

Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness Relating to the Ministry of Economy, Trade and Industry

(Ordinance of the Ministry of Economy, Trade and Industry No. 1 of January 17, 2014)

Based on the provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and the Order for Enforcement of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014), and for the purpose of enforcing the Act and Cabinet Order, the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness Relating to the Ministry of Economy, Trade and Industry is hereby established as follows.

Chapter I General Provisions (Article 1 to Article 9)

Chapter II Revitalizing the Functioning of Industrial Activities

Section 1 Promotion of Specified Investment for Developing New Business
(Article 10 to Article 14)

Section 2 Facilitation of Corporate Rehabilitation (Article 15 to Article 33)

Section 3 Corporations Promoting Equipment Installation (Article 34 to Article 48)

Section 4 Utilization of Intellectual Property Rights in Business Activities
(Article 49 to Article 56)

Chapter III Support for Specified Business Activities by the Innovation
Network Corporation of Japan (Article 57 to Article 61)

Chapter IV Revitalization of Small and Medium-Sized Enterprises (Article 62 to Article 65)

Chapter V Miscellaneous Provisions (Article 66 to Article 69)

Supplementary Provisions

Chapter I General Provisions

(Definitions of Terms)

Article 1 The terms used in this Ministerial Order have the same meanings as the terms used in the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "Act") and the Order for Enforcement of the Act on Strengthening Industrial Competitiveness (referred to as the "Order" in Section 4 of the following Chapter and in Article 65).

(Businesses Developing New Business)

Article 2 The business specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 2, paragraph (5) of the Act is to fall under all of the following items:

(i) a company other than those set forth in (a) or (b) below:

(a) a company, out of the total of whose issued shares (excluding treasury shares it holds; the same applies in (b) below), one half or more are held by a single large corporation (meaning a corporation whose amount of stated capital or the total amount of contributions exceeds 100,000,000 yen or a corporation with no capital or contributions whose number of regular employees exceeds 1,000, but excluding small and medium business investment & consultation corporations; hereinafter the same applies in this item) and a company that has a special relationship with the large corporation (meaning any of the following 1. to 3. below; hereinafter the same applies in this item):

1. when the large corporation holds one half or more of the total number of shares or the total amount of contributions of another company (excluding treasury shares or contributions the relevant other company holds; hereinafter the same applies in this item), the relevant other company;
2. when the large corporation and a company that has the special relationship prescribed in 1. above with the former hold one half or more of the total number of shares or the total amount of contributions of another company, the relevant other company; or
3. when the large corporation and companies that have the special relationships prescribed in 1. and 2. above with the former hold one half or more of the total number of shares or the total amount of contributions of another company, the relevant other company; or

(b) beyond what are set forth in (a) above, a company, out of the total of whose issued shares, two thirds or more are held by a large corporation and a corporation that has a special relationship with the large corporation;

(ii) a stock company;

(iii) a company other than those that are issuers of shares listed on a financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) or shares registered in the registry of over-the-counter traded securities prescribed in Article 67-11, paragraph (1) of the same Act;

(iv) a company other than those that are engaged in amusement business prescribed in Article 2, paragraph (1) of the Act on Control and Improvement of Amusement Business, etc. (Act No. 122 of 1948) or in business falling under sex-related amusement special business prescribed in paragraph (5) of

the same Article; and

(v) a company other than either of the following:

(a) a company whose officers include an organized crime group member prescribed in Article 2, item (vi) of the Act on the Prevention of Unjust Acts by Organized Crime Group Members (Act No. 77 of 1991) (hereinafter referred to as an "Organized Crime Group Member") or a person for whom five years have not yet passed since the person ceased to be an Organized Crime Group Member (hereinafter referred to as an "Organized Crime Group Member, etc."); or

(b) a company whose business activities are governed by an Organized Crime Group Member, etc.

(Requirements for Specified Investment for Developing New Business)

Article 3 The requirements specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 2, paragraph (6) of the Act are as follows:

- (i) it is an investment business to acquire and hold shares of a business developing new business who is a specified small and medium-sized enterprise developing new business (meaning a person falling under any of those set forth in the items of Article 2, paragraph (1) of the Act for Facilitating New Business Activities of Small and Medium-sized Enterprises (Act No. 18 of 1999) as of the time when an investment limited partnership acquires shares of the person for the first time; the same applies in the following item) or a specified medium-sized business developing new business (meaning a person the amount of whose stated capital is less than 500,000,000 yen as of the time when an investment limited partnership acquires shares of the person for the first time);
- (ii) the ratio of the acquisition cost of shares of a specified small and medium-sized enterprise developing new business against the total acquisition cost of shares of an investment limited partnership is 60 percent or more; and
- (iii) the ratio of the acquisition cost of shares of a business developing new business who intends to expand its business size against the total acquisition cost of shares of an investment limited partnership is 50 percent or more.

(Specified Investment for Developing New Business)

Article 4 The business specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 2, paragraph (6) of the Act is a business based on a limited partnership agreement for investment under which an unlimited liability partner of an investment limited partnership (when the unlimited liability partner is a corporation, its officer or employee) promises to operate a business to provide management-related advice or technical guidance to the company whose shares are held by the investment limited partnership (limited

to such business including presentation of management-related opinions to directors of the company, as necessary, for the purpose of achieving growth and development of its business):

(Definition of Equipment for Productivity Improvement)

Article 5 The equipment, etc. specified by Order of the Ministry of Economy, Trade and Industry as those especially contributing to the improvement of productivity in business as set forth in Article 2, paragraph (13) of the Act fall under either of the following items:

- (i) any of the designated equipment set forth in the left-hand column of the following table that falls under the requirements pertaining to the day of commencing the sale set forth in the right-hand column of the table for each category of the designated equipment, and also falls under all of the following requirements (when the designated equipment is software (meaning instructions given to a computer which are combined to obtain a certain result; hereinafter the same applies in this item and the following item) and when any equipment to be used as a reference for comparison set forth in (b) below is not on the market, limited to the requirements set forth in (a) below):
 - (a) when classifying equipment of the same type manufactured by the same manufacturer into categories depending on equipment models or other matters (hereinafter such category is referred to as a "model category" in this item), the designated equipment belongs to the model category of those whose sale commenced most recently (hereinafter the day on which the sale of equipment commenced is referred to as the "day of commencing the sale" in this item) as of the time when a business introduces the designated equipment (including those set forth as follows):
 - 1. equipment for which the fiscal year (meaning the period from January 1 to December 31 of the relevant year; hereinafter the same applies in this item) including the day of commencing the sale pertaining to the model category is the fiscal year that includes the day on which the business introduces the designated equipment or the preceding fiscal year;
 - 2. a machine and device to be introduced by a small and medium-sized enterprise, etc. (meaning an individual falling under a small and medium-sized enterprise specified by Cabinet Order as prescribed in Article 10, paragraph (4) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) and a small and medium-sized enterprise or an agricultural cooperative, etc. prescribed in Article 42-4, paragraph (6) of the same Act; hereinafter the same applies in this Article) in which dedicated software (meaning instructions given to a

dedicated computer (meaning a computer solely for controlling the operation of the machine and device or processing data that cannot be used for other purposes without physical transformation) which are combined to obtain a certain result) is installed, which belong to the model category for which the day of commencing the sale is the second most recent out of all model categories of the machines and devices of the same type manufactured by the manufacturer of the machine and device (limited to the case where the machines and devices belonging to the most recent model category satisfy the requirements set forth in (b) below);

(b) the designated equipment has achieved an annual improvement of one percent or more on average in production efficiency, energy efficiency, accuracy or other indices contributing to the improvement of productivity in business compared with other equipment belonging to the model category (limited to the model category of equipment of the same type as the designated equipment manufactured by the manufacturer of the designated equipment) of those for which the day of commencing the sale is the second most recent, following the day of commencing the sale pertaining to the model category to which the designated equipment belongs;

| Designated equipment | | Requirements pertaining to the day of commencing the sale |
|----------------------------|--|---|
| Type of depreciable assets | Usage or details of the subject items | |
| Machines and devices | All designated equipment | The day of commencing the sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day ten years before the day on which a business introduced the equipment. |
| Apparatuses and appliances | Test instruments or measuring instruments | The day of commencing the sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day six years before the day on which a business introduced the equipment. |
| | Display shelves and showcases equipped with a freezer or refrigerator | |
| | Cooling units or heating units | |
| | Electric refrigerators, electric washers, and other equivalent electric or gas equipment | |
| | Ice boxes and refrigerating stockers (excluding electric ones) | |

| | | |
|----------------------|---|--|
| | Computers (limited to a computer with a server operating system (meaning server software with a function to directly control the operation of a computer for executing software; hereinafter the same applies in this item) being written in its memory device (referred to as a "server computer" in the following item) and a computer acquired or manufactured simultaneously with a server operating system specifically by a small and medium-sized enterprise operator, etc. (excluding a corporation engaged in the information and communications business to provide all or part of the information processing function of its own computers)) | |
| Tools | Rolls | The day of commencing the sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day four years before the day on which a business introduced the equipment. |
| Building accessories | Electrical equipment (including light fixtures and excluding battery power source equipment) | The day of commencing the sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day fourteen years before the day on which a business introduced the equipment. |
| | Cooling equipment, heating equipment, ventilating equipment, or boiler equipment | |
| | Elevator equipment | |
| | Arcade or sunshade equipment (limited to blinds) | |
| | Solar control film | |
| Buildings | Heat insulator | The day of commencing the |

| | | |
|----------|--|--|
| | Insulated windows | sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day fourteen years before the day on which a business introduced the equipment. |
| Software | Software with a function to collect information on equipment operation status and a function to analyze information and provide instructions (limited to software acquired or manufactured by a small and medium-sized enterprise, etc.) | The day of commencing the sale pertaining to the model category to which the equipment belongs is no earlier than the first day of the fiscal year that includes the day five years before the day on which a business introduced the equipment. |

(ii) machines and devices, tools, apparatuses and appliances (in the case of server computers, excluding those acquired or manufactured by a corporation engaged in the information and communications business to provide all or part of the information processing function of its own computers), buildings, building accessories, structures, and software which are indispensable for achieving the purpose of investment stated in an investment plan prepared by a business (limited to an investment plan confirmed by the Minister of Economy, Trade and Industry as being expected to achieve an annual average return on investment ratio of 15 percent or more (in the case of a small and medium-sized enterprise, etc., 5 percent or more) as calculated by the following formula)

$$\frac{\text{Increase in (operating profits + depreciation cost) (average increase for the three fiscal years following the fiscal year in which the equipment is acquired, etc.)}}{\text{The amount of capital investment (the total acquisition cost of equipment in the fiscal year in which the equipment is acquired, etc.)}}$$

(Definition of Cutting-edge Equipment)

Article 6 The equipment, etc. specified by Order of the Ministry of Economy, Trade and Industry as those contributing to the strengthening of industrial competitiveness as set forth in Article 2, paragraph (18) of the Act are equipment, apparatuses, or devices that are to be used for business in Japan and are subject to a lease contract, whose prices after the expiration of the lease period are difficult to predict reasonably and which will contribute to the improvement of productivity in business or the creation of new domestic and foreign demand as of the effective date thereof.

(Certification of the Fact of Having Received Support under an Approved Specified Start-up Support)

Article 7 (1) A person who intends to start a start-up by receiving support under an approved specified start-up support set forth in Article 2, paragraph (23), item (i) or item (iii) of the Act must obtain certification of the fact of receiving the support from the head of the municipality that has obtained approval for its start-up support plan in which the approved specified start-up support is stated.

(2) A person who intends to obtain certification under the preceding paragraph must submit a written application stating the following matters to the head of the municipality:

- (i) the name and address of the person who intends to obtain certification and in the case of a corporation, the name of its representative;
- (ii) the content and period of the approved specified start-up support for which the person received the support;
- (iii) the content of the business the person intends to newly start by receiving the support set forth in the preceding item; and
- (iv) the timing to start the business set forth in the preceding item.

(Specified Start-up Support)

Article 8 The business specified by Order of the Ministry of Economy, Trade and Industry as one that will particularly contribute to facilitating start-ups as set forth in Article 2, paragraph (25) of the Act is a business to provide support to a person who intends to start a start-up on an ongoing basis so that the person can acquire all of the following knowledge:

- (i) knowledge on management;
- (ii) knowledge on finance;
- (iii) knowledge on human resource development; and
- (iv) knowledge on sales methods.

(Amount Specified by Order of the Ministry of Economy, Trade and Industry)

Article 9 The amount specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 2, paragraph (27) of the Act is the amount equivalent to delay damages pertaining to obligations performed by a financial institution that had concluded a specified letter of credit issuance contract prescribed in the same paragraph based on the contract.

Chapter II Revitalizing the Functioning of Industrial Activities

Section 1 Promotion of Specified Investment for Developing New Business

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

Article 10 (1) An investment limited partnership that seeks approval of a plan for specified investment for developing new business under Article 17, paragraph (1) of the Act must submit a written application in Form 1 and a copy thereof to the Minister of Economy, Trade and Industry.

- (2) The written application and a copy thereof set forth in the preceding paragraph must be submitted together with the following documents:
- (i) a copy of the written partnership agreement of the investment limited partnership;
 - (ii) a certificate of registered matters evidencing the registration of the partnership agreement of the investment limited partnership;
 - (iii) a copy of the most recent business report, a copy of the sales ledger, balance sheet and profit and loss statement of an unlimited liability partner of the investment limited partnership (when these documents are not prepared, their equivalent);
 - (iv) a document evidencing that an unlimited liability partner of the investment limited partnership has invested in a business who is developing new business and has knowledge and experience pertaining to management-related advice or technical guidance;
 - (v) a document evidencing that the investment limited partnership had not acquired shares issued by any company prior to obtaining the approval;
 - (vi) a document evidencing that an unlimited liability partner of the investment limited partnership has a framework for conducting specified investment for developing new business smoothly and reliably;
 - (vii) in accordance with the following cases, a document specified respectively therein:
 - (a) when the investment limited partnership needs to obtain permission, etc. (meaning the permission, etc. prescribed in Article 2, item (iii) of the Administrative Procedure Act (Act No. 88 of 1993); hereinafter the same applies in this item) of an administrative organ under laws and orders upon conducting specified investment for developing new business: a document evidencing that the permission, etc. has been given; or
 - (b) when the investment limited partnership must make a notification (meaning the notification prescribed in Article 2, item (vii) of the Administrative Procedure Act; hereinafter the same applies in this item) to an administrative organ under laws and orders upon conducting specified investment for developing new business: a document evidencing that the notification has been filed;
 - (viii) a document setting a profit goal of the investment limited partnership;

- (ix) a document evidencing that partners of the investment limited partnership have contributed funds necessary for conducting specified investment for developing new business or a document evidencing that the funds are to be contributed;
- (x) a document evidencing that an unlimited liability partner of the investment limited partnership does not fall under any of the following:
 - (a) an adult ward or person under curatorship or a person treated in a similar manner under laws and orders of a foreign state;
 - (b) a bankrupt whose civil rights have not been restored or a person treated in a similar manner under laws and orders of a foreign state;
 - (c) a person who has been sentenced to imprisonment or heavier punishment (including a punishment under laws and orders of a foreign state equivalent thereto) and for whom five years have not yet passed since the execution of the punishment was completed or since the person was no longer subject to the execution of the sentence;
 - (d) a person who has violated provisions of the Act and has been sentenced to a fine and for whom five years have not yet passed since the execution of the punishment was completed or since the person was no longer subject to the execution of the sentence;
 - (e) an Organized Crime Group Member, etc.;
 - (f) a person who was an unlimited liability partner of an approved partnership conducting specified investment for developing new business as of the time when the approval of the approved partnership conducting specified investment for developing new business was rescinded under Article 18, paragraph (2) or paragraph (3) of the Act and for whom five years have not yet passed since the day of the rescission;
 - (g) a corporation any of whose officers falls under (a) to (f) above; or
 - (h) a person whose business activities are governed by an Organized Crime Group Member, etc.; and
- (xi) a document evidencing that a limited liability partner of the investment limited partnership does not fall under any of the following:
 - (a) an Organized Crime Group Member, etc.;
 - (b) a corporation any of whose officers falls under (a) above;
 - (c) a person whose business activities are governed by an Organized Crime Group Member, etc.;
 - (d) when an unlimited liability partner of the investment limited partnership is an individual, an individual who has a special relationship prescribed in Article 4, paragraph (1) of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965) with the individual;
 - (e) when an unlimited liability partner of the investment limited partnership is a corporation, and when a group of shareholders, etc. (meaning a

- shareholder; a member of a general partnership company, limited partnership company, or limited liability company; or any other contributor of a corporation and excluding a corporation when it holds its own shares or capital contributions; hereinafter the same applies in this item) of the corporation (such group means a single shareholder, etc. of the corporation and individuals and corporations that have a special relationship prescribed in Article 2, item (x) of the Corporation Tax Act (Act No. 34 of 1965) with the single shareholder, etc.) holds shares or capital contributions that account for one half or more of the total number or the total amount of issued shares of or capital contributions to the corporation (excluding own shares or capital contributions held by the corporation), a person who belongs to the group of shareholders, etc.;
- (f) when an unlimited liability partner of the investment limited partnership, an individual set forth in (d) above, and a person set forth in (e) above govern any other corporation (meaning cases set forth in the items of Article 4, paragraph (3) of the Order for Enforcement of the Corporation Tax Act; in this case, the phrase "any other company" in the items of the same paragraph is deemed to be replaced with "any other corporation"), the relevant other corporation; or
- (g) a partnership to be established under a partnership contract prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), a silent partnership to be established under a silent partnership contract prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899), an investment limited partnership, or a limited liability partnership, or an organization established under laws and orders of a foreign state that is equivalent to these partnerships.
- (3) The implementation period of the plan for specified investment for developing new business pertaining to the application for approval set forth in paragraph (1) is to be from the day of starting the specified investment for developing new business to the day of finishing it and is not to exceed ten years.

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

Article 11 (1) When the Minister of Economy, Trade and Industry receives a submitted plan for specified investment for developing new business under Article 17, paragraph (1) of the Act, examines the content thereof promptly in light of the provisions of paragraph (3) of the same Article, and decides to grant approval with regard to the plan for specified investment for developing new business, the minister is to state as follows in the original copy of the written application pertaining to the approval, sign and seal it and deliver it as a certificate to the investment limited partnership, which is the applicant, within one month in principle from the day of receiving the submitted plan:

"Pursuant to the provisions of Article 17, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby approve the applicant as an investment limited partnership that conducts specified investment for developing new business prescribed in Article 2, paragraph (6) of the same Act."

- (2) When the Minister of Economy, Trade and Industry does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice in Form 2 stating such fact and the grounds therefor to the investment limited partnership.
- (3) When the Minister of Economy, Trade and Industry has granted approval as set forth in paragraph (1), the minister is to publicize the date of the approval, the name of the approved partnership conducting specified investment for developing new business and the content of the approved plan for specified investment for developing new business by using Form 3.

(Application for Approval of Changes to Approved Plan for Specified Investment for Developing New Business)

- Article 12 (1) Minor changes that do not involve changes to the purpose of the approved plan for specified investment for developing new business do not require the approval set forth in Article 18, paragraph (1) of the Act.
- (2) An approved partnership conducting specified investment for developing new business that intends to obtain approval of changes to a plan for specified investment for developing new business under Article 18, paragraph (1) of the Act must submit a written application in Form 4 and a copy thereof to the Minister of Economy, Trade and Industry.
- (3) The written application and a copy thereof set forth in the preceding paragraph must be submitted together with a copy of the approved plan for specified investment for developing new business.
- (4) The implementation period of the plan for specified investment for developing new business pertaining to the application for approval of changes set forth in paragraph (2) is to be from the day of starting a specified investment for developing new business to the day of finishing it, including the period during which the limited partnership for investment conducted the specified investment for developing new business in accordance with the approved plan for specified investment for developing new business prior to the filing of the application for approval of changes, and it is not to exceed 13 years.
- (5) The implementation period of the plan for specified investment for developing new business pertaining to the application for approval of changes set forth in paragraph (2) may be altered only once.
- (6) When the Minister of Economy, Trade and Industry receives a submitted plan for specified investments for developing new business pertaining to the application for approval of changes set forth in paragraph (2), examines the

content thereof promptly in light of the provisions of Article 17, paragraph (3) of the Act, and decides to grant approval with regard to the plan for specified investment for developing new business, the minister is to state as follows in the original copy of the written application pertaining to the approval of changes, sign and seal it and deliver it as a certificate to the approved partnership conducting specified investment for developing new business, within one month in principle from the day of receiving the submitted plan:

"Pursuant to the provisions of Article 18, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby grant approval."

(7) When the Minister of Economy, Trade and Industry does not grant approval as set forth in the preceding paragraph, the minister is to deliver a document in Form 5 stating such fact and the grounds therefor to the approved partnership conducting specified investment for developing new business.

(8) When the Minister of Economy, Trade and Industry has granted approval with regard to the changes set forth in paragraph (6), the minister is to publicize the date of the approval, the name of the approved partnership conducting specified investment for developing new business and the content of the approved plan for specified investment for developing new business by using Form 6.

(Direction of Changes to Approved Plan for Specified Investment for Developing New Business)

Article 13 When the Minister of Economy, Trade and Industry directs changes to an approved plan for specified investment for developing new business under Article 18, paragraph (3) of the Act, the minister is to deliver a document in Form 7 stating such fact and the grounds therefor to the approved partnership conducting specified investment for developing new business subject to the direction of changes.

(Rescission of Approval of Approved Plan for Specified Investment for Developing New Business)

Article 14 (1) When the Minister of Economy, Trade and Industry rescinds approval of an approved plan for specified investment for developing new business under Article 18, paragraph (2) or paragraph (3) of the Act, the minister is to deliver a document in Form 8 stating such fact and the grounds therefor to the partnership conducting specified investment for developing new business whose approval is to be rescinded.

(2) When the Minister of Economy, Trade and Industry has rescinded approval of an approved plan for specified investment for developing new business, the minister is to publicize the date of the rescission, the name of the investment limited partnership whose approval has been rescinded, and the grounds for

the rescission by using Form 9.

Section 2 Facilitation of Corporate Rehabilitation

(Application for Approval of Certified Dispute Resolution Businesses)

Article 15 (1) A certified dispute resolution business that seeks approval of the Minister of Economy, Trade and Industry under Article 51, paragraph (1) of the Act must submit a written application in Form 10 to the Minister of Economy, Trade and Industry.

(2) The written application set forth in the preceding paragraph must be submitted together with the following documents:

- (i) a document evidencing the dispute resolution provider's practical experience pertaining to corporate rehabilitation;
- (ii) when the dispute resolution provider is not an attorney, a document evidencing that when specialist knowledge on the interpretation and application of laws and orders is required upon implementing the certified dispute resolution procedures under Article 6, item (v) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures (Act No. 151 of 2004), the attorney from whom the dispute resolution provider seeks advice falls under either of the items of Article 18;
- (iii) a document evidencing that the means of implementing the certified dispute resolution procedures are in conformity with the standards prescribed in Article 20 to Article 29; and
- (iv) a copy of the document evidencing that certification of the Minister of Justice set forth in Article 5 of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures has been obtained.

(Notification of Certification of Changes)

Article 16 In the following cases, a specified certified dispute resolution business must without delay submit a written notification in Form 11 stating such fact to the Minister of Economy, Trade and Industry:

- (i) if the business intends to change the dispute resolution provider pertaining to the approval set forth in Article 51, paragraph (1) (limited to the part pertaining to item (i)) of the Act;
- (ii) if the business has obtained certification of changes under Article 12, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures;
- (iii) if the business has notified any changes under Article 13, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures;
- (iv) if the business has notified a merger, etc. under Article 17, paragraph (1) of

the Act on Promotion of the Use of Alternative Dispute Resolution Procedures;

- (v) if the business has notified a dissolution, etc. under Article 18, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures; or
- (vi) if the certification set forth in Article 5 of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures has ceased to be effective under Article 19 of the same Act.

(Requirements for a Dispute Resolution Provider Pertaining to Approval of a Certified Dispute Resolution Business)

Article 17 The requirements specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 51, paragraph (1), item (i) of the Act are that the person falls under any of the following items:

- (i) the person has the experience of appropriately coordinating the relationships of rights between obligor(s) and obligees pertaining to corporate rehabilitation at an approved support institution set forth in Article 127, paragraph (2) of the Act as the chief supervisor of the business to support small and medium-sized enterprise revitalization or a person assisting the chief supervisor;
- (ii) the person has the experience of appropriately coordinating the relationships of rights between obligor(s) and obligees pertaining to corporate rehabilitation as a person assisting a dispute resolution provider set forth in Article 51, paragraph (1), item (i) of the Act in three or more cases;
- (iii) the person has the experience of appropriately coordinating the relationships of rights between obligor(s) and obligees pertaining to corporate rehabilitation at the Industrial Revitalization Corporation of Japan or the Regional Economy Revitalization Corporation of Japan (including the Enterprise Turnaround Initiative Corporation of Japan set forth in Article 1 of the Act on Enterprise Turnaround Initiative Corporation of Japan prior to the revision by the Act for Partial Revision of the Act on Enterprise Turnaround Initiative Corporation of Japan (Act No. 2 of 2013)); or
- (iv) the person has the experience of appropriately coordinating the relationships of rights between obligor(s) and obligees pertaining to corporate rehabilitation based on rules (limited to those that are found to be fair and appropriate) on the procedures for the disposition of claims that are generally publicized (excluding bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings pursuant to the provisions of the Corporate Reorganization Act (Act No. 154 of 2002) or the Act on Special

Measures, etc. for Reorganization Proceedings for Financial Institutions, etc. (Act No. 95 of 1996), and special liquidation proceedings).

(Requirements for an Attorney from Whom a Dispute Resolution Provider Set forth in the Preceding Article Seeks Advice When the Latter Is Not an Attorney)

Article 18 When a dispute resolution provider pertaining to the approval set forth in Article 51, paragraph (1), item (i) of the Act is not an attorney, and when specialist knowledge on the interpretation and application of laws and orders is required upon implementing the certified dispute resolution procedures under Article 6, item (v) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures, the attorney from whom the dispute resolution provider seeks advice must fall under any of the items of the preceding Article and either of the following items:

- (i) the person has the experience of serving as a supervisor set forth in Article 54, paragraph (2) of the Civil Rehabilitation Act (Act No. 225 of 1999) (simply referred to as a "supervisor" in Article 22, paragraph (3)) or as a trustee set forth in Article 64, paragraph (1) of the same Act; or
- (ii) the person has the experience of serving as a trustee set forth in Article 42, paragraph (1) of the Corporate Reorganization Act.

(Standards Pertaining to the Means of Implementing the Certified Dispute Resolution Procedures)

Article 19 The standards specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 51, paragraph (1), item (ii) of the Act are as prescribed in the following Article to Article 29.

(Suspension)

Article 20 When a certified dispute resolution business makes a request to obligees (limited to obligees who are parties to a dispute under certified dispute resolution procedures; hereinafter the same applies in this Section) for suspension (meaning refraining from collecting claims, establishing a security right, or filing an application for starting of bankruptcy proceedings, starting of rehabilitation proceedings, starting of reorganization proceedings pursuant to the provisions of the Corporate Reorganization Act or the Act on Special Measures, etc. for Reorganization Proceedings for Financial Institutions, etc., or starting of special liquidation proceedings during the period decided based on the consent of all obligees; hereinafter the same applies in this Section), the business must make a notification in writing to the relevant obligees in joint names with the relevant obligor(s). When having sent a written notification on a request for suspension, the business must hold an obligees meeting for

explaining the outline of a proposed corporate rehabilitation plan (meaning a draft of a plan for corporate rehabilitation prepared by the obligor(s); hereinafter the same applies in this Section) within two weeks in principle from the day of sending the written notification.

(Obligees Meetings)

Article 21 A certified dispute resolution business must hold an obligees meeting for explaining the outline of a proposed corporate rehabilitation plan, an obligees meeting for discussing a proposed corporate rehabilitation plan, and an obligees meeting for making a resolution on a proposed corporate rehabilitation plan.

(Obligees Meeting for Explaining the Outline of a Proposed Corporate Rehabilitation Plan)

- Article 22 (1) At an obligees meeting for explaining the outline of a proposed corporate rehabilitation plan, the relevant obligor(s) must explain the state of their current assets and liabilities and the outline of the proposed corporate rehabilitation plan, and a session for questions and answers thereon and time for opinion exchange among obligees must be provided.
- (2) Resolutions of an obligees meeting set forth in the preceding paragraph on the following matters may be made by the majority of the obligees; provided, however, that resolutions on the matters set forth in item (iv) and item (v) must be made by the unanimous consent of the obligees:
- (i) appointment of the chairperson;
 - (ii) appointment of the dispute resolution providers;
 - (iii) the date and venue of an obligees meeting set forth in Article 24;
 - (iv) specific content and period of the suspension that the obligor(s) request(s) from each obligee; and
 - (v) the date and venue of an obligees meeting set forth in Article 26.
- (3) The dispute resolution providers set forth in item (ii) of the preceding paragraph must include one or more person who has the experience of serving as a supervisor or as a trustee set forth in Article 64, paragraph (1) of the Civil Rehabilitation Act or a trustee set forth in Article 42, paragraph (1) of the Corporate Reorganization Act (hereinafter referred to as a "trustee" in this paragraph); provided, however, that when a proposed corporate rehabilitation plan involves a debt waiver, three or more dispute resolution providers must be appointed (when interest-bearing liabilities of the relevant obligor(s) are less than one billion yen, two or more dispute resolution providers must be appointed), and the dispute resolution providers must include one or more person who has the experience of serving as a supervisor or a trustee and one or more certified public accountant (including foreign certified public

accountants prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in Article 41, paragraph (2) and Article 66, paragraph (2), item (ii)).

(Continuance of the Date of Obligees Meeting for Explaining the Outline of a Proposed Corporate Rehabilitation Plan)

Article 23 If the explanation of a proposed corporate rehabilitation plan has not been completed or a resolution on any matters set forth in the items of paragraph (2) of the preceding Article has not been made at an obligees meeting set forth in the preceding Article, a further date of the obligees meeting may be decided based on the consent of the majority of the obligees.

(Obligees Meeting for Discussing a Proposed Corporate Rehabilitation Plan)

Article 24 At an obligees meeting for discussing a proposed corporate rehabilitation plan, dispute resolution providers appointed at an obligees meeting for explaining the outline of a proposed corporate rehabilitation plan must present their opinions as to whether the content of the proposed corporate rehabilitation plan is fair, appropriate, and economically reasonable.

(Continuance of the Date of Obligees Meeting for Discussing a Proposed Corporate Rehabilitation Plan)

Article 25 If discussions on a proposed corporate rehabilitation plan have not reached an agreement at an obligees meeting set forth in the preceding Article, a further date of the obligees meeting may be decided based on the consent of the majority of the obligees.

(Obligees Meeting for Making a Resolution on a Proposed Corporate Rehabilitation Plan)

Article 26 At an obligees meeting for making a resolution on a proposed corporate rehabilitation plan, a resolution on a proposed corporate rehabilitation plan may be made by manifestation of an agreement of all obligees in writing.

(Continuance of the Date of Obligees Meeting for Making a Resolution on a Proposed Corporate Rehabilitation Plan)

Article 27 If a resolution on a proposed corporate rehabilitation plan has not been made at an obligees meeting set forth in the preceding Article, a further date of the obligees meeting may be decided based on the consent of the majority of the obligees.

(Content of a Proposed Corporate Rehabilitation Plan)

Article 28 (1) A proposed corporate rehabilitation plan must specify the following matters:

- (i) the cause of business difficulties;
 - (ii) means for business reconstruction;
 - (iii) measures for equity capital adequacy;
 - (iv) matters concerning the prospects of assets, liabilities, profits and expenses;
 - (v) a plan concerning fund procurement;
 - (vi) a plan concerning the performance of obligations;
 - (vii) modification of the obligees' rights; and
 - (viii) the prospected amount of the claim to be collected.
- (2) The matters set forth in item (iv) of the preceding paragraph must satisfy the following requirements:
- (i) when being in the state of insolvency, the relevant obligor(s) cease(s) to be in such state within three years in principle from the first day of the business year that comes first after the day on which an agreement was reached concerning the proposed corporate rehabilitation plan; and
 - (ii) when having an ordinary loss, the relevant obligor(s) record(s) a surplus within three years in principle from the first day of the business year that comes first after the day on which an agreement was reached concerning the proposed corporate rehabilitation plan.
- (3) The details of changes to the obligees' rights set forth in paragraph (1), item (vii) must be equal between obligees; provided, however, that this does not apply if equity will not be undermined even if any difference is set in treatment of the obligees.
- (4) The prospected amount of the claim to be collected set forth in paragraph (1), item (viii) must be larger than the prospected amount of the claim to be collected through bankruptcy proceedings.

(Proposed Corporate Rehabilitation Plan Involving a Debt Waiver)

Article 29 (1) A proposed corporate rehabilitation plan involving a debt waiver is to fall under all of the following items:

- (i) asset evaluation has been conducted with regard to assets and liabilities held by the obligor(s) in line with the standards specified by the Minister of Economy, Trade and Industry, and a balance sheet of the obligor(s) has been prepared based on the value obtained through the asset evaluation;
- (ii) the amount of the obligations from which the obligor(s) is(are) released has been determined based on the values of assets and liabilities shown in the balance sheet set forth in the preceding item and the prospects of profits and expenses in the corporate rehabilitation plan, etc.;
- (iii) the matters concerning the extinguishment of part or all of the shareholders' rights (excluding cases where such extinguishment is likely to

- cause significant hindrance to the corporate rehabilitation) have been determined; and
- (iv) the matters concerning resignation of officers (excluding cases where such resignation is likely to cause significant hindrance to the corporate rehabilitation) have been determined.
- (2) A certified dispute resolution business is to seek confirmation in writing of a dispute resolution provider set forth in the proviso to Article 22, paragraph (3) with regard to the fact that the proposed corporate rehabilitation plan set forth in the preceding paragraph falls under all of the items of the same paragraph and with regard to the matters specified by the Minister of Economy, Trade and Industry.

(Notification of the Completion of Specified Certified Dispute Resolution Procedures to the Organization for Small & Medium Enterprises and Regional Innovation or the Credit Guarantee Corporations)

Article 30 If the obligor(s) has(have) received a guarantee of obligations prescribed in Article 53 or Article 54 of the Act and if specified certified dispute resolution procedures pertaining to the obligor(s) have been completed, the specified certified dispute resolution business must without delay send a written notification to that effect to the Organization for Small & Medium Enterprises and Regional Innovation or the Credit Guarantee Corporation that had provided the guarantee of obligations.

(Expenses in Corporate Rehabilitation Facilitation-related Guarantee Specified by Order of the Ministry of Economy, Trade and Industry)

Article 31 The 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 as set forth in Article 54, paragraph (1) of the Act are as follows:

- (i) expenses for the purpose of purchasing raw materials;
- (ii) expenses for the purpose of purchasing commodities;
- (iii) labor expenses and other expenses pertaining to the production of commodities;
- (iv) expenses for the expansion, improvements, or repair, etc. of equipment;
- (v) selling expenses and general and administrative expenses;
- (vi) expenses for the performance of borrowing interests; and
- (vii) expenses for the performance of claims of small amounts.

(A Plan for Corporate Rehabilitation Prescribed by Order of the Ministry of Economy, Trade and Industry)

Article 32 A plan for corporate rehabilitation prepared as specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 55, paragraph (1) of the Act must fall under any of the following (limited to a plan for which all of the obligees subject to the plan have reached an agreement):

- (i) beyond a plan for corporate rehabilitation set forth in Article 53, item (ii) of the Act, a plan for corporate rehabilitation prepared based on rules (limited to those that are found to be fair and appropriate) on the procedures for the disposition of claims that are generally publicized (excluding bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, and special liquidation proceedings);
- (ii) a plan for corporate rehabilitation prepared by receiving support from investment limited partnerships pertaining to a limited partnership agreement for investment under which the Organization for Small & Medium Enterprises and Regional Innovation has promised to make contributions pursuant to the provisions of Article 133, item (i) of the Act; or
- (iii) a plan for corporate rehabilitation prepared by a Credit Guarantee Corporation, a prefecture, 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, based on a request from a small and medium-sized enterprise or a financial institution, with the involvement of a meeting held by each small and medium-sized enterprise with the participation of a Credit Guarantee Corporation.

(Standards for Confirmation That Borrowing of Funds Is Indispensable for Business Continuation)

Article 33 (1) The standards specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 58, paragraph (1), item (i) of the Act must fall under both of the following:

- (i) the borrowing of funds set forth in Article 58, paragraph (1) of the Act is found to be reasonably necessary for the financing of the obligor(s) until the day on which all of the obligees subject to the proposed corporate rehabilitation plan are expected to reach an agreement; and
 - (ii) the redemption date of the borrowed funds pertaining to the borrowing of funds set forth in Article 58, paragraph (1) of the Act comes on or after the day on which all of the obligees are expected to reach an agreement.
- (2) A specified certified dispute resolution business who has received a request under Article 58, paragraph (1) of the Act must make a confirmation as requested at an obligees meeting for explaining the outline of a proposed corporate rehabilitation plan, an obligees meeting for discussing a proposed corporate rehabilitation plan, or an obligees meeting for making a resolution

on a proposed corporate rehabilitation plan.

- (3) When confirming that the borrowing of funds conforms to both of the items of Article 58, paragraph (1) of the Act, the specified certified dispute resolution business must make a notification in Form 12 to obligor(s) and obligees.

Section 3 Corporations Promoting Equipment Installation

(Application for Designation of a Corporation Promoting Equipment Installation)

Article 34 A person who intends to obtain designation set forth in Article 61, paragraph (1) of the Act (hereinafter referred to as the "Applicant for Designation") must submit a written application in Form 13 to the Minister of Economy, Trade and Industry, together with the following documents:

- (i) the articles of incorporation and a certificate of registered matters;
- (ii) the inventory of property and balance sheet for the business year preceding the business year that includes the date of the application; provided, however, that in the case of a corporation incorporated in the business year that includes the date of the application, the inventory of property as of the time of its incorporation;
- (iii) the business plans and the budget statements for the business year that includes the date of the application and the following business year, in which the matters pertaining to business operations to promote equipment installation and the matters pertaining to any other business operations are separated;
- (iv) a document stating prospective income and expenditures for the business year that includes the date of the application and the following three business years;
- (v) a document evidencing the decision of the intention pertaining to the application;
- (vi) a document stating the following matters as a plan for undertaking business operations to promote equipment installation prescribed in Article 61, paragraph (1), item (ii) of the Act:
 - (a) the matters concerning the state of securing persons who have knowledge and experience concerning business operations to promote equipment installation, and the state of assignment of such persons; and
 - (b) the matters concerning the organization and business operation;
- (vii) a document stating the names and brief biographical outlines of officers;
- (viii) when the Applicant for Designation is a general incorporated association, a document stating the names and brief biographical outlines of its members (when a member is a corporation, the name of the corporation), and when the Applicant for Designation is a general incorporated foundation, a document

- stating the names and brief biographical outlines of its councilors;
- (ix) when the Applicant for Designation is a stock company, a document stating the names and addresses of shareholders who hold five percent or more of the total number of issued shares, and the number of shares held by such shareholders;
- (x) a document stating the outline of the business operations that the Applicant for Designation has been undertaking;
- (xi) a document pledging that the Applicant for Designation falls under none of the items of Article 61, paragraph (3) of the Act; and
- (xii) a document stating other matters for reference.

(Financial Basis Deemed Necessary for Properly Undertaking Business Operations to Promote Equipment Installation)

Article 35 The standards specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 61, paragraph (1), item (i) of the Act are that the basic property or the amount of stated capital is no less than 10 million yen.

(Notification of Changes of Name of a Corporation Promoting Equipment Installation)

Article 36 A notification under Article 62, paragraph (2) of the Act must be made with a written notification in Form 14.

(Application for Authorization of the Appointment or Dismissal of Officers)

Article 37 (1) When a corporation promoting equipment installation intends to obtain authorization of the appointment or dismissal of officers under Article 63, paragraph (1) of the Act, it must submit a written application in Form 15 to the Minister of Economy, Trade and Industry.

(2) In the case set forth in the preceding paragraph, when intending to obtain authorization of the appointment, the corporation promoting equipment installation must attach the written acceptance of appointment for the relevant person and a document pledging that the person falls under neither (a) nor (b) of Article 61, paragraph (3), item (iii) of the Act to the written application set forth in the preceding paragraph.

(Application for Authorization of the Business Regulations)

Article 38 (1) When a corporation promoting equipment installation intends to obtain authorization of its business regulations under the first sentence of Article 64, paragraph (1) of the Act, it must submit a written application in Form 16 to the Minister of Economy, Trade and Industry, together with the business regulations pertaining to the authorization.

- (2) When a corporation promoting equipment installation intends to obtain authorization of changes to the business regulations under the second sentence of Article 64, paragraph (1) of the Act, it must submit a written application in Form 17 to the Minister of Economy, Trade and Industry.

(Matters to Be Stated in the Business Regulations)

Article 39 The matters specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 64, paragraph (2) of the Act are as follows:

- (i) the matters concerning hours for undertaking business operations to promote equipment installation and holidays;
- (ii) the location of the office where the corporation promoting equipment installation undertakes business operations to promote equipment installation;
- (iii) the matters concerning procedures to conclude a lease insurance contract;
- (iv) the matters concerning the content of a lease insurance contract;
- (v) the matters concerning the method of receiving insurance premiums and other fees for business operations to promote equipment installation (hereinafter referred to as "Insurance Premiums, etc.");
- (vi) the matters concerning intermediary, brokerage or agency service for concluding a lease insurance contract;
- (vii) the matters concerning the examination pertaining to the underwriting of a lease insurance contract;
- (viii) the matters concerning payment of insurance money;
- (ix) the matters concerning calculation methods of Insurance Premiums, etc. and liability reserves;
- (x) the matters concerning a system for undertaking business operations to promote equipment installation;
- (xi) the matters concerning the management and keeping of books set forth in Article 68 of the Act (simply referred to as "books" in Article 44, Article 48, item (i), and Article 50, paragraph (2)) and other documents pertaining to business operations to promote equipment installation;
- (xii) the matters concerning confidentiality in relation to business operations to promote equipment installation;
- (xiii) the matters concerning the handling of complaints and disputes on a lease insurance contract;
- (xiv) the matters concerning the method of separate accounting and other accounting-related matters;
- (xv) in the case of accumulating reserves for outstanding claims under Article 45, paragraph (2), the matters concerning the calculation method thereof;
- (xvi) the matters concerning measures to ensure the fair and appropriate undertaking of business operations to promote equipment installation; and

(xvii) other matters concerning the undertaking of business operations to promote equipment installation.

(Application for Authorization of Business Plans)

Article 40 (1) When a corporation promoting equipment installation intends to obtain authorization of a business plan and an income and expenditure budget under the first sentence of Article 65, paragraph (1) of the Act, it must submit a written application in Form 18 to the Minister of Economy, Trade and Industry, together with the following documents, by one month prior to the first day of every business year (for the business year containing the day on which it received the designation, after receiving the designation without delay):

- (i) the business plan;
- (ii) the budget statement;
- (iii) a projected balance sheet for the preceding business year;
- (iv) a projected balance sheet for the relevant business year; and
- (v) beyond those set forth in the preceding two items, reference materials for the budget statement.

(2) When a corporation promoting equipment installation intends to obtain authorization of changes to a business plan or an income and expenditure budget under the second sentence of Article 65, paragraph (1) of the Act, it must submit a written application in Form 19 to the Minister of Economy, Trade and Industry. In this case, when changes to an income and expenditure budget involve any changes to any documents set forth in item (iv) or item (v) of the preceding paragraph, the corporation promoting equipment installation must attach the relevant document after the changes.

(Submission of Business Report)

Article 41 (1) When a corporation promoting equipment installation submits a business report and a settlement of accounts to the Minister of Economy, Trade and Industry under Article 65, paragraph (2) of the Act, it must attach a balance sheet.

(2) The settlement of accounts and the balance sheet set forth in the preceding paragraph must have been audited by a certified public accountant or an audit corporation.

(Method of Separate Accounting)

Article 42 A corporation promoting equipment installation must separate the accounting for income and expenditures relating to each of the business operations set forth in Article 66, item (i) and item (ii) of the Act based on proper standards.

(Accumulation of Liability Reserves)

Article 43 A corporation promoting equipment installation must accumulate the amount specified in the following items in accordance with the category of reserves set forth respectively therein as liability reserves as of the end of each business year:

- (i) regular liability reserves: the amount calculated, based on the insurance premiums received, as the amount equivalent to the liability corresponding to the unexpired period (meaning the insurance period specified under a lease insurance contract which have not passed as of the end of the relevant business year); and
- (ii) extraordinary contingency reserves: the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under a lease insurance contract.

(Bookkeeping)

Article 44 (1) The matters specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 68 of the Act are as follows:

- (i) the following matters pertaining to a lease insurance contract set forth in Article 61, paragraph (2), item (i) of the Act:
 - (a) the date of accepting the application for the lease insurance contract;
 - (b) the date of concluding the lease insurance contract;
 - (c) the number of the insurance policy certificate of the lease insurance contract;
 - (d) the name and contact address of the leaser;
 - (e) the amount of the Insurance Premiums, etc.;
 - (f) the content of the damage compensation under the lease insurance contract and the amount of insurance money; and
 - (g) the period of the lease insurance contract; and
 - (ii) the following matters pertaining to the payment of insurance money under a lease insurance contract set forth in Article 61, paragraph (2), item (i) of the Act:
 - (a) the number of the insurance policy certificate of the lease insurance contract pertaining to the payment of insurance money;
 - (b) the date on which the event that has caused the payment of insurance money occurred;
 - (c) the content of the event that has caused the payment of insurance money; and
 - (d) the date of paying insurance money and the amount paid.
- (2) When the matters set forth in the items of the preceding paragraph are recorded in a file or a magnetic disk stored on a computer and can be clearly

displayed on paper as necessary by the relevant corporation promoting equipment installation through the use of a computer or other device, the record may replace the entry in the book.

- (3) A corporation promoting equipment installation must keep books (including the recorded file or magnetic disk under the preceding paragraph) until the day on which it discontinues all of its business operations to promote equipment installation.

(Accumulation of Reserves for Outstanding Claims)

Article 45 (1) A corporation promoting equipment installation must accumulate the following amount as reserves for outstanding claims as of the end of each business year:

- (i) when the corporation promoting equipment installation has any payments due, such as insurance money or refunds, under the lease insurance contract (including payments due for which a lawsuit is pending) that it has not recorded as an expenditure as of the end of each business year, the amount necessary for the payments; and
 - (ii) beyond what is prescribed in the preceding item, the amount deemed necessary for paying insurance money for which a causal event prescribed in the lease insurance contract is deemed to have occurred or for any refunds.
- (2) Notwithstanding the preceding paragraph, when there are any unavoidable circumstances in light of the state of business or property of a corporation promoting equipment installation, with regard to the insurance money and refunds prescribed in item (ii) of the same paragraph, it may accumulate the amount calculated in accordance with the methods specified in the business regulations as reserves for outstanding claims, only within a certain period.

(Method of Asset Investment)

Article 46 A corporation promoting equipment installation must invest the money it received as insurance premiums and other assets by the following methods:

- (i) acquisition of national government bonds, local government bonds, and bonds issued by a corporation pursuant to special Acts and guaranteed by the national government;
- (ii) deposit of money in a bank account; and
- (iii) monetary trust with a financial institution engaged in trust business (meaning a financial institution that has obtained the authorization under Article 1, paragraph (1) of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943)), with a provision for compensation of principals.

(Application for Permission for Suspension or Discontinuation of Business Operations)

Article 47 When a corporation promoting equipment installation intends to obtain permission for the suspension or discontinuation of all or part of its business operations to promote equipment installation under Article 71, paragraph (1) of the Act, it must submit a written application in Form 20 to the Minister of Economy, Trade and Industry.

(Succession of Business Operations to Promote Equipment Installation)

Article 48 A corporation promoting equipment installation that has had its designation rescinded under Article 72, paragraph (1) or paragraph (2) of the Act must carry out the following:

- (i) handing over books and other documents related to the business operations to promote equipment installation to another corporation promoting equipment installation designated by the Minister of Economy, Trade and Industry; and
- (ii) handing over the amount of money equivalent to the liability reserves and reserves for outstanding claims pertaining to the lease insurance contract to another corporation promoting equipment installation designated by the Minister of Economy, Trade and Industry.

Section 4 Utilization of Intellectual Property Rights in Business Activities

(Technology Fields Contributing the Strengthening of Industrial Competitiveness)

Article 49 Technology fields specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 75, paragraph (1) of the Act are as set forth in the column of technology fields of Appended Table 2 of the Regulation for Enforcement of the Act on Special Provisions for Procedures related to Industrial Property Right (Order of the Ministry of International Trade and Industry No. 41 of 1990) (limited to the part pertaining to row (i) to row (xxxix)).

(Requirements for Reduction in Patent Fees)

Article 50 (1) The relationship specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 16, item (ii) of the Order is to be the relationship set forth in item (i) in the case of having such relationship independently with a corporation falling under Article 16, item (ii), (a) and (b) of the Order, and the relationship set forth in item (ii) in the case of having such relationship jointly with such corporation:

- (i) a relationship of owning the number or amount of shares or contributions equivalent to one half or more of the total number of issued shares, the total number of units of contribution, or the total amount of contributions of the relevant corporation; or
 - (ii) a relationship of owning the number or amount of shares or contributions equivalent to two thirds or more of the total number of issued shares, the total number of units of contribution, or the total amount of contributions of the relevant corporation.
- (2) The amount specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 16, item (ii), (b) of the Order is to be the amount equivalent to 60% of the amount obtained by deducting the book value of the total liabilities recorded in the balance sheet as of the end of the preceding business year (in the case of a corporation for whom the due date for filing a final return form (meaning the final return form prescribed in Article 2, item (xxxi) of the Corporation Tax Act (Act No. 34 of 1965)) for the business year that includes the date of its incorporation has yet to come, in the balance sheet at the time of its establishment) from the book value of the total assets recorded in the balance sheet (when the amount of profits for the business year is recorded in the balance sheet, the amount of profits is to be deducted, and when the amount of loss for the business year is recorded in the balance sheet, the amount of loss is to be added).

(Form of a Written Application for Reduction in Patent Fees)

Article 51 A written application prescribed in Article 17, paragraph (1) of the Order is to be prepared in Form 21; provided, however, that in the case of separately paying patent fees for the fourth to tenth years as prescribed in Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959), the applicant must prepare a written application in Form 21 on each occasion.

(Form of a Written Application for Reduction in Fees for Requests for Application Examination)

Article 52 A written application prescribed in Article 18, paragraph (1) of the Order must be prepared in Form 22.

(Form of a Written Application for Reduction in Fees Pertaining to International Application)

Article 53 A written application prescribed in Article 19, paragraph (1) of the Order must be prepared in Form 23.

(A Document to Be Attached to an Application Form Pertaining to International Application)

Article 54 A person who intends to receive a reduction in fees pertaining to an international application under Article 75, paragraph (3) of the Act must attach a written application prescribed in Article 19, paragraph (1) of the Order or a copy thereof to an international application form when intending to receive a reduction in fees payable under row (i) of the table of Article 18, paragraph (2) of the Act on International Applications under the Patent Cooperation Treaty (Act No. 30 of 1978), or to a written request pertaining to international preliminary examinations when intending to receive a reduction in fees payable under row (iii) of the table of the same paragraph.

(Attachments)

Article 55 Documents to be attached to a written application set forth in Article 17, paragraph (1), Article 18, paragraph (1), or Article 19, paragraph (1) of the Order (referred to as a "written application for reduction in patent fees, etc." in the following Article) are to be as specified respectively in the following items in accordance with the cases set forth therein:

- (i) in cases falling under the requirements set forth in Article 16, item (i), (a) of the Order: a document evidencing that the requirements are satisfied;
- (ii) in cases falling under the requirements set forth in Article 16, item (i), (b) of the Order: a document evidencing that the requirements are satisfied;
- (iii) in cases falling under the requirements set forth in Article 16, item (ii), (a) of the Order: the following documents:
 - (a) a document evidencing that the requirements are satisfied; and
 - (b) a document stating the names and addresses of shareholders, etc.
(meaning the shareholders, etc. prescribed in Article 2, item (xiv) of the Corporation Tax Act) as of the last day of the preceding business year, and the number of shares held or the amount of contributions made by such shareholders, etc.;
- (iv) in cases falling under the requirements set forth in Article 16, item (ii), (b) of the Order: the following documents:
 - (a) any one or two document(s) out of the articles of incorporation, a certificate of registered matters of the corporation, or a balance sheet as of the end of the preceding business year (in the case of a foreign corporation, a document issued or granted by a public agency or its equivalent that contains the name, address, the total amount of stated capital or contributions, and the date of incorporation) that evidence the total amount of stated capital or contributions, and the date of incorporation (in the case of a corporation without any stated capital or contributions, any document out of the balance sheet as of the end of the preceding business year, articles of incorporation, certificates of an act of endowment, or registered matters that evidences the date of its incorporation); and

(b) the document set forth in (b) of the preceding item.

(Omission of Attachments to a Written Application for Reduction in Patent Fees, etc.)

Article 56 When a person has already submitted documents to be attached to a written application for reduction in patent fees, etc. (hereinafter referred to as the "documents" in this Article) to the Commissioner of the Japan Patent Office in procedures for submitting another written application for reduction in patent fees, etc. (including procedures prescribed in Article 15 of the Order for Enforcement of the Patent Act (Cabinet Order No. 16 of 1960) or in Article 1-3 of the Order for the Patent Act and Other Related Fees (Cabinet Order No. 20 of 1960)) and there have been no changes to the documents attached to the relevant other written application for reduction in patent fees, etc., the attachment of the documents may be omitted by stating to that effect in the relevant written application for reduction in patent fees, etc. to be submitted; provided, however, that when finding it especially necessary, the Commissioner of the Japan Patent Office may order the submission of the documents.

Chapter III Support for Specified Business Activities by the Innovation Network Corporation of Japan

(Authority of the Committee)

Article 57 The contributions specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 91, paragraph (1) and paragraph (2) of the Act are to fall under all of the following items:

- (i) the contributions are made to a business that carries out business activities aiming to develop new business by utilizing management resources other than its own management resources;
- (ii) the amount of the contributions (when the INCJ has already made contributions (limited to contributions decided without giving the Minister of Economy, Trade and Industry an opportunity to present any opinions pursuant to the provisions of the proviso to Article 99, paragraph (2) of the Act; the same applies in the following item) to a business eligible to receive the specified business activity support with regard to specified business activities pertaining to the specified business activity support, the sum of the amount of the contributions already made and the contributions to be made) is not more than 1,000,000,000 yen; and
- (iii) the sum of the amount of the contributions and the amount of the contributions already made by the INCJ (excluding the contributions for which related shares have been transferred or have otherwise been disposed

of under Article 97, paragraph (1), item (xii) of the Act) is not more than 90,000,000,000 yen.

(Committee Minutes)

Article 58 (1) The minutes under Article 93, paragraph (8) of the Act must be prepared as provided in this Article.

(2) The minutes must be prepared in the form of a document, or electronic or magnetic record (meaning the electronic or magnetic record prescribed in Article 93, paragraph (9) of the Act; the same applies hereinafter).

(3) The minutes must contain the following matters:

(i) the date and place of convocation of the Committee meeting (including the method of attendance, if any Committee members or company auditors not present at such place attended the Committee meeting);

(ii) the substance of the proceedings of the Committee meeting, as well as the results thereof;

(iii) when any Committee member has a special interest in the matter to be resolved, the name of such Committee member; and

(iv) when any opinions were stated at the Committee meeting under Article 93, paragraph (6) of the Act, the outline of such opinions.

(Measures in Lieu of the Affixation of Signatures or Names and Seals)

Article 59 The measures specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 93, paragraph (9) of the Act refer to electronic signatures (meaning the electronic signature set forth in Article 2, paragraph (1) of the Act on Electronic Signatures and Certification Business (Act No. 102 of 2000)).

(Manner to Represent the Content of the Information Recorded in Electronic or Magnetic Records)

Article 60 The manner specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 94, paragraph (2), item (ii) of the Act refers to the manner to represent the content of the information recorded in electronic or magnetic records on paper or on screen of an output device.

(Special Provisions for Keeping and Inspection of Minutes Prepared in the Form of a Document)

Article 61 (1) When the minutes prescribed in Article 93, paragraph (8) are prepared in the form of a document, the INCJ may keep electronic or magnetic records prepared by reading the matters stated in the document with a scanner (including an image reading system equivalent thereto) in a file installed in a computer used by the INCJ or other file prepared by using media which can

securely record certain information by magnetic disks, CD-ROMs, or any other means equivalent thereto.

- (2) The INCJ may represent the content of the information recorded in electronic or magnetic records, which it keeps pursuant to the provisions of the preceding paragraph, on paper or on screen of an output device and provide such content for inspection or copying at its head office.

Chapter IV Revitalization of Small and Medium-Sized Enterprises

(Requirements for Funds Pertaining to a Start-up-related Guarantee)

Article 62 The funds specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 115, paragraph (1) of the Act that are specifically specified by Order of the Ministry of Economy, Trade and Industry are equipment funds and operation funds necessary for a founder to conduct business pertaining to any of the start-ups set forth in the items of Article 2, paragraph (22) of the Act.

(Approved Support Institutions)

Article 63 (1) When an application set forth in Article 127, paragraph (4) of the Act is found to fall under the following items, the Minister of Economy, Trade and Industry is to grant approval set forth in paragraph (1) of the same Article:

(i) candidates for council members set forth in Article 127, paragraph (4), item (iii) of the Act are suitable for surely performing duties set forth in Article 128, paragraph (5) of the Act; and

(ii) the matters set forth in Article 127, paragraph (4), item (iv) of the Act are appropriate in light of the support guidelines prescribed in Article 126, paragraph (1) of the Act.

- (2) A person who intends to obtain approval set forth in Article 127, paragraph (1) of the Act under paragraph (4) of the same Article must submit a written application in Form 24 to the Minister of Economy, Trade and Industry via the director of the Regional Bureau of Economy or the Okinawa General Bureau (hereinafter referred to as the "Regional Bureau of Economy, etc.") who has jurisdiction over the location of its principal office.

- (3) The matters specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 127, paragraph (4), item (iv), (d) of the Act refer to budget estimates pertaining to business to support small and medium-sized enterprise revitalization.

- (4) The minor changes specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 127, paragraph (5) of the Act are as follows:

(i) changes of persons other than the chief supervisor of the business to support small and medium-sized enterprise revitalization or a person assisting the

- chief supervisor;
- (ii) a decrease in the estimated budgets pertaining to business to support small and medium-sized enterprise revitalization; and
- (iii) an increase by 20% or less in the estimated budgets pertaining to business to support small and medium-sized enterprise revitalization.

(Small and Medium-sized Enterprise Revitalization Support Councils)

Article 64 (1) When the head of an approved support institution has appointed members of a Small and Medium-sized Enterprise Revitalization Support Council, the head must submit a written notification in Form 25 to the Minister of Economy, Trade and Industry via the director of the Regional Bureau of Economy, etc. who has jurisdiction over the location of its principal office.

(2) When there have been any changes in members of a Small and Medium-sized Enterprise Revitalization Support Council, the head of an approved support institution must submit a written notification in Form 26 to the Minister of Economy, Trade and Industry via the director of the Regional Bureau of Economy, etc. who has jurisdiction over the location of its principal office.

(Calculation Method of Net Assets under a Limited Partnership Agreement for Investment)

Article 65 The amounts of net assets, net loss, and deficit prescribed in Article 28, paragraph (1), item (ii), (a) of the Order and the amounts of liabilities and assets prescribed in (b) of the same item are to be as specified respectively in the following items in accordance with the category set forth therein:

- (i) the amount of net assets: the amount obtained by deducting the amount of liabilities set forth in item (iv) from the amount of assets set forth in item (v);
- (ii) the amount of net loss: the amount of ordinary loss set forth in Article 91, paragraph (2) of the Regulation of Corporate Accounting (Ministry of Justice Order No. 13 of 2006) or the amount of net loss for the period set forth in Article 94, paragraph (2) of the same Regulation;
- (iii) the amount of deficit: the amount of the absolute value of accumulated profit (limited to such profit less than zero) set forth in Article 76, paragraph (2), item (iv) of the Regulation of Corporate Accounting;
- (iv) the amount of liabilities: the sum of the amounts recorded in the liabilities section set forth in Article 73, paragraph (1), item (ii) of the Regulation of Corporate Accounting (in the case of deducting the amount of deferred tax assets, etc. set forth in (a) of the following item, the amount obtained by deducting, from the sum, the amount of deferred tax liabilities entered in the current liabilities section under Article 75, paragraph (2), item (i), (h), 1. and

2. of the same Regulation and the amount of deferred tax liabilities entered in the fixed liabilities section under item (ii), (d), 1. and 2. of the same paragraph);
- (v) the amount of assets: either of the following amounts:
- (a) the sum of the amounts recorded in the assets section set forth in Article 73, paragraph (1), item (i) of the Regulation of Corporate Accounting or the amount obtained by deducting, from the sum, the amount of deferred tax assets, etc. (meaning the sum of the amount of deferred assets set forth in Article 74, paragraph (3), item (v) of the same Regulation, the amount of deferred tax assets entered in the current assets section under item (i), (n), 1. and 2. of the same paragraph, and the amount of deferred tax assets entered in the fixed assets section under item (iv), (d), 1. and 2. of the same paragraph); or
 - (b) the amount obtained by deducting, from the amount of any of the assets set forth in (a) above, the amount recorded in the item of valuation difference on other securities set forth in Article 76, paragraph (7), item (i) of the Regulation of Corporate Accounting and the amount recorded in the item of land revaluation difference set forth in item (iii) of the same paragraph.

Chapter V Miscellaneous Provisions

(Report on Implementation State)

- Article 66 (1) An unlimited liability partner of an approved partnership conducting specified investment for developing new business must make a report in Form 27 to the Minister of Economy, Trade and Industry with regard to the implementation state of the approved plan for specified investment for developing new business for each business year during the implementation period thereof, within three months in principle after the end of the relevant business year.
- (2) The following documents are to be attached to the report set forth in the preceding paragraph:
- (i) a copy of the written partnership agreement of the approved partnership conducting specified investment for developing new business;
 - (ii) a balance sheet, a profit and loss statement, and a business report of the approved partnership conducting specified investment for developing new business, and annexed detailed statements thereof (hereinafter referred to as "financial statements, etc." in this item), as well as written opinions of a certified public accountant or an audit corporation concerning the financial statements, etc. (with regard to the business report and the annexed detailed statement thereof, limited to the part concerning accounting);

- (iii) a document evidencing that the company that had issued the shares that the approved partnership conducting specified investment for developing new business acquired in the relevant business year fell under all of the requirements for the companies set forth in Article 2, item (i) to item (iii) as of the time of the acquisition;
- (iv) a document evidencing that the company that had issued the shares that the approved partnership conducting specified investment for developing new business holds falls under all of the requirements for the companies set forth in Article 2, item (iv) and item (v);
- (v) a document evidencing that an unlimited liability partner of the approved partnership conducting specified investment for developing new business does not fall under any of Article 10, paragraph (2), item (x), (a) to (h);
- (vi) a document evidencing that a limited liability partner of the approved partnership conducting specified investment for developing new business does not fall under any of Article 10, paragraph (2), item (xi), (a) to (g).

Article 67 A specified certified dispute resolution business must make a report in Form 28 to the Minister of Economy, Trade and Industry with regard to the implementation state of the business operations for specified certified dispute resolution procedures for each business year, within three months in principle after the end of each business year.

(Certificate for On-Site Inspections)

Article 68 A certificate of identification for officials conducting on-site inspections under Article 138, paragraph (2) or paragraph (3) of the Act is to be in Form 29.

(Confirmation for Special Provisions for Taxation When Assets Were Donated under a Corporate Rehabilitation Plan)

Article 69 In response to a request from an individual who is a director or a partner executing the business of a business intending to promote corporate rehabilitation through specified certified dispute resolution procedures, who seeks application of special provisions for taxation set forth in Article 40-3-2, paragraph (1) of the Act on Special Measures Concerning Taxation, a specified certified dispute resolution business may seek confirmation of a dispute resolution provider appointed in the specified certified dispute resolution procedures with regard to the judgment on whether the donation of assets set forth in the same paragraph satisfies the requirements set forth in the items of the same paragraph and other necessary matters, and may notify the individual of the results of the confirmation by using Form 30.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Order comes into effect as of the date on which the Act comes into effect (January 20, 2014); provided, however, that the provisions of Chapter 2, Section 4 come into effect as of the date on which the provisions set forth in Article 1, item (ii) of the Supplementary Provisions of the Act come into effect (April 1, 2014).

Form 1 (Re. Article 10)

Form 2 (Re. Article 11)

Form 3 (Re. Article 11)

Form 4 (Re. Article 12)

Form 5 (Re: Article 12)

Form 6 (Re: Article 12)

Form 7 (Re: Article 13)

Form 8 (Re: Article 14)

Form 9 (Re: Article 14)

Form 10 (Re: Article 15)

Form 11 (Re: Article 16)

Form 12 (Re: Article 33)

Form 13 (Re: Article 34)

Form 14 (Re: Article 36)

Form 15 (Re: Article 37)

Form 16 (Re: Article 38)

Form 17 (Re: Article 38)

Form 18 (Re: Article 40)

Form 19 (Re: Article 40)

Form 20 (Re: Article 47)

Form 21 (Re: Article 51)

Form 22 (Re: Article 52)

Form 23 (Re: Article 53)

Form 24 (Re: Article 63)

Form 25 (Re: Article 64)

Form 26 (Re: Article 64)

Form 27 (Re: Article 66)

Form 28 (Re: Article 67)

Form 29 (Re: Article 68)

Form 30 (Re: Article 69)