as set forth in the preceding two paragraphs in relation to the business of the corporation or individual, in addition to the offender, the corporation or individual is also sentenced to the punishment set forth in those paragraphs.

Article 153 When a stock company has failed to make a public notice or notification or has made a false public notice or notification, in violation of the provisions of Article 797, paragraph (3) or paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 34, paragraph (3) following the deemed replacement of terms, the director, executive officer, liquidator, or liquidator's agent; the director, executive officer, or person to perform duties on behalf of a liquidator appointed based on a provisional disposition order prescribed in Article 56 of the Civil Provisional Remedies Act (Act No. 91 of 1989); the person who is temporarily to perform the duties of a director, representative director, executive officer, or representative executive officer prescribed in Article 960, paragraph (1), item (v) of the Companies Act; the person who is temporarily to perform the duties of a liquidator or representative liquidator prescribed in paragraph (2), item (iii) of the same

Article; or the manager of the stock company that has committed the violation is to be punished by a non-criminal fine of not more than 1,000,000 yen.

Article 154 If the JFC has failed to obtain the approval of the competent minister, in violation of the provisions of Article 40, paragraph (2) or Article 44, paragraph (2), the director or executive officer of the JFC who has committed the violation is to be punished by a non-criminal fine of not more than 1,000,000 yen.

Article 155 When falling under any of the following items, the director, accounting advisor (when the accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), or company auditor of the INCJ who has committed the violation is to be punished by a non-criminal fine of not more than 1,000,000 yen:

- (i) if a person has solicited subscribers to Shares for Subscription, Share Options for Subscription, or Bonds for Subscription; or has issued shares, bonds or share options at a share exchange; or has borrowed funds, in violation of the provisions of Article 79, paragraph (1);
- (ii) if a person has failed to make a notification of the issuance of shares, in violation of the provisions of Article 79, paragraph (2);
- (iii) if a person has neglected to make a registration, in violation of the provisions of Article 95, paragraph (1) or paragraph (4);
- (iv) if a person has undertaken business, in violation of the provisions of Article 97, paragraph (2);
- (v) if a person has failed to make a notification to the Minister of Economy, Trade and Industry, in violation of the provisions of Article 99, paragraph (2) or Article 101, paragraph (1);
- (vi) if a person has failed to obtain the budget authorization, in violation of the provisions of Article 103, paragraph (1);
- (vii) if a person has failed to submit a balance sheet, profit and loss statement, or business report, or has submitted such document containing false statements or records, in violation of the provisions of Article 105; or
- (viii) if a person has violated an order issued pursuant to the provisions of Article 107 paragraph (2).

Article 156 When a person has used the term "innovation network corporation" in its name, in violation of the provisions of Article 81, paragraph (2), such person is to be punished by a non-criminal fine of not more than 100,000 yen.

### **Supplementary Provisions**

(Effective Date)

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

- (i) provisions of Article 28 and Article 39 of the Supplementary Provisions: the date of promulgation;
- (ii) provisions of Article 16 (limited to the portion pertaining to Supporting the Utilization of Specified Research Results), Article 20 to Article 22, Article 75, Article 134 (limited to the portion pertaining to Supporting the Utilization of Specified Research Results), Article 137, paragraph (1) (limited to the portion pertaining to Supporting the Utilization of Specified Research Results), Article 150, item (iii) (limited to the portion pertaining to the same paragraph (limited to the portion pertaining to Supporting the Utilization of Specified Research Results)), and Article 152 (limited to the portion pertaining to the same item (limited to the portion pertaining to Supporting the Utilization of Specified Research Results)), as well as Article 26 and Article 36 of the Supplementary Provisions: the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation.

(Review)

- Article 2 (1) The government is to examine the state of enforcement of the provisions of Chapter 5, within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and take necessary measures based on the results thereof.
- (2) The government is to examine the state of enforcement of this Act (excluding the provisions of Chapter 5), within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and review it based on the results thereof, without excluding the possibility of abolition.

(Measures Concerning Orders or Notices)

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

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

Article 4 The Act on Special Measures Concerning Revitalization of Industry and

Innovation in Industrial Activities (Act No. 131 of 1999) is abolished.

(Transitional Measures Concerning Business Reconstruction Plans)

Article 5 (1) With respect to the granting of approval for an application for the approval set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities prior to the abolition pursuant to the provisions of the preceding Article (hereinafter referred to as the "Former Industrial Revitalization Act") that was filed prior to the enforcement of this Act and for which approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

(2) Regarding approved business reconstruction businesses set forth in Article 6, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern: approval of changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind pertaining to the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a Tender Offer in exchange for shares; the special provisions concerning the issuance and acquisition of Shares Subject to Class-Wide Call; demands for objections by obligees in cases of transfer of business; the special provisions of the Limited Partnership Act for Investment; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Reutilization Plans)

Article 6 (1) With respect to the granting of approval for an application for the approval set forth in Article 7, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

(2) Regarding approved management resource reutilization businesses set forth in Article 8, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern: the approval of changes to plans, direction of changes, and rescission of approval; the special provisions

concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind pertaining to the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a Tender Offer in exchange for shares; the special provisions concerning the issuance and acquisition of Shares Subject to Class-Wide Call; demands for objections by obligees in cases of transfer of business; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Integration Plans)

Article 7 (1) With respect to the granting of approval for an application for the approval set forth in Article 9, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

(2) Regarding approved management resource integration businesses set forth in Article 10, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to following, prior provisions continue to govern: the approval of changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind pertaining to the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a Tender Offer in exchange for shares; the special provisions concerning the issuance and acquisition of Shares Subject to Class-Wide Call; demands for objections by obligees in cases of transfer of business; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Resource Productivity Innovation Plans)

Article 8 (1) With respect to the granting of approval for an application for the approval set forth in Article 11, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time



of the enforcement of this Act, prior provisions continue to govern.

- (2) Regarding approved resource productivity innovation businesses set forth in Article 12, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern : the approval of changes to plans, direction of changes, and rescission of approval; the special provisions concerning investigations for contributions in kind and asset transactions; the special provisions concerning investigations for contributions in kind pertaining to the issuance of shares; the special provisions concerning business transfer, etc. to special controlling companies; the special provisions concerning consolidation of shares; the special provisions concerning the issuance of shares or disposal of treasury shares upon a Tender Offer in exchange for shares; the special provisions concerning the issuance and acquisition of Shares Subject to Class-Wide Call; demands for objections by obligees in cases of transfer of business; the special provisions of the Consigned Freight Forwarding Business Act (Act No. 82 of 1989); the special provisions of the Motor Truck Transportation Business Act (Act No. 83 of 1989); the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

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

- Article 9 (1) With respect to the granting of approval for an application for the approval set forth in Article 14, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.
- (2) Regarding approved businesses for new goods production equipment installation for business innovation set forth in Article 15, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern: the approval of changes to plans, direction of changes, and rescission of approval; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

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

- Article 10 (1) With respect to the granting of approval for an application for the

approval set forth in Article 16, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

- (2) Regarding approved businesses installing production equipment for goods in response to resource constraints set forth in Article 17, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, the prior provisions continue to govern: the approval of changes to plans, direction of changes, and rescission of approval; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

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

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

(Transitional Measures Concerning Business Operations to Compensate Losses Undertaken by the JFC)

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

(Transitional Measures Concerning Business Operations to Facilitate Business Reconstruction Promotion Undertaken by the JFC)

Article 13 With respect to the JFC's Business Operations to Facilitate Business Reconstruction Promotion prescribed in Article 24-3, paragraph (1) of the Former Industrial Revitalization Act that have already been undertaken at the time of the enforcement of this Act, the provisions of the same Article as well as Article 24-4 and Article 24-8 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act. In this case, the phrase "the Act on Special Measures Concerning Revitalization of Industry and

Innovation in Industrial Activities (Act No. 131 of 1999; hereinafter referred to as the "Act on Special Measures")" in the row of Article 58, paragraph (1) of the table of Article 24-3, paragraph (2) of the Former Industrial Revitalization Act is deemed to be replaced with "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; hereinafter referred to as the "Former Act on Special Measures") prior to the abolition pursuant to the provisions of Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), for which prior provisions remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the same Act"; and the phrase "Act on Special Measures" in the row of Article 58, paragraph (2) and Article 59, paragraph (1), the row of Article 71, the row of Article 73, item (i), the row of Article 73, item (iii), the row of Article 73, item (vii), and the row of Article 47, paragraph (1) of the Supplementary Provisions in the same table is deemed to be replaced with "Former Act on Special Measures".

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

Article 14 With respect to the Business Operations to Promote Business Reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act to be undertaken by Designated Financial Institutions prescribed in the same paragraph that have already been undertaken at the time of the enforcement of this Act, the provisions of the same Article to Article 24-13 of the Former Industrial Revitalization Act and Article 73-2 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act.

(Transitional Measures Concerning the Innovation Network Corporation of Japan)

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

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

(3) The Innovation Network Corporation of Japan must make necessary changes to the articles of incorporation associated with the enforcement of this Act and

obtain the authorization of the Minister of Economy, Trade and Industry as prescribed in Article 82 by the date of enforcement of this Act.

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

(Transitional Measures Concerning the Obligation of Confidentiality by Directors)

Article 16 With respect to obligations of persons who were employed as the directors, accounting advisors (when an accounting advisor is a corporation, the member who is to perform the duties of the accounting advisor), company auditors, or employees of the Innovation Network Corporation of Japan, which require them to not divulge or misappropriate any confidential information that has come to their knowledge in the course of duties, prior provisions are to continue to apply even after the enforcement of this Act.

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

Article 17 (1) With respect to the granting of approval for an application for the approval set forth in Article 32, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

- (2) Regarding approved small and medium-sized enterprise management resource utilization businesses set forth in Article 32, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern: the approval of changes to plans and rescission of approval; the special provisions of the Small and Medium-Sized Enterprise Credit Insurance Act; the special provisions of the Act on Equipment Installation Support for Small Enterprises (Act No. 115 of 1956) prior to the abolition pursuant to the provisions of Article 9 of the Act for Partial Revision, etc. of the Small and Medium-sized Enterprise Basic Act for the Purpose of Revitalizing Business Activities of Small Enterprises (Act No. 57 of 2013); the

special provisions of the Small and Medium-sized Enterprise Investment Business Corporation Act; the special provisions when a person is deemed to be a Small and Medium-sized Enterprise implementing small and medium-sized enterprise management resource utilization in accordance with an approved small and medium-sized enterprise management resource utilization plan; and the collection of reports.

(Transitional Measures Concerning Start-up-related Guarantees)

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

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

Article 19 With respect to the special provisions of the Small and Medium-Sized Enterprise Credit Insurance Act prescribed in Article 34 of the Former Industrial Revitalization Act for Specified Letter of Credit-related Guarantees prescribed in paragraph (1) of the same Article that were provided prior to the enforcement of this Act, prior provisions continue to govern.

(Transitional Measures Concerning Plans for SME Rehabilitation through Succession)

Article 20 (1) With respect to the granting of approval for an application for the approval set forth in Article 39-2, paragraph (1) of the Former Industrial Revitalization Act that was filed prior to the enforcement of this Act and for which whether or not to grant approval has yet to be determined as of the time of the enforcement of this Act, prior provisions continue to govern.

(2) Regarding Approved Businesses Conducting SME Rehabilitation through Succession set forth in Article 39-3, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior provisions based on the provisions of the preceding paragraph after the enforcement of this Act), with respect to the following, prior provisions continue to govern: the approval of changes to plans, direction of changes, rescission of approval; succession, etc. of state based on a Specified Permission, etc.; the special provisions of the Small and Medium-Sized Enterprise Credit Insurance Act; the special provisions of the Small and Medium Business Investment & Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Approved Support Institutions)

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

(2) Regarding those that are deemed to have obtained the approval set forth in Article 127, paragraph (1) pursuant to the provisions of the preceding paragraph, with respect to the application of the provisions of paragraph (5) of the same Article to necessary changes to the particulars set forth in paragraph (4), item (iv) of the same Article associated with the enforcement of this Act, the phrase "in advance" in paragraph (5) of the same Article is deemed to be replaced with "within 30 days from the date of enforcement of this Act".

(Transitional Measures Concerning the Obligation of Confidentiality by Officers)

Article 22 With respect to the obligation of persons who were employed as officers or employees of Approved Support Institutions prescribed in Article 41, paragraph (2) of the Former Industrial Revitalization Act or as members of Small and Medium-sized Enterprise Revitalization Support Councils set forth in Article 42, paragraph (1) of the Former Industrial Revitalization Act, which requires them to not divulge any confidential information that has come to their knowledge in relation to Business to Support Small and Medium-sized Enterprise Revitalization prescribed in Article 41, paragraph (1) of the Former Industrial Revitalization Act, prior provisions are to remain applicable even after the enforcement of this Act.

(Transitional Measures Concerning Specified Certified Dispute Resolution Businesses)

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

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

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

(Transitional Measures Concerning Corporate Rehabilitation Facilitation-related Guarantees)

Article 25 With respect to the special provisions of the Small and Medium-Sized Enterprise Credit Insurance Act prescribed in Article 51 of the Former Industrial Revitalization Act for Corporate Rehabilitation Facilitation-related Guarantees prescribed in paragraph (1) of the same Article that were provided prior to the enforcement of this Act, prior provisions continue to govern.

(Transitional Measures Concerning Special Provisions Concerning Patent Fees)

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

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

(Transitional Measures Concerning Penal Provisions)

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

(Delegation to Cabinet Order of Other Transitional Measures)

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

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

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

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

Article is to be revised as follows.

In the case of accepting registration for the following particulars, when the particulars pertain to the approval set forth in Article 24, paragraph (1) or Article 25, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) pertaining to an Approved Corporate Restructuring Plan prescribed in Article 25, paragraph (2) of the same Act (limited to a plan that contains the statement on Corporate Restructuring prescribed in Article 2, paragraph (11) of the same Act that is specified by Cabinet Order), the approval set forth in Article 26, paragraph (1) or Article 27, paragraph (1) of the same Act pertaining to an Approved Specified Corporate Restructuring Plan prescribed in Article 27, paragraph (2) of the same Act, or the approval set forth in Article 121, paragraph (1) or Article 122, paragraph (1) of the same Act pertaining to an Approved Plan for SME Rehabilitation through Succession prescribed in Article 122, paragraph (3) of the same Act, which has been granted within a period from the enforcement of this Act to March 31, 2016, tax rates for registration and license tax pertaining to the registration, only for such registration to be accepted within one year from the date of these approvals as prescribed by Ministry of Finance Order, are to be the rates specified in the following items for each category of the particulars set forth respectively therein, notwithstanding the provisions of Article 9 of the Registration and License Tax Act:

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

- (vi) Acquisition of ownership of real estate or a vessel in cases of the establishment of a corporation as a result of company split or an increase in the amount of stated capital or capital contributions: the ratio specified in (a) or (b) for each category of the particulars set forth respectively therein:
  - (a) Acquisition of ownership of real estate: 4/1000;
  - (b) Acquisition of ownership of a vessel: 23/1000.

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

- (2) If an individual has established a stock company by receiving support under a Specified Start-up Support prescribed in Article 2, paragraph (25) of the Act on Strengthening Industrial Competitiveness, which has been recorded in the Approved Start-up Support Plan prescribed in Article 114, paragraph (2) of the same Act, within the area of a municipality (including a special ward) that has obtained the approval set forth in Article 113, paragraph (1) or Article 114, paragraph (1) of the same Act pertaining to the Approved Start-up Support Plan, the amount of registration and license tax for the registration of the establishment of the stock company, only for such registration to be accepted within a period from the enforcement of this Act



to March 31, 2016, as prescribed by Ministry of Finance Order, is to be the amount obtained by multiplying the amount of stated capital of the stock company by 3.5/1000 (or 75,000 yen when the amount is less than 75,000 yen), notwithstanding the provisions of Article 9 of the Registration and License Tax Act.

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

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

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

Article 30 With respect to registration and license tax for the registration of the particulars set forth in the items of Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation prior to the revision pursuant to the provisions of the preceding Article that pertains to the approval prescribed in the same paragraph (including the approval when prior provisions are to continue to govern pursuant to the provisions of Article 5 to Article 8 or Article 20 of the Supplementary Provisions), prior provisions continue to govern.

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

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

(Partial Revision of the Small and Medium-sized Enterprise Basic Act)

Article 32 The Small and Medium-sized Enterprise Basic Act (Act No. 154 of

1963) is partially revised as follows.

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

(Partial Revision of the Registration and License Tax Act)

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

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

provisions of Article 12, paragraph (1) of the same Act" are to be deleted.

(Partial Revision of the Act on the Promotion of Technology Transfer from Universities to Private Businesses)

Article 34 (1) The Act on the Promotion of Technology Transfer from Universities to Private Businesses (Act No. 52 of 1998) is partially revised as follows.

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

(Special Provisions Concerning Patent Fees)

Article 8 When an accredited Technology Licensing Organization (TLO) undertakes specified university technology transfer, the Commissioner of the Japan Patent Office may grant a reduction of, exemption from or deferment of the payment of patent fees for each year from the first to the tenth year pursuant to the provisions of Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959), as prescribed by Cabinet Order.

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

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

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

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

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

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

paragraph (1) of the same Act, or make contributions pursuant to the provisions of Article 133 of the same Act, or other business operations;

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

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

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

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

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

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

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

(v) management and disposition of shares pertaining to the contributions made pursuant to the provisions of Article 47 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities Prior to Abolition;

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

(Partial Revision of the National University Corporation Act)

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

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

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

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

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

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

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

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

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

In Article 24, paragraph (2), the phrase "(referred to as the "minister with

jurisdiction" in the following paragraph)" is to be deleted; paragraph (3) of the same Article is to be deleted; and paragraph (4) is to be revised to paragraph (3).

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

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

The title of Article 61 is to be revised to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the same Article, the phrase "Business Reconstruction Plans set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be revised to "Business Reconstruction Plan set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval of Management Resource Reutilization Plans set forth in Article 7, paragraph (1) of the same Act, approval of Management Resource Integration Plans set forth in Article 9, paragraph (1) of the same Act, approval of Resource Productivity Innovation Plans set forth in Article 11, paragraph (1)" is to be revised to "approval of Specified Corporate Restructuring Plans set forth in Article 26, paragraph (1)"; and the phrase "Article 39-2, paragraph (1)" is to be revised to "Article 121, paragraph (1)"; in paragraph (2) of the same Article, the phrase "Approved Support Institutions, pursuant to the provisions of Article 41, paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be revised to "the Organization for Small & Medium Enterprises and Regional Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion pertaining to Article 127, paragraph (2), item (i) of the same Act), and Approved Support Institutions, pursuant to the provisions of item (i) of the same paragraph,".

In Article 63, the phrase "Article 2, paragraph (24) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial

Activities" is to be revised to "Article 2, paragraph (15) of the Act on Strengthening Industrial Competitiveness"; and the phrase "and Approved Support Institutions" is to be revised to ", the Organization for Small & Medium Enterprises and Regional Innovation, and Approved Support Institutions".

(Partial Revision of the Act on the Organization for Supporting the Turnaround of Businesses Damaged by the Great East Japan Earthquake)

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

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

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

The title of Article 59 is to be revised to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the same Article, the phrase "Business Reconstruction Plans set forth in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be revised to "Business Reconstruction Plan set forth in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval of Management Resource Reutilization Plans set forth in Article 7, paragraph (1) of the same Act, approval of Management Resource Integration Plans set forth in Article 9, paragraph (1) of the same Act, approval of Resource Productivity Innovation Plans set forth in Article 11, paragraph (1)" is to be revised to "approval of Specified Corporate Restructuring Plans set forth in Article 26, paragraph (1)"; the phrase "Article 39-2, paragraph (1)" is to be revised to "Article 121, paragraph (1)"; and the phrase "Article 47" is to be revised to "Article 133, item (i)"; in paragraph (2) of the same Article, the phrase "Approved Support Institutions, pursuant to the provisions of Article 41,

paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be revised to "the Organization for Small & Medium Enterprises and Regional Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion pertaining to Article 127, paragraph (2), item (i) of the same Act), and Approved Support Institutions, pursuant to the provisions of item (i) of the same paragraph,".

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

(Partial Revision of the Act for Partial Revision, etc. of the Small and Medium-sized Enterprise Basic Act for the Purpose of Revitalizing Business Activities of Small Enterprises)

Article 39 The Act for Partial Revision, etc. of the Small and Medium-sized Enterprise Basic Act for the Purpose of Revitalizing Business Activities of Small Enterprises is partially revised as follows.

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

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

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

Article 15 Deleted

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

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

(Partial Revision of the Act on Strengthening Industrial Competitiveness)

Article 25 The Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) is partially revised as follows.

In Article 17, paragraph (2) of the Supplementary Provisions, the phrase "the



Act on Equipment Installation Support for Small Enterprises" is to be revised to "the Act on Equipment Installation Support for Small Enterprises prior to the abolition pursuant to the provisions of Article 9 of the Act for Partial Revision, etc. of the Small and Medium-sized Enterprise Basic Act for the Purpose of Revitalizing Business Activities of Small Enterprises (Act No. 57 of 2013)".

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

(Partial Revision of the Local Tax Act)

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

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

(Partial Revision of the Stamp Tax Act)

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

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

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

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

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

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

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

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

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

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

of 2011) is partially revised as follows.

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

Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)	Article 140, paragraph (3)	or Cabinet Office Orders of respective ministries	, Cabinet Office Orders (including public notices) of the Reconstruction Agency or respective ministries, Ordinances of the Reconstruction Agency
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