

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

(Order 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 Revitalization of the Metabolism of Industrial Activities

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

Section 2 Facilitation of Corporate Rehabilitation (Article 15 to Article 48)

Section 3 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 or 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 3 of the following Chapter and in Article 65).

(Businesses Developing New Business)

Article 2 A business as specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 2, paragraph (5) of the Act is one that falls

under all of the following items:

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

(a) a company of which one half or more of the total of its issued shares (excluding treasury shares it holds; the same applies in (b) below) are held by a single large corporation (meaning a corporation whose amount of stated capital or whose 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 1. to 3. below; hereinafter the same applies in this item):

1. if 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 other company holds; hereinafter the same applies in this item), the other company;
2. if the large corporation and a company that has the special relationship as prescribed in 1. above with the former holds one half or more of the total number of shares or the total amount of contributions of another company, the other company; or
3. if 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 other company; or

(b) beyond what is set forth in (a) above, a company of which two thirds or more of the total of that company's issued shares 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 as 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 business falling under amusement business as prescribed in Article 2, paragraph (1) of the Act on Control and Improvement of Amusement Business, etc. (Act No. 122 of 1948) or under special adult entertainment 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 a member of an organized crime group

- as prescribed in Article 2, item (vi) of the Act on the Prevention of Unjust Acts by Members of Organized Crime Groups (Act No. 77 of 1991) (hereinafter referred to as a "member of an organized crime group") or a person who ceased to be a member of an organized crime group if five years have yet to elapse since the person did so (hereinafter that member of an organized crime group and that person are collectively referred to as a "member of an organized crime group, etc."); or
- (b) a company whose business activities are governed by a member of an organized crime group, etc.

(Requirements for Specified Investment Programs 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) the investment program referred to in the Act is an investment program to acquire and hold shares of a business developing new business which is a specified small or 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 or Medium-Sized Enterprises (Act No. 18 of 1999) as of the time when an investment limited partnership acquires shares of the relevant 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 relevant person for the first time);
- (ii) the percentage of the cost of an investment limited partnership's acquisition of shares of a specified small or medium-sized enterprise developing new business against the total cost of the investment limited partnership's acquisition of shares is 60 percent or more; and
- (iii) the percentage of the cost of an investment limited partnership's acquisition of a business developing new business which intends to expand the size of its business against the total cost of the investment limited partnership's acquisition of shares is 50 percent or more.

(Specified Investment Programs 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 one based on a limited partnership agreement for investment under which an unlimited liability partner of an investment limited partnership (or, a corporation's officer or employee if the unlimited liability partner is that corporation)

pledges to conduct business operations to provide management-related advice or technical guidance to the company whose shares are held by the investment limited partnership (limited to the relevant 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).

(Amount Calculated as Prescribed by Order of the Ministry of Economy, Trade and Industry upon Special Corporate Restructuring)

Article 4-2 (1) The amount calculated as prescribed by Order of the Ministry of Economy, Trade and Industry based on the amount that remains after deducting operation costs necessary for a business to continue its operations from the amount of cash and deposits that the business holds as set forth in Article 2, paragraph (12), item (i) of the Act is to be the amount arrived at when the book value of the accounts receivable (or, the amount that remains after the book value of the uncollectable accounts is deducted from that book value of accounts receivable if the accounts receivable contain any uncollectable) and the book value of inventory assets (or, the amount that remains after the book value of dead stock is deducted from the book value of inventory assets, if there are any dead stock) recorded in the balance sheet as of the end of the business year immediately prior to the business year containing the scheduled date on which the measures set forth in Article 2, paragraph (12), item (i), (a) or (b) of the Act are going to be implemented under the special corporate restructuring plan in relation to the application for approval set forth in Article 25, paragraph (1) of the Act or the application for approval for changes set forth in Article 26, paragraph (1) of the Act (hereinafter that date is referred to as the "scheduled implementation date" in this item) (or for a business for which 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 immediately prior to the business year containing the scheduled implementation date has yet to come as of the day of filing the relevant application, the balance sheet in question may be as of the end of the business year preceding the relevant business year; and for a business which must submit an annual securities report regarding shares it issues to the Prime Minister under Article 24, paragraph (1) of the Financial Instruments and Exchange Act, the balance sheet in question may be, as chosen by the relevant business, as of the end of the quarterly accounting period (meaning a period obtained by dividing a business year into three-month periods, when the business year exceeds three months) immediately prior to the quarterly accounting period containing the scheduled implementation date (or for a business for which the due date for submitting a quarterly securities report (meaning the quarterly securities

report prescribed in Article 24-4-7 of the Financial Instruments and Exchange Act) for the relevant quarterly accounting period has yet to come as of the day of filing the relevant application, the balance sheet in question may be as of the end of the quarterly accounting period preceding the relevant quarterly accounting period)) (or in the balance sheet at the time of establishment of a business, if that business's due date for filing a final return form for the business year containing the date of its incorporation has yet to come as of the day of filing the relevant application and which is unable to use the relevant balance sheet) are subtracted from the book value of the cash or deposits recorded in the balance sheet, and the book value of the accounts payable recorded in the balance sheet is added.

(2) If the special corporate restructuring plan in relation to the application for approval set forth in Article 25, paragraph (1) of the Act or the application for approval for changes set forth in Article 26, paragraph (1) of the Act includes the measures set forth in Article 2, paragraph (11), item (i), (a) through (e) (excluding transfer of a business or assets) of the Act or in (g) or (i) of the same item, the sum of the amounts set forth in the following items may be subtracted from the amount calculated pursuant to the provisions of the preceding paragraph:

- (i) the amount of money paid for shares, etc. (meaning shares or equity of another company, or shares, equity or the equivalent in a foreign corporation, or an equivalent to these) acquired, or business or assets transferred through the relevant measures; and
- (ii) the amount of fees and other expenses required for acquiring those shares, etc., business or assets, if any.

(Indicators Specified by Order of the Ministry of Economy, Trade and Industry upon Special Corporate Restructuring)

Article 4-3 The indicators specified by Order of the Ministry of Economy, Trade and Industry set forth in Article 2, paragraph (12), item (ii), (c) of the Act are to be the sales or the total assets.

(Definition of Equipment for Improving Productivity)

Article 5 The equipment, etc. specified by Order of the Ministry of Economy, Trade and Industry as that which particularly contributes to the improvement of productivity in business as set forth in Article 2, paragraph (13) of the Act falls 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 in relation to the day of sale commencing set forth in the right-hand column of the table for each category of designated equipment, and also falls under all of the following

requirements (or, only under the requirements set forth in (a) below if the designated equipment is software (meaning commands given to a computer which are combined to obtain a certain result; hereinafter the same applies in this item and the following item) or if 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 equipment of the same type manufactured by the same manufacturer is classified into categories depending on equipment models or other matters (hereinafter the relevant 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 sale commencing" in this item) as of the time when a business introduces that 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 sale commencing for the relevant model category is the fiscal year containing the day on which the business introduces the designated equipment or the preceding fiscal year; and
2. a machine and device to be introduced by a small or medium-sized enterprise, etc. (meaning an individual falling under a small or 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 or 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 commands 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 being physically transformed) which are combined to obtain a certain result) is installed in order for that machine or device to perform their own function, and which belong to the model category of those whose day of sale commencing 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 cases in which the machines and devices belonging to the most recent model category satisfy the requirements set forth in (b) below); or

(b) the designated equipment has improved by one percent or more on average in production efficiency, energy efficiency, accuracy or other indices in contributing to the improvement of productivity in business, compared with other equipment belonging to

a 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 whose day of sale commencing is the second most recent, following the day of sale commencing for the model category to which that designated equipment belongs;
or

Designated equipment		Requirements regarding 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 for 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 for 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 those 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 those acquired or manufactured simultaneously with a server operating system, which are acquired or manufactured 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 for 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 for 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 sale for 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.
	Insulated windows	
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 or medium-sized enterprise, etc.)	The day of commencing the sale for 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, apparatus and appliances (in the case of computer servers, excluding those acquired or manufactured by a corporation engaged in 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 in 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 of 15 percent or more (in the case of a small or medium-sized enterprise, etc., 5 percent or more) as calculated by the following formula):

The amount of increase (in the amount of operating profits added to the amount of depreciation (that amount of increase means average increase for the three fiscal years following the fiscal year in which the equipment is acquired, etc.)) is divided by the amount of capital investment (meaning the total cost of acquiring equipment in the fiscal year in which the equipment is acquired, etc.).

Article 6 Deleted

(Certification of Having Received Support under an Approved Specified Program for Supporting Start-ups, etc.)

Article 7 (1) A person who intends to start a start-up by receiving support under

an approved specified program for supporting start-ups, etc. set forth in Article 2, paragraph (20), item (i) or item (iii) of the Act must obtain certification for receiving that support from the head of the municipality that has obtained approval for its plan for a program for supporting start-ups, etc. in which the approved specified program for supporting start-ups, etc. is stated.

(2) A person who intends to obtain certification under the preceding paragraph must submit a written application stating the following particulars 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 program for supporting start-ups, etc. under which the person received the support;
- (iii) the content of the business the person intends to start by receiving the support set forth in the preceding item; and
- (iv) the timing for starting the business set forth in the preceding item.

(Specified Programs for Supporting Start-ups, etc.)

Article 8 The business specified by Order of the Ministry of Economy, Trade and Industry as that which will particularly contribute to facilitating start-ups as set forth in Article 2, paragraph (22) of the Act is business for providing support on an ongoing basis to a person who intends to start a start-up, 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 (24) of the Act is the amount equivalent to delay damages in relation to obligations which a financial institution that had concluded a specified letter of credit issuance contract prescribed in the same paragraph performed under that contract.

Chapter II Revitalization of the Metabolism of Industrial Activities

Section 1 Promotion of Specified Investment Programs for Developing New Business

(Application for Approval for Plans for Specified Investment Programs for Developing New Business)

Article 10 (1) An investment limited partnership that seeks approval for a plan

for a specified investment program for developing new business under Article 16, 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 information 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, a balance sheet and a profit and loss statement of an unlimited liability partner of the investment limited partnership (or equivalent, if those documents have not been prepared);
 - (iv) a document evidencing that an unlimited liability partner of the investment limited partnership has invested in a business which is developing new business and has knowledge and experience in relation to management-related advice or technical guidance;
 - (v) a document evidencing that the investment limited partnership has 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 implementing the specified investment program for developing new business smoothly and reliably;
 - (vii) in accordance with the following cases, a document specified respectively therein:
 - (a) if 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 regulations upon implementing the specified investment program for developing new business: a document evidencing that the permission, etc. has been given; or
 - (b) if 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 regulations upon implementing the specified investment program 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 implementing the specified investment

- program 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 regulations of a foreign state;
 - (b) a bankrupt person whose civil rights have not been restored or a person treated in a similar manner under laws and regulations of a foreign state;
 - (c) a person subject to imprisonment without work or a heavier sentence (including a sentence under laws and regulations of a foreign state equivalent thereto), if five years have yet to elapse since the sentence was completed or since the person ceased being no longer subject to the sentence;
 - (d) a person who had violated provisions of the Act and had been subject to a fine if five years have yet to elapse since sentence was completed or since the person ceased being no longer subject to the sentence;
 - (e) a member of an organized crime group, etc.;
 - (f) a person who was an unlimited liability partner of an approved partnership implementing a specified investment program for developing new business as of the time when the approval for the approved partnership implementing a specified investment program for developing new business was rescinded under Article 18, paragraph (2) or paragraph (3) of the Act if five years have yet to elapse since the day of the rescission;
 - (g) a corporation any of whose officers falls under any of (a) through (f) above; or
 - (h) a person whose business activities are governed by a member of an organized crime group, 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) a member of an organized crime group, etc.;
 - (b) a corporation any of whose officers falls under (a) above;
 - (c) a person whose business activities are governed by a member of an organized crime group, etc.;
 - (d) 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 another individual, if an unlimited liability partner of the investment limited partnership is that other individual;
 - (e) a person who belongs to the 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 if it holds its own treasury shares or capital contributions; hereinafter the same applies in this item) of a corporation (the relevant 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.), if an unlimited liability partner of the investment limited partnership is that corporation, and the group of shareholders, etc. of that corporation holds shares or capital contributions that account for one half or more of the total number of issued shares of the corporation or the total amount of capital contributions to the corporation (excluding the corporation's own treasury shares or capital contributions);

- (f) if an unlimited liability partner of the investment limited partnership, an individual set forth in (d) above, or a person set forth in (e) above governs any other corporation (this case means one as 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 regulations of a foreign state that is equivalent to these partnerships.
- (3) The implementation period of the plan for a specified investment program for developing new business in relation to the application for approval set forth in paragraph (1) is to be from the day of starting the specified investment program for developing new business to the day of finishing it, and is not to exceed ten years.

(Approval for Plans for Specified Investment Programs for Developing New Business)

Article 11 (1) If the Minister of Economy, Trade and Industry receives a submitted plan for a specified investment program for developing new business under Article 16, paragraph (1) of the Act, the minister is to examine the content thereof promptly in light of the provisions of paragraph (3) of the same Article, and if the minister decides to grant approval for the relevant plan, the minister is to state the following in the original of the written application for 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 16, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby approve the applicant as an investment limited partnership that implements a specified investment program for developing new business prescribed in Article 2, paragraph (6) of the same Act."

- (2) If 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 that fact and the grounds therefor to the investment limited partnership.
- (3) If 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 implementing a specified investment program for developing new business, and the content of the plan approved for a specified investment program for developing new business, by using Form 3.

(Application for Approval for Changes to Plans Approved for a Specified Investment Program for Developing New Business)

Article 12 (1) Minor changes that do not involve changes to the purpose of the plan approved for a specified investment program for developing new business do not require the approval set forth in Article 17, paragraph (1) of the Act.

- (2) An approved partnership implementing a specified investment program for developing new business that intends to obtain approval for changes to a plan for a specified investment program for developing new business pursuant to Article 17, 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 plan approved for a specified investment program for developing new business.
- (4) The implementation period of the plan for a specified investment program for developing new business in relation to the application for approval for changes set forth in paragraph (2) is to be from the day of starting that program to the day of finishing it, including the period during which the limited partnership for investment has been implementing that program in accordance with the plan approved for a specified investment program for developing new business before it submits the application for approval for changes, and it is not to exceed 13 years in duration.
- (5) The implementation period of the plan for a specified investment program for developing new business in relation to the application for approval for changes set forth in paragraph (2) may be altered only once.

(6) If the Minister of Economy, Trade and Industry receives a submitted plan for a specified investment program for developing new business in relation to the application for approval for changes set forth in paragraph (2), the minister is to examine the content thereof promptly in light of the provisions of Article 16, paragraph (3) of the Act, and if the minister decides to grant approval, the minister is to state the following in the original of the written application for the approval for changes, to sign and seal it, and to deliver it as a certificate to the approved partnership implementing a specified investment program for developing new business, 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 grant approval."

(7) If 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 that fact and the grounds therefor to the approved partnership implementing a specified investment program for developing new business.

(8) If 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, and the content of the plan approved for a specified investment program for developing new business, by using Form 6.

(Direction of Changes to Plans Approved for a Specified Investment Program for Developing New Business)

Article 13 If the Minister of Economy, Trade and Industry directs changes to a plan approved for a specified investment program for developing new business pursuant to Article 17, paragraph (3) of the Act, the minister is to deliver a document in Form 7 stating that fact and the grounds therefor to the approved partnership implementing a specified investment program for developing new business subject to the direction of changes.

(Rescission of Approval for Plans Approved for a Specified Investment Program for Developing New Business)

Article 14 (1) If the Minister of Economy, Trade and Industry rescinds approval for a plan approved for a specified investment program for developing new business pursuant to Article 17, paragraph (2) or paragraph (3) of the Act, the minister is to deliver a document in Form 8 stating that fact and the grounds therefor to the partnership implementing a specified investment program for developing new business whose approval is to be rescinded.

(2) If the Minister of Economy, Trade and Industry has rescinded approval for a plan approved for a specified investment program 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 as a Certified Dispute Resolution Organization)

Article 15 (1) A certified dispute resolution organization that seeks approval of the Minister of Economy, Trade and Industry pursuant to Article 49, 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 in relation to corporate rehabilitation;
- (ii) a document evidencing that an attorney from whom the dispute resolution provider seeks advice falls under either of the items of Article 18, if the dispute resolution provider is not an attorney, and requires specialist knowledge on the interpretation and application of laws and regulations upon implementing the certified dispute resolution procedures pursuant to Article 6, item (v) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures (Act No. 151 of 2004);
- (iii) a document evidencing that the methods for undertaking the certified dispute resolution procedures are in conformity with the standards prescribed in Article 20 through 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 organization must without delay submit a written notification in Form 11 stating that fact to the Minister of Economy, Trade and Industry:

- (i) if the organization intends to change the dispute resolution provider for the approval set forth in Article 49, paragraph (1) (limited to the portion in relation to item (i)) of the Act;
- (ii) if the organization has obtained certification of changes pursuant to Article 12, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures;
- (iii) if the organization has made a notification of any changes pursuant to Article 13, paragraph (1) of the Act on Promotion of the Use of Alternative

Dispute Resolution Procedures;

- (iv) if the organization has made a notification of a merger, etc. pursuant to Article 17, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures;
- (v) if the organization has made a notification of a dissolution, etc. pursuant to Article 18, paragraph (1) of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures; or
- (vi) if the organization set forth in Article 5 of the Act on Promotion of the Use of Alternative Dispute Resolution Procedures has ceased to be effective pursuant to Article 19 of the same Act.

(Requirements for Approval for Certification as a Dispute Resolution Organization)

Article 17 The requirements specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 49, 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 debtor(s) and creditors in 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 or 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 debtor(s) and creditors in corporate rehabilitation as a person assisting a dispute resolution provider set forth in Article 49, 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 debtor(s) and creditors in 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 Partially Amending 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 debtor(s) and creditors in 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 If the Latter Is Not an Attorney)

Article 18 If a dispute resolution provider in relation to the approval set forth in Article 49, paragraph (1), item (i) of the Act is not an attorney, and requires specialist knowledge on the interpretation and application of laws and regulations upon implementing the certified dispute resolution procedures pursuant to 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 for the Methods for Undertaking Certified Dispute Resolution Procedures)

Article 19 The standards specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 49, paragraph (1), item (ii) of the Act are as prescribed in the following Article to Article 29.

(Suspension)

Article 20 If a certified dispute resolution organization makes a request to creditors (limited to creditors 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 bankruptcy proceedings, starting rehabilitation proceedings, starting reorganization proceedings under the Corporate Reorganization Act or the Act on Special Measures, etc. for Reorganization Proceedings for Financial Institutions, etc., or starting special liquidation proceedings during the period decided based on the consent of all creditors; hereinafter the same applies in this Section), the organization must make a notification in writing to the relevant creditors listing the joint names of the relevant debtor(s). When having sent a written notification on a request for suspension, the business must hold a creditors meeting for explaining the outline of a proposed corporate rehabilitation plan (meaning a draft of a plan

for corporate rehabilitation prepared by the debtor(s); hereinafter the same applies in this Section) within two weeks in principle from the day of sending the written notification.

(Creditors Meetings)

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

(Creditors Meetings for Explaining the Outline of a Proposed Corporate Rehabilitation Plan)

Article 22 (1) At a creditors meeting for explaining the outline of a proposed corporate rehabilitation plan, the relevant debtor(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 creditors must be provided.

(2) Resolutions of a creditors meeting set forth in the preceding paragraph on the following matters may be made by the majority of the creditors; provided, however, that resolutions on the matters set forth in item (iv) and item (v) must be made by the unanimous consent of the creditors:

- (i) appointment of the chairperson;
- (ii) appointment of the dispute resolution providers;
- (iii) the date and venue of a creditors meeting set forth in Article 24;
- (iv) specific content and period of the suspension that the debtor(s) request(s) from each creditor; and
- (v) the date and venue of a creditors meeting set forth in Article 26.

(3) The dispute resolution providers set forth in item (ii) of the preceding paragraph must include at least one person who has the experience of serving as a supervisor or a trustee set forth in Article 64, paragraph (1) of the Civil Rehabilitation Act, or as 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 if 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 debtor(s) are less than one billion yen, two or more dispute resolution providers must be appointed), and the dispute resolution providers must include at least one person who has the experience of serving as a supervisor or a trustee and at least one 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 a Creditors 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 of the matters set forth in the items of paragraph (2) of the preceding Article has not been made at a creditors meeting set forth in the preceding Article, a further date of the creditors meeting may be decided based on the consent of the majority of the creditors.

(Creditors Meetings for Discussing a Proposed Corporate Rehabilitation Plan)

Article 24 At a creditors meeting for discussing a proposed corporate rehabilitation plan, dispute resolution providers appointed at a creditors 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 Scheduled Dates of Creditors Meetings for Discussing a Proposed Corporate Rehabilitation Plan)

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

(Creditors Meetings for Making a Resolution on a Proposed Corporate Rehabilitation Plan)

Article 26 At a creditors meeting for making a resolution on a proposed corporate rehabilitation plan, a resolution on a proposed corporate rehabilitation plan may be made through manifesting in writing that all creditors have agreed with the resolution.

(Continuance of Scheduled Dates of Creditors Meetings 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 a creditors meeting set forth in the preceding Article, a further date of the creditors meeting may be decided based on the consent of the majority of the creditors.

(Content of a Proposed Corporate Rehabilitation Plan)

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

following:

- (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 creditors' rights; and
 - (viii) the estimated 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) if in the state of insolvency, the relevant debtor(s) will cease to be in that state within three years in principle from the first day of the business year that comes first after the day on which an agreement has been reached concerning the proposed corporate rehabilitation plan; and
 - (ii) if having an ordinary loss, the relevant debtor(s) will record 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 has been reached concerning the proposed corporate rehabilitation plan.
- (3) The details of changes to the creditors' rights set forth in paragraph (1), item (vii) must be the same between creditors; provided, however, that this does not apply if equity will not be undermined even if any difference is set in treatment of the creditors.
- (4) The estimated amount of the claim to be collected set forth in paragraph (1), item (viii) must be larger than the estimated amount of the claim to be collected through bankruptcy proceedings.

(Proposed Corporate Rehabilitation Plans 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 debtor(s) in line with the standards specified by the Minister of Economy, Trade and Industry, and a balance sheet of the debtor(s) has been prepared based on the value obtained through the asset evaluation;
- (ii) the amount of the obligations from which the debtor(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 in which the extinguishment is likely to cause a significant hindrance to the corporate rehabilitation) have been

- determined; and
- (iv) the matters concerning resignation of officers (excluding cases in which the resignation is likely to cause a significant hindrance to the corporate rehabilitation) have been determined.
- (2) A certified dispute resolution organization 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 debtor(s) has(have) received their obligations guaranteed as prescribed in Article 51 or Article 52 of the Act and specified certified dispute resolution procedures in relation to the debtor(s) have been completed, the specified certified dispute resolution organization 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 Guarantees 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 or medium-sized enterprise intending to conduct corporate rehabilitation or other expenses indispensable for the continuation of its business affairs that are specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 52, 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 in relation to the production of commodities;
- (iv) expenses for the expansion, improvement, or repair, etc. of equipment;
- (v) selling expenses and general and administrative expenses;
- (vi) expenses for the payment of interest charged for borrowings; and
- (vii) expenses for the payment of debts in small amounts.

(Plans 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 53, paragraph (1) of the Act is one that falls under any of the following (limited to a plan on which all of the creditors subject to the plan have reached an agreement):

- (i) beyond a plan for corporate rehabilitation set forth in Article 51, 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 in relation 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 or Medium-sized Enterprise Support Act, based on a request from a small or medium-sized enterprise or a financial institution, with the involvement of a meeting held by each small or medium-sized enterprise with the participation of a Credit Guarantee Corporation.

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

Article 33 (1) The standards specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 56, paragraph (1), item (i) of the Act must fall under both of the following:

- (i) the borrowing of funds set forth in Article 56, paragraph (1) of the Act is found to be reasonably necessary for the financing of the debtor(s) until the day on which all of the creditors subject to the proposed corporate rehabilitation plan are expected to reach an agreement; and
 - (ii) the redemption date of the borrowed funds in relation to the borrowing of funds set forth in Article 56, paragraph (1) of the Act comes on or after the day on which all of the creditors are expected to reach an agreement.
- (2) A specified certified dispute resolution organization which has received a request under Article 56, paragraph (1) of the Act must make a confirmation as requested at a creditors meeting for explaining the outline of a proposed corporate rehabilitation plan, a creditors meeting for discussing a proposed corporate rehabilitation plan, or a creditors 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 56, paragraph (1) of the Act, the specified certified dispute resolution organization must make a notification in Form 12 to debtor(s) and creditors.

(Matters for Confirming that Claims are Small in Amount and that a Significant Hindrance would be Caused to the Continuation of Business Affairs unless the Claims are Performed Promptly)

Article 34 (1) A specified certified dispute resolution organization which has received a request set forth in Article 59, paragraph (1) of the Act must hear the opinions of the creditors that are parties to the dispute under the specified certified dispute resolution procedures at a creditors meeting for explaining the outline of a proposed corporate rehabilitation plan, a creditors meeting for discussing a proposed corporate rehabilitation plan, or a creditors meeting for making a resolution on a proposed corporate rehabilitation plan.

- (2) When confirming that the claims in relation to the request conform to both of the items of Article 59, paragraph (1) of the Act, the specified certified dispute resolution organization must make a notification in Form 13 to debtor(s) and creditors.

Article 35 to Article 48 Deleted

Section 3 Utilization of Intellectual Property Rights in Business Activities

(Fields of Technology Contributing to the Strengthening of Industrial Competitiveness)

Article 49 Fields of technology specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 66, 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 portion in relation to rows (i) through (xxxix)).

(Requirements for a 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 the relationship set forth in item (i) below if the other corporation referred to in that item has that relationship independently with a corporation falling under Article 16, item (ii), (a) or (b) of the Order, and is the relationship set forth in

item (ii) below if the other corporation referred to in Article 16, item (ii) has that relationship jointly with a corporation falling under Article 16, item (ii), (a) or (b) of the Order:

- (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 a corporation falling under Article 16, item (ii), (a) or (b) of the Order; 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 a corporation falling under Article 16, item (ii), (a) or (b) of the Order.
- (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 the amount equivalent to 60% of the amount arrived at when the book value of the total liabilities recorded in the balance sheet as of the end of the preceding business year (or, in the balance sheet at the time of a corporation's establishment, if the due date for that corporation's 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 containing the date of its incorporation has yet to come) is deducted from the book value of the total assets recorded in the balance sheet (if the amount of profits for the business year is recorded in the balance sheet, the amount of profits is to be deducted from the aforementioned amount arrived at, and if the amount of loss for the business year is recorded in the balance sheet, the amount of loss is to be added from aforementioned amount arrived at).

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

Article 51 A written application prescribed in Article 17, paragraph (1) of the Order must 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 is to prepare a written application in Form 21 on each occasion.

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

Article 52 The 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 in International Application)

Article 53 The 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 for International Application)

Article 54 A person who intends to receive a reduction in fees for an international application pursuant to Article 66, paragraph (3) of the Act must attach the 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 pursuant to 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 for international preliminary examinations when intending to receive a reduction in fees payable pursuant to row (iii) of the table of the same paragraph.

(Attachments)

Article 55 Documents to be attached to the 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 a 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 the 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 a corporation, or a balance sheet as of the end of the preceding business year (or, a document issued or granted by a public agency or its equivalent that contains a corporation's name, its address, the total amount of its stated capital or contributions, and the date of its incorporation if the corporation is a foreign corporation) that evidence(s) the total amount of its stated capital or contributions, and the

date of its incorporation (or, any document out of a corporation's 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 if the corporation is one without any stated capital or contributions); and

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

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

Article 56 If a person has already submitted documents to be attached to a written application for a 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 a 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 a reduction in patent fees, etc., the attachment of the documents may be omitted by stating to that effect in the relevant written application for a reduction in patent fees, etc. to be submitted; provided, however, that if 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 those that 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 (or, if the INCJ has already made contributions (limited to contributions decided pursuant to the provisions of the proviso to Article 99, paragraph (2) of the Act without giving the Minister of Economy, Trade and Industry an opportunity to present any opinions; the same applies in the following item) to a business eligible to receive the specified business activity support with regard to specified business activities in relation 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 pursuant to 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:
- (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 that place attended the committee meeting);
 - (ii) the substance of the proceedings of the committee meeting, as well as the results thereof;
 - (iii) the name of a committee member if that committee member has a special interest in the matter to be resolved; and
 - (iv) the outline of opinions if those opinions have been stated at the Committee meeting pursuant Article 93, paragraph (6) of the Act.

(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 of Representing 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 the screen of an output device.

(Special Provisions for Keeping and Inspection of Minutes Prepared in the Form of Written Documents)

- Article 61 (1) If the minutes prescribed in Article 93, paragraph (8) are prepared

in the form of written documents, the INCJ may keep electronic or magnetic records prepared by capturing the particulars stated in the document with a scanner (including an image capturing 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 electromagnetic records, which it keeps pursuant to the provisions of the preceding paragraph, on paper or on the screen of an output device, and may provide the content for inspection or copying at its head office.

Chapter IV Revitalization of Small or Medium-Sized Enterprises

(Requirements for Funds for Start-up-related Guarantees)

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 are equipment funds and operation funds necessary for a founder to conduct business in relation to any of the start-ups set forth in the items of Article 2, paragraph (29) of the Act.

(Approved Support Institutions)

Article 63 (1) If 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 the 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 that 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 that person's principal office.

- (3) The particulars 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 in relation to business to support small or 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 or medium-sized enterprise revitalization or a person assisting the chief supervisor;
- (ii) a decrease in the estimated budgets for business to support small or medium-sized enterprise revitalization; and
- (iii) an increase by 20% or less in the estimated budgets for business to support small or medium-sized enterprise revitalization.

(Small or Medium-Sized Enterprise Revitalization Support Councils)

Article 64 (1) If the head of an approved support institution has appointed members of a Small or 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) If there have been any changes in members of a Small or 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.

(Method of Calculating 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 those as specified respectively in the following items in accordance with the category set forth therein:

- (i) the amount of net assets: the amount arrived at when the amount of liabilities set forth in item (iv) is deducted 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 the 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 (or, in the case of the amount of deferred tax assets,

- etc. set forth in (a) of the following item to be deducted, the amount arrived at when the amount of deferred tax liabilities entered in the current liabilities section pursuant to 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 pursuant to item (ii), (d), 1. and 2. of the same paragraph is deducted from that sum);
- (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 arrived at when 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 pursuant to item (i), (n), 1. and 2. of the same paragraph, and the amount of deferred tax assets entered in the fixed assets section pursuant to item (iv), (d), 1. and 2. of the same paragraph) is deducted from that sum; 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

(Reports on the State of Implementation)

- Article 66 (1) An unlimited liability partner of an approved partnership implementing a specified investment program 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 plan approved for a specified investment program 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 implementing a specified investment program for developing new business;
 - (ii) a balance sheet, a profit and loss statement, and a business report of the approved partnership implementing a specified investment program for developing new business, and attached 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 attached detailed statement thereof, limited to the portion concerning accounting);

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

Article 67 A specified certified dispute resolution organization 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 one prepared 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, and 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 organization 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 with regard to 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)