

Order for Enforcement of the Act on Strengthening Industrial Competitiveness

(Cabinet Order No. 13 of January 17, 2014)

The Cabinet hereby enacts this Cabinet Order pursuant to the provisions of Article 2, paragraph (14), paragraph (17), item (v) and item (viii), and paragraph (26), Article 28, paragraph (1), Article 34, paragraph (1) and paragraph (3), Article 35, paragraph (1), the items of Article 39, paragraph (1), Article 41, paragraph (1), item (i) and paragraph (4), item (i), Article 54, paragraph (3), Article 55, paragraph (3), Article 61, paragraph (1), Article 75, the proviso to Article 99, paragraph (2), Article 115, paragraph (4) and paragraph (5), Article 121, paragraph (3) and paragraph (8), Article 128, paragraph (6), and Article 133, item (i) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and for the purpose of implementing the same Act.

(Procedures for Exclusion from Corporate Rehabilitation)

Article 1 The Act specified by Cabinet Order as set forth in Article 2, paragraph (14) of the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "Act" except in Article 11, item (xiii)) is the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions (Act No. 95 of 1996).

(Scope of Small and Medium-Sized Enterprises)

Article 2 (1) The business types specified by Cabinet Order as set forth in Article 2, paragraph (17), item (v) of the Act and, the amount of stated capital or the total amount of contributions for each of those business types, and the number of regular employees for each of those business types, as specified by Cabinet Order, as set forth in the same item, are to be as shown in the following table:

Provisions of the Companies Act for which the phrases are deemed to be replaced	Business type	Amount of stated capital or total amount of contributions	Number of regular employees

(i)	rubber products manufacturing industry (excluding the automobile or aircraft tire and tube manufacturing industry, and industrial belt manufacturing industry)	300,000,000 yen	900 employees
(ii)	software service industry or information processing service industry	300,000,000 yen	300 employees
(iii)	hotel business industry	50,000,000 yen	200 employees

(2) The partnerships and their federations specified by Cabinet Order as set forth in Article 2, paragraph (17), item (viii) of the Act are as follows:

- (i) business cooperatives, minor business cooperatives and federations of cooperatives;
- (ii) fishery processing cooperatives and federations of fishery processing cooperatives;
- (iii) commercial and industrial cooperatives and federations of commercial and industrial cooperatives;
- (iv) shopping district promotion cooperatives and federations of shopping district promotion cooperatives;
- (v) among environmental health industry cooperatives, minor environmental health industry cooperatives and federations of environmental health industry cooperatives, those of which not less than two thirds of the direct or indirect members are corporations whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen (or 100,000,000 yen in case of a business whose principal business is the wholesale business), or those who regularly employ not more than 50 employees (or 100 employees in case of a business whose principal business is the wholesale business or the service business);
- (vi) among Sake brewer cooperatives, federations of Sake brewer cooperatives and the Japan Sake and Shochu Makers Association, those of which not less than two thirds of the direct or indirect members, which are Sake brewers, are corporations whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or those who regularly employ not more than 300 employees, and among Sake merchant cooperatives, federations of Sake merchant cooperatives and Japan Sake merchant associations, those of which not less than two thirds of the direct or indirect members, which are Sake merchant businesses, are corporations whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen (or 100,000,000 yen in case of a Sake wholesale business), or those who regularly employ not more than 50 employees (or 100

- employees in case of a Sake wholesale business);
- (vii) among coastal shipping cooperatives and federations of coastal shipping cooperatives, those of which not less than two thirds of the direct or indirect members, which are those engaged in the coastal shipping business, are corporations whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or those who regularly employ not more than 300 employees; and
 - (viii) among technology research cooperatives, those of which not less than two thirds of the direct or indirect members are the small or medium-sized enterprise prescribed in Article 2, paragraph (17), items (i) through (vii) of the Act.

(Financial Institutions in Relation to the Issuance of Specified Letter of Credit)

Article 3 The financial institution as specified by Cabinet Order set forth in Article 2, paragraph (23) of the Act is as follows:

- (i) bank;
- (ii) Shokochukin Bank;
- (iii) Development Bank of Japan;
- (iv) Shinkin Bank and federation of Shinkin Banks;
- (v) labor bank and federation of labor banks;
- (vi) credit cooperative and federation of credit cooperatives;
- (vii) agricultural cooperative and federation of agricultural cooperatives;
- (viii) fisheries cooperative and federation of fisheries cooperatives;
- (ix) Norinchukin Bank; or
- (x) insurance corporation.

(Consultation with the Fair Trade Commission)

Article 4 The cases specified by Cabinet Order as set forth in Article 27, paragraph (1) of the Act are the following cases:

- (i) cases in which a business is required to give notice of corporate restructuring-related measures (meaning corporate restructuring-related measures as prescribed in Article 27, paragraph (1) of the Act; hereinafter the same applies in this Article) pursuant to the provisions of Article 10, paragraph (2) (including as applied pursuant to the provisions of paragraph (5) of the same Article), Article 15, paragraph (2), Article 15-2, paragraph (2) or paragraph (3), Article 15-3, paragraph (2) or Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) if it carries out the relevant corporate restructuring-related measures; and
- (ii) cases in which two or more businesses coordinate in carrying out the corporate restructuring-related measures, and where any one of the

businesses has total domestic sales (meaning the total domestic sales prescribed in Article 10, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade; hereinafter the same applies in this item) exceeding 20,000,000,000 yen, and any other business has total domestic sales exceeding 5,000,000,000 yen (excluding cases in which all businesses intending to carry out the relevant corporate restructuring-related measures belong to the same combined group of enterprises (meaning the combined group of enterprises prescribed in the same paragraph)).

(Technical Replacement of Phrases When Applying the Provisions of the

Companies Act to the Demand for Share Cash-out by an Approved Business)

Article 4-2 The technical replacement of phrases of the provisions of the Companies Act (Act No. 86 of 2005) under Article 30, paragraph (5) of the Act in case of applying the provisions of the same Act under the same paragraph is as shown in the following table.

Provisions of the Companies Act for which the phrases are deemed to be replaced	Phrase deemed to be replaced	Phrase to be replaced with
Article 179-5, paragraph (1), item (iv)	Order of the Ministry of Justice	order of the competent ministry prescribed in Article 140, paragraph (2) of the Act on Strengthening Industrial Competitiveness (hereinafter simply referred to as "order of the competent ministry")
Article 179-10, paragraph (1) and Article 189, paragraph (2), item (vi)	Order of the Ministry of Justice	order of the competent ministry

(Technical Replacement of Phrases When Applying the Provisions of the

Companies Act to the Issuance of Shares or the Disposition of Treasury

Shares by a Stock Company Which is an Approved Business)

Article 5 The technical replacement of phrases of the provisions of the Companies Act under Article 32, paragraph (1) of the Act in case of applying the provisions of the same Act under the same paragraph is as shown in the following table:

Provisions of the Companies Act for which the phrases are deemed to be replaced	Phrase deemed to be replaced	Phrase to be replaced with

Article 199, paragraph (2)	each item of the preceding paragraph	each item of the preceding paragraph (excluding item (iii))
Article 201, paragraph (3)	paragraph (1), item (iv) of the same Article	Article 199, paragraph (1), item (iv) as applied pursuant to the provisions of Article 32, paragraph (1) of the same Act following the deemed replacement of terms
Article 208, paragraph (2)	Article 199, paragraph (1), item (iv)	Article 199, paragraph (1), item (iv) as applied pursuant to the provisions of Article 32, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms

(Technical Replacement of Phrases When Applying Mutatis Mutandis the Provisions of the Companies Act to the Issuance of Shares or the Disposition of Treasury Shares by a Stock Company Which is an Approved Business)

Article 6 The technical replacement of the phrases of the provisions of the Companies Act pursuant to the provisions of Article 34, paragraph (3) of the Act in case of applying mutatis mutandis the provisions of the same Act under the same paragraph is as shown in the following table:

Provisions of the Companies Act for which the phrases are deemed to be replaced	Phrase deemed to be replaced	Phrase to be replaced with
Article 309, paragraph (2), item (xii)	Part V	Part V (including cases in which the provisions of Article 796, paragraph (4) are applied mutatis mutandis pursuant to the provisions of Article 32, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)

Article 797, paragraph (1)	the items of Article 795, paragraph (2) and the cases prescribed in the proviso to Article 796, paragraph (1), or (3)	the proviso to Article 796, paragraph (2) as applied mutatis mutandis pursuant to Article 32, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
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Article 7 Deleted

(Approved Corporate Restructuring-Related Measures)

- Article 8 (1) The measures specified by Cabinet Order as set forth in Article 37, paragraph (1), item (i) of the Act are measures for corporate restructuring (meaning the corporate restructuring prescribed in Article 2, paragraph (11) of the Act; the same applies in Article 28, paragraph (1), item (ii)) implemented in association with the introduction of equipment for the improvement of productivity, etc. (meaning equipment for the improvement of productivity, etc. prescribed in Article 2, paragraph (13) of the Act) for which the borrowing of a long-term fund (meaning a fund required for a period of five years or longer; the same applies in the following paragraph) is necessary.
- (2) The measures specified by Cabinet Order as set forth in Article 37, paragraph (1), item (ii) of the Act are those for which the borrowing of a long-term fund is necessary.

(Application of the Order for Enforcement of the Japan Finance Corporation Act)

Article 9 If business operations to facilitate the promotion of corporate restructuring (meaning the business operations to facilitate the promotion of corporate restructuring as prescribed in Article 37, paragraph (1) of the Act) are undertaken, the phrase "Article 59, paragraph (1) of the Act" in Article 30, paragraph (1), the items of Article 31, paragraph (1), and Article 31, paragraph (2) of the Order for Enforcement of the Japan Finance Corporation Act (Cabinet Order No. 143 of 2008) is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied pursuant to the provisions of Article 37, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms".

(Designated Financial Institutions)

Article 10 The financial institution specified by Cabinet Order as set forth in Article 39, paragraph (1), item (i) of the Act is as follows:

(i) bank;

- (ii) long term credit bank;
- (iii) Shokochukin Bank;
- (iv) Development Bank of Japan;
- (v) Shinkin Bank and federation of Shinkin Banks;
- (vi) labor bank and federation of labor banks;
- (vii) credit cooperative and federation of credit cooperatives (limited to those engaged in both of the businesses set forth in Article 9-9, paragraph (1), item (i) and item (ii) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949); the same applies in Article 12, item (i));
- (viii) agricultural cooperative (limited to those engaged in both of the businesses set forth in Article 10, paragraph (1), item (ii) and item (iii) of the Agricultural Cooperatives Act (Act No. 132 of 1947); the same applies in Article 12, item (iii)) and federation of agricultural cooperatives (limited to those engaged in both of the businesses set forth in item (ii) and item (iii) of the same paragraph; the same applies in Article 12, item (iii));
- (ix) fisheries cooperative (limited to those engaged in both of the businesses set forth in Article 11, paragraph (1), item (iii) and item (iv) of the Fisheries Cooperatives Act (Act No. 242 of 1948); the same applies in Article 12, item (iii)), federation of fisheries cooperatives (limited to those engaged in both of the businesses set forth in Article 87, paragraph (1), item (iii) and item (iv) of the same Act; the same applies in Article 12, item (iii)), fishery processing cooperative (limited to those engaged in both of the businesses set forth in Article 93, paragraph (1), item (i) and item (ii) of the same Act; the same applies in Article 12, item (iii)) and federation of fishery processing cooperatives (limited to those engaged in both of the businesses set forth in Article 97, paragraph (1), item (i) and item (ii) of the same Act; the same applies in Article 12, item (iii)); or
- (x) Norinchukin Bank.

(Acts Which Form a Basis for Designation as a Designated Financial Institution)

Article 11 The Act specified by Cabinet Order as set forth in Article 39, paragraph (4), item (i) of the Act is as follows:

- (i) Agricultural Cooperatives Act;
- (ii) Fisheries Cooperatives Act;
- (iii) Small and Medium-Sized Enterprise Cooperatives Act;
- (iv) Act on Financial Businesses by Cooperatives (Act No. 183 of 1949);
- (v) Shinkin Bank Act (Act No. 238 of 1951);
- (vi) Long Term Credit Bank Act (Act No. 187 of 1952);
- (vii) Labor Bank Act (Act 227 of 1953);
- (viii) Banking Act (Act No. 59 of 1981);

- (ix) Norinchukin Bank Act (Act No. 93 of 2001);
- (x) Japan Finance Corporation Act (Act No. 57 of 2007);
- (xi) Shokochukin Bank Act (Act No. 74 of 2007);
- (xii) Development Bank of Japan Act (Act No. 85 of 2007); and
- (xiii) Act on Strengthening Industrial Competitiveness.

(Notification to the Prime Minister and Other Ministers)

Article 12 If the competent minister has made a designation under Article 39, paragraph (1) of the Act (hereinafter simply referred to as a "designation" in this Article), has granted an authorization under Article 41, paragraph (1) of the Act, has issued an order under paragraph (2) of the same Article or Article 44 of the Act, or has rescinded a designation under Article 46, paragraph (1) or paragraph (2) of the Act (hereinafter collectively referred to as a "disposition" in this Article), the minister must promptly give notice to that effect to the ministers specified in the following items for each of the categories of the designated financial institution (meaning the designated financial institution as designated pursuant to the provisions of Article 39, paragraph (1) of the Act) which has been subject to the relevant disposition, as set forth in that respective item; or, if the competent minister has received a notification under Article 45, paragraph (1) of the Act (hereinafter simply referred to as a "notification" in this Article), the minister must promptly give notice to that effect to the ministers specified in the following items for each of the categories of the designated financial institution (meaning the designated financial institution as designated pursuant to the provisions of Article 39, paragraph (1) of the Act) which has made the notification, as set forth in that respective item:

- (i) bank, long term credit bank, Shinkin Bank, federation of Shinkin Banks, credit cooperative and federation of credit cooperatives: Prime Minister;
- (ii) labor bank and federation of labor banks: Prime Minister and Minister of Health, Labour and Welfare;
- (iii) agricultural cooperative, federation of agricultural cooperatives, fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperative, federation of fishery processing cooperatives and Norinchukin Bank: Minister of Agriculture, Forestry and Fisheries and Prime Minister;
- (iv) Shokochukin Bank: Minister of Economy, Trade and Industry, Minister of Finance, and Prime Minister; or
- (v) Development Bank of Japan: Minister of Finance (or Minister of Finance and Prime Minister if the Development Bank of Japan has obtained the approval set forth in Article 9, paragraph (1) of the Development Bank of Japan Act).

(Insurance Premium Rates in Relation to Corporate Rehabilitation
Facilitation-related Guarantees)

Article 13 The rate specified by Cabinet Order set forth in Article 52, paragraph (3) of the Act is 1.69% for ordinary insurance (meaning ordinary insurance as prescribed in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950); the same applies in the following Article) and unsecured insurance (meaning unsecured insurance as prescribed in Article 3-2, paragraph (1) of the same Act; the same applies in the following Article and Article 21) (or the relevant rate is 1.44% in case of a negotiable instrument discount special guarantee (meaning a negotiable instrument discount special guarantee as prescribed in Article 2, paragraph (1) of the Order for Enforcement of the Small and Medium-Sized Enterprise Credit Insurance Act (Cabinet Order No. 350 of 1950); hereinafter the same applies in this Article, the following Article and Article 22) and an overdraft special guarantee (meaning an overdraft special guarantee as prescribed in Article 2, paragraph (1) of the same Order; hereinafter the same applies in this Article, the following Article and Article 22)), or 0.4% for special petty insurance (meaning special petty insurance as prescribed in Article 3-3, paragraph (1) of the same Act; the same applies in the following Article) (or the relevant rate is 0.34% in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowings (meaning the period of borrowings prescribed in Article 2, paragraph (1) of the same Order; the same applies in the following Article and Article 22).

(Insurance Premium Rates in Relation to Corporate Rehabilitation Plan
Implementation-related Guarantees)

Article 14 The rate specified by Cabinet Order as set forth in Article 53, paragraph (3) of the Act is 0.41% for ordinary insurance and unsecured insurance (or the relevant rate is 0.35% in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) or 0.19% for special petty insurance (or the relevant rate is 0.15% in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowing.

Article 15 Deleted

(Requirements for a Reduction in Patent Fees)

Article 16 The requirements specified by Cabinet Order as set forth in Article 66, paragraph (1) of the Act are as follows:

- (i) in case of an individual, the relevant individual must fall under either of the following:

- (a) the number of regular employees is not more than 20 (or five in case of an individual whose principal business is in commercial business or the service industry; the same applies in (a) of the following item); or
- (b) ten years have not yet elapsed from the date of the starting of the business;
- (ii) in case of a corporation, the relevant corporation must fall under either of the following and there is no other corporation that has a relationship with the relevant corporation in which that other corporation solely owns the number or amount of shares or contributions equivalent to 50% 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 has any other relationship specified by Order of the Ministry of Economy, Trade and Industry as one that allows that other corporation to substantially control the business activities of the relevant corporation:
 - (a) the number of regular employees is not more than 20; or
 - (b) the amount of stated capital or the total amount of contributions (or the amount specified by Order of the Ministry of Economy, Trade and Industry in case of a corporation without any stated capital or contributions) is not more than 300,000,000 yen, and ten years have not yet elapsed from the date of its establishment.

(Procedures for a Reduction in Patent Fees)

- Article 17 (1) A person that intends to receive a reduction in patent fees pursuant to the provisions of Article 66, paragraph (1) of the Act must submit a written application stating the following particulars to the Commissioner of the Japan Patent Office, together with a document evidencing that the applicant falls under the requirements set forth in item (i) or item (ii) of the preceding Article:
- (i) the name, and the address or residence of the applicant;
 - (ii) the filing number of the patent application or the patent number for the patented invention for which the application is filed; and
 - (iii) the applicant's intention to receive a reduction in patent fees.
- (2) If a written application as set forth in the preceding paragraph has been submitted, the Commissioner of the Japan Patent Office is to reduce the amount of patent fees for each year from the first to tenth year pursuant to the provisions of Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959) by the equivalent to two-thirds of those patent fees.
- (3) If there is a fraction of less than 10 yen in the amount of the patent fees as calculated pursuant to the provisions of the preceding paragraph, that fraction is to be discarded.

(Reduction in Fees for Requesting Application Examinations)

Article 18 (1) A person that intends to receive a reduction in fees for requesting an examination of the application pursuant to the provisions of Article 66, paragraph (2) of the Act must submit a written application stating the following particulars to the Commissioner of the Japan Patent Office, together with a document evidencing that the applicant falls under the requirements set forth in item (i) or item (ii) of Article 16:

- (i) the name, and the address or residence of the applicant;
- (ii) indication of the patent application for the invention for which the application is filed; and
- (iii) the applicant's intention to receive a reduction in fees for requesting an examination of the application.

(2) If a written application as set forth in the preceding paragraph has been submitted, the Commissioner of the Japan Patent Office is to reduce the amount of fees for requesting an examination of the application which is calculated pursuant to the provisions of item (vi) of the table of Article 1, paragraph (2) of the Order for the Patent Act and Other Related Fees (Cabinet Order No. 20 of 1960) by the equivalent to two-thirds of those fees.

(3) If there is a fraction of less than 10 yen in the amount of the fees for requesting an examination of the application as calculated pursuant to the provisions of the preceding paragraph, the fraction is to be discarded.

(Reduction in Fees in Relation to International Applications)

Article 19 (1) A person that intends to receive a reduction in fees for an international application (meaning an international application as prescribed in Article 2 of the Act on International Applications under the Patent Cooperation Treaty (Act No. 30 of 1978); hereinafter the same applies in this Article) pursuant to the provisions of Article 66, paragraph (3) of the Act must submit a written application stating the following particulars to the Commissioner of the Japan Patent Office, together with a document evidencing that the applicant falls under the requirements set forth in item (i) or item (ii) of Article 16:

- (i) the name, and the address or residence of the applicant;
- (ii) an indication of the international application for the invention for which the application is filed; and
- (iii) the applicant's intention to receive a reduction in fees for the international application.

(2) If a written application as set forth in the preceding paragraph has been submitted, the Commissioner of the Japan Patent Office is to reduce the amount of fees under Article 2, paragraph (2), item (i) and item (iii) of the Order for Enforcement of the Act on International Applications under the

Patent Cooperation Treaty (Cabinet Order No. 291 of 1978) by the equivalent to two-thirds of those fees.

- (3) If there is a fraction of less than 10 yen in the amount of the fees for to the international application as calculated pursuant to the provisions of the preceding paragraph, that fraction is to be discarded.

(Decisions of Support by the Innovation Network Corporation of Japan)

Article 20 The contribution specified by Cabinet Order as set forth in the proviso to Article 99, paragraph (2) of the Act is the contribution that falls under all of the following items:

- (i) the contribution is 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 contribution is not more than 1,000,000,000 yen (or, the sum of the amount of the contribution already made and the contribution to be made is not more than 1,000,000,000 yen, if the Innovation Network Corporation of Japan has already made a contribution (limited to a contribution 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 support for specified business activities (meaning the support for specified business activities prescribed in Article 91, paragraph (1) of the Act) with regard to specified business activities (meaning the specified business activities prescribed in Article 2, paragraph (18) of the Act) for the support for specified business activities); and
- (iii) the sum of the amount of the contribution and the amount of the contribution already made by the Innovation Network Corporation of Japan (excluding the contribution 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.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act in Relation to Start-Up-related Guarantees)

Article 21 The insurance relationships of unsecured insurance designated by Cabinet Order as prescribed in Article 115, paragraph (4) of the Act are those regarding the guarantee of obligations prescribed in Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (excluding the guarantees of obligations prescribed in Acts other than the same Act and the management stabilization-related guarantee prescribed in Article 12 of the same Act), those regarding the start-up, etc.-related guarantee prescribed in

Article 4, paragraph (1) of the Act for Facilitating New Business Activities of Small and Medium-Sized Enterprises (Act No. 18 of 1999) and those regarding the start-up-related guarantee prescribed in Article 115, paragraph (1) of the Act, and the limit designated by Cabinet Order set forth in paragraph (4) of the same Article is 80,000,000 yen.

Article 22 The rate specified by Cabinet Order as set forth in Article 115, paragraph (5) of the Act is 0.29% (or 0.25% in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowing.

Article 23 Deleted

(Organization of the Small and Medium-Sized Enterprise Revitalization Support Councils)

Article 24 (1) A Small and Medium-sized Enterprise Revitalization Support Council (hereinafter referred to as the "Council" in this Article and Article 27) must have five or more Council members.

(2) The Council has a chairperson, for whom the Council members vote from among themselves.

(3) The chairperson presides over the affairs of the Council.

(4) The Council must designate, in advance, a Council member to undertake the duties of the chairperson in the event that the chairperson is unable to perform their duties.

(5) A Council secretariat is established in an approved support institution (meaning the approved support institution prescribed in Article 127, paragraph (2) of the Act; the same applies in Article 26 and Article 27).

(Term of Office of Council Members)

Article 25 (1) The term of office of Council members is three years; provided, however, that the term of office of a Council member chosen to fill a vacancy is the remaining term of office of their predecessor.

(2) Council members may be reappointed.

(Dismissal of Council Members)

Article 26 (1) The head of an approved support institution must dismiss a Council member if the relevant member has received an order for the commencement of bankruptcy proceedings or has been subject to a sentence heavier than imprisonment without work.

(2) The head of an approved support institution may dismiss any Council member if the relevant head considers that the member is unable to perform duties

owing to a mental or physical disorder, that the member has acted contrary to their duties, or that the behavior of the member is not appropriate as a Council member.

(Quorums and Methods of Resolution)

Article 27 (1) The Council may neither meet nor vote unless a majority of the total of the Council members and the head of the relevant approved support institution is present at the meeting.

(2) A resolution by the Council is to be made by a majority of the votes of the Council members and the head of the relevant approved support institution present at the meeting. In case of a tie, the chairperson makes the final decision.

(Scope of Investment Limited Partnerships to Which the Organization for Small & Medium Enterprises and Regional Innovation Makes Contributions)

Article 28 (1) An investment limited partnership specified by Cabinet Order as set forth in Article 133, item (i) of the Act is that which has pledged to operate the whole or part of the businesses set forth in the items of Article 3, paragraph (1) of the Investment Limited Partnership Act (Act No. 90 of 1998) to a person set forth in the following items:

(i) the approved business implementing corporate restructuring prescribed in Article 24, paragraph (1) of the Act, or the approved business implementing special corporate restructuring prescribed in Article 126, paragraph (1) of the Act;

(ii) businesses that implement corporate restructuring and fall under either of the following:

(a) the percentage of the amount set forth in any of the following 1. to 3. against the amount of net assets as of the final day of the previous business year exceeds two percent:

1. the amount of net loss that arose in the previous business year;
2. the total amount of net loss that arose in each business year during a period from any of the three business years preceding the previous business year to the previous business year; or
3. the amount of deficit as of the final day of the previous business year; or

(b) the amount of liabilities exceeds the amount of assets on the balance sheet as of the final day of the previous business year; or

(iii) related businesses of those businesses set forth in the preceding two items.

(2) The method for calculating the amounts of net assets, net loss and deficits prescribed in item (ii), (a) of the preceding paragraph, and the amounts of liabilities and assets prescribed in (b) of the same item is specified by Order of the Ministry of Economy, Trade and Industry.

Supplementary Provisions

(Effective Date)

Article 1 This Cabinet Order comes into effect as of the date of enforcement of the Act (January 20, 2014); provided, however, the provisions of Articles 16 through 19 and the provisions amending Article 57 of the Order for Organization of Ministry of Economy, Trade and Industry (Cabinet Order No. 254 of 2000) in Article 13 of the Supplementary Provisions come into effect as of the date of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions of the Act (April 1, 2014).

(Repeal of the Order for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities)

Article 2 The Order for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Cabinet Order No. 258 of 1999) is abolished.

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

Article 3 The provisions of Article 9 of the Order for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities prior to the repeal under the preceding Article (hereinafter referred to as the "Former Order for Enforcement of the Industrial Revitalization Act" in this Article, the following Article, and Article 5 of the Supplementary Provisions) (those provisions exclude excluding the row of Article 16, paragraph (3) and the row of Article 22, paragraph (3) of the table of Article 9) remain in force even after the enforcement of this Cabinet Order, with respect to business operations of the Japan Finance Corporation Act (referred to as the "JFC" in the following Article) in relation to compensation for losses set forth in Article 24-2, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to as the "Former Industrial Revitalization Act" in the following Article and Article 5 of the Supplementary Provisions) prior to the repeal under Article 4 of the Supplementary Provisions of the Act, which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the Act. In this case, the phrase "Article 24-2, paragraph (2) of the Act" in Article 9 of the Former Order for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "Article 24-2, paragraph (2) of the Act on Special Measures Concerning Revitalization of

Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the same Act"; the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" in the row of Article 21, paragraph (1), item (ii) of the table of Article 9 of the Former Order for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to as the "Former Industrial Revitalization Act" in Article 22, paragraph (1)) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the same Act"; and the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" in the row of Article 22, paragraph (1) of the same table is deemed to be replaced with "the Former Industrial Revitalization Act".

(Transitional Measures Concerning the JFC's Business Operations to Facilitate Business Reconstruction Promotion)

Article 4 The provisions of Article 11 of the Former Order for Enforcement of the Industrial Revitalization Act remain in force even after the enforcement of this Cabinet Order, with respect to the JFC's business operations to facilitate business reconstruction promotion prescribed in Article 24-3, paragraph (1) of the Former Industrial Revitalization Act, which is to remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the Act. In this case, in the same Article, the phrase "Article 24-3, paragraph (1) of the Act" is deemed to be replaced with "Article 24-3, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the same Act"; and the phrase "Article 24-3, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is deemed to be replaced with "Article 24-3, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force

pursuant to the provisions of Article 13 of the Supplementary Provisions of the same Act".

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

Article 5 The provisions of Article 14 of the Former Order for Enforcement of the Industrial Revitalization Act remain in force even after the enforcement of this Cabinet Order, with respect to the business operations to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act, which is to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the Act, which are to be undertaken by designated financial institutions prescribed in the same paragraph. In this case, in the same Article, the phrase "Article 24-5, paragraph (1) of the Act" is deemed to be replaced with "Article 24-5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; hereinafter referred to as the "Former Industrial Revitalization Act" in this Article) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the same Act"; the phrase "Article 24-7, paragraph (1) of the Act" is deemed to be replaced with "Article 24-7, paragraph (1) of the Former Industrial Revitalization Act"; the phrase "Article 24-10 of the Act" is deemed to be replaced with "Article 24-10 of the Former Industrial Revitalization Act"; the phrase "Article 24-12, paragraph (1) of the Act" is deemed to be replaced with "Article 24-12, paragraph (1) of the Former Industrial Revitalization Act"; and the phrase "Article 24-11, paragraph (1) of the Act" is deemed to be replaced with "Article 24-11, paragraph (1) of the Former Industrial Revitalization Act".

(Partial Amendment of the Order for Enforcement of the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 6 The Order for Enforcement of the Small and Medium-Sized Enterprise Credit Insurance Act is partially amended as follows.

In Article 2, paragraph (4), the phrase "guarantee of obligations pertaining to the provisions of Article 46 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be deleted; the phrase "and the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of

Shopping Districts" is to be altered to ", the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts"; and after the phrase "(Act No. 80 of 2009)", the phrase "and guarantee of obligations pertaining to the provisions of Article 116 or Article 132 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)" is to be added.

(Partial Amendment of the Order for Enforcement of the Act on Special Measures Concerning Taxation)

Article 7 The Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957) is partially amended as follows.

In the title of Article 42-6, the phrase "Structural Changes to the Businesses" is to be altered to "Corporate Restructuring"; in paragraph (1) of the same Article, the phrase "structural changes to the businesses prescribed in Article 80, paragraph (1) of the Act" is to be altered to "corporate restructuring prescribed in Article 80, paragraph (1) of the Act"; the phrase "the following out of the structural changes to the businesses prescribed in Article 2, paragraph (4), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) that are undertaken by" is to be altered to "the corporate restructuring prescribed in Article 2, paragraph (11) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) in which the structural changes to all or part of the businesses are made, through any of the following out of the measures set forth in Article 80, paragraph (1), item (i), (a) to (m) of the Act, by"; the phrase "in item (i)" is to be altered to "in item (vii)"; and the items of the same paragraph are to be amended as follows:

- (i) merger;
- (ii) company split;
- (iii) share exchange;
- (iv) share transfer;
- (v) acceptance or transfer of business or assets
- (vi) receipt of contributions;
- (vii) acquisition of shares or equity in another company (limited to cases in which the company is to become an affiliated business through the acquisition); or
- (viii) establishment or liquidation of a company.

In Article 42-6, paragraph (2), the phrase "approved corporate restructuring plans, approved management resource reutilization plans, approved management resource integration plans, approved resource productivity innovation plans" is to be altered to "approved business restructuring plans, approved specified corporate restructuring plans"; and in paragraph (3) of the

same Article, the phrase "Article 80, paragraph (2)" is to be altered to "Article 80, paragraph (3)".

(Partial Amendment of the Order for Enforcement of the Corporation Tax Act)
Article 8 The Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965) is partially amended as follows.

In Article 5, paragraph (1), item (iii), (c), the phrase "item (xii) and item (xiv)" is to be altered to "item (xi) and item (xiii)".

(Partial Amendment of the Order for Enforcement of the Act to Facilitate Technology Transfer from Universities to the Private Sector)
Article 9 (1) The Order for Enforcement of the Act to Facilitate Technology Transfer from Universities to the Private Sector (Cabinet Order No. 265 of 1998) is partially amended as follows.

The title of Article 14 is to be altered to "(Reduction in Fees for Requests for Application Examination for Those Who Have Obtained Approval Set forth in Article 13, paragraph (1) of the Act)" and the same Article is to be altered to Article 18.

The title of Article 13 is to be altered to "(Procedures for Reduction in Fees for Requests for Application Examination for Those Who Have Obtained Approval Set forth in Article 13, paragraph (1) of the Act)"; in paragraph (1), item (ii) of the same Article, the phrase "number" is to be altered to "indication"; and the same Article is to be altered to Article 17.

The title of Article 12 is to be altered to "(Reduction in Patent Fees for Those Who Have Obtained Approval Set forth in Article 13, paragraph (1) of the Act)"; in the same Article, the phrase "(Act No. 121 of 1959)" is to be deleted; and the same Article is to be altered to Article 16.

The title of Article 11 is to be altered to "(Procedures for Reduction in Patent Fees for Those Who Have Obtained Approval Set forth in Article 13, paragraph (1) of the Act)"; the same Article is to be altered to Article 15; Article 10 is to be altered to Article 14; and Article 5, Article 6, Article 7, Article 8 and Article 9 are to be altered to Article 9, Article 10, Article 11, Article 12 and Article 13, respectively.

The title before Article 4 is to be deleted; in the same Article, the phrase "(Cabinet Order No. 20 of 1960)" is to be deleted; the same Article is to be altered to Article 8; and the title "(Special Provisions Concerning Fees)" is to be added before the same Article.

Article 3 is to be altered to Article 7, and the following four Articles are to be added after Article 2.

(Procedures for Reduction in Patent Fees in Relation to Accredited TLOs)

Article 3 An accredited TLO prescribed in Article 5, paragraph (2) of the Act that intends to receive a reduction in patent fees pursuant to the provisions of Article 8, paragraph (1) of the Act must submit a written application stating the following particulars to the Commissioner of the Japan Patent Office:

- (i) the name, and the address or residence of the applicant;
 - (ii) the filing number of the patent application or the number of the patent;
 - and
 - (iii) the applicant's intention to receive a reduction in patent fees.
- (2) A document evidencing that the patent application or the patent right is related to the undertaking of specified university technology transfer prescribed in Article 2, paragraph (1) of the Act must be attached to the written application set forth in the preceding paragraph.

(Reduction in Patent Fees in Relation to Accredited TLOs)

Article 4 If a written application set forth in paragraph (1) of the preceding Article has been submitted, the Commissioner of the Japan Patent Office is to reduce the amount of patent fees for each year from the first to the tenth year pursuant to the provisions of Article 107, paragraph (1) of the Patent Act (Act No.121 of 1959) by the equivalent to half of those patent fees.

(Procedures for Reduction in Fees for Requests for Application Examinations in Relation to Accredited TLOs)

Article 5 (1) An accredited TLO prescribed in Article 5, paragraph (2) of the Act that intends to receive a reduction in fees for a request for examination of the application pursuant to the provisions of Article 8, paragraph (2) of the Act must submit a written application stating the following particulars to the Commissioner of the Japan Patent Office:

- (i) the name, and the address or residence of the applicant;
 - (ii) indication of the patent application;
 - (iii) the applicant's intention to receive a reduction in fees for a request for examination of the application.
- (2) A document evidencing that the patent application is related to the undertaking of specified university technology transfer prescribed in Article 2, paragraph (1) of the Act must be attached to the written application set forth in the preceding paragraph.

(Reduction in Fees for Requests for Application Examinations in Relation to Accredited TLOs)

Article 6 If a written application set forth in paragraph (1) of the preceding Article has been submitted, the Commissioner of the Japan Patent Office is to

reduce the amount of fees for requesting an examination of the application which is calculated pursuant to the provisions of item (vi) of the table of Article 1, paragraph (2) of the Order for the Patent Act and Other Related Fees (Cabinet Order No. 20 of 1960) by the equivalent to half of those fees.

In Appended Table 1, the phrase "Re. Article 3" is to be altered to "Re. Article 7".

In Appended Table 2, the phrase "Re. Article 10" is to be altered to "Re. Article 14".

(Partial Amendment of the Order for Enforcement of the Act for Facilitating New Business Activities of Small and Medium-Sized Enterprises)

Article 10 The Order for Enforcement of the Act for Facilitating New Business Activities of Small and Medium-Sized Enterprises (Cabinet Order No. 201 of 1999) is partially amended as follows.

In Article 5, the phrase "Article 33, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "Article 115, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Partial Amendment of the Cabinet Order for Partial Amendment of the Order for Enforcement of the Act on Special Measures Concerning Taxation)

Article 11 The Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 169 of 2013) is partially amended as follows.

Article 40-8, paragraph (36) is to be altered to paragraph (35) of the same Article; paragraph (37) of the same Article is to be altered to paragraph (36) of the same Article; and in the provisions adding one paragraph after the same paragraph, the phrase "Article 42, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "Article 128, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

Article 40-8-2, paragraph (47) is to be altered to paragraph (48) of the same Article; paragraph (46) of the same Article is to be altered to paragraph (47) of the same Article; the provisions of paragraph (45) of the same Article are to be altered, and the same paragraph is to be altered to paragraph (46) of the same Article; and in the provisions adding one paragraph after paragraph (44) of the same Article, the phrase "Article 42, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 128, paragraph (1) of the Act on Strengthening Industrial Competitiveness".

In the provisions amending Article 42-6, paragraph (1), the phrase "(Act No. 131 of 1999)" is to be altered to "(Act No. 98 of 2013)".

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

Article 12 The Cabinet Order for Partial Amendment of the Order for Enforcement of the Act on Temporary Special Provisions for Acts Related to National Tax, in Relation to Victims, etc. of the Great East Japan Earthquake (Cabinet Order No. 170 of 2013) is partially amended as follows.

The provisions of Article 29-4, paragraph (8) are to be altered, and the same paragraph is to be altered to paragraph (9) of the same Article; the provisions of paragraph (7) of the same Article are to be altered, and the same paragraph is to be altered to paragraph (8) of the same Article; paragraph (3), paragraph (4), paragraph (5) and paragraph (6) of the same Article are to be altered to paragraph (4), paragraph (5), paragraph (6) and paragraph (7), respectively; and in the provisions adding one paragraph after paragraph (2) of the same Article, the phrase "Article 42, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "Article 128, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Partial Amendment of the Order for Organization of Ministry of Economy, Trade and Industry)

Article 13 The Order for Organization of Ministry of Economy, Trade and Industry is partially amended as follows.

In Article 26, item (ii), the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

In Article 57, the phrase "affairs concerning the Act to Facilitate Technology Transfer from Universities to the Private Sector (Act No. 52 of 1998)" is to be altered to "the following affairs"; and the following items are to be added to the same Article.

- (i) affairs concerning the implementation of the Act to Facilitate Technology Transfer from Universities to the Private Sector (Act No. 52 of 1998); and
- (ii) affairs concerning programs for supporting the utilization of specified research results prescribed in Article 2, paragraph (7) of the same Act out of the affairs concerning the enforcement of the Act on Strengthening Industrial Competitiveness.

(Partial Amendment of the Small and Medium-Sized Enterprise Policy Making

Council Order)

Article 14 The Small and Medium-Sized Enterprise Policy Making Council Order (Cabinet Order No. 295 of 2000) is partially amended as follows.

In item (ii) of the row of the Committee on SME Business Support in the table of Article 5, paragraph (1), the phrase "Article 40, paragraph (4) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be deleted; and the phrase "and Article 3, paragraph (3) of the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts (Act No. 80 of 2009)" is to be altered to ", Article 3, paragraph (3) of the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts (Act No. 80 of 2009), and the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".