

Order for Enforcement of the National Land Use Planning Act

(Cabinet Order No. 387 of December 20, 1974)

The Cabinet hereby enacts this Cabinet Order pursuant to the provisions of Article 5, paragraph (1), Article 7, paragraph (1), Article 8, paragraph (1), Article 9, paragraph (2) and paragraph (14), Article 14, paragraph (1) and paragraph (2), Article 16, paragraph (1), item (i) and item (ii), Article 18, Article 19, paragraph (2), Article 23, paragraph (2), item (iii), Article 24, paragraph (1), item (i), Article 28, paragraph (1), Article 32, paragraph (1), Article 33, Article 40, Article 42, Article 45 of the National Land Use Planning Act (Act No. 92 of 1974), and Article 2, paragraph (1) of the Supplementary Provisions.

(Matters Specified in National Plans, Prefectural Plans, and Municipal Plans)

Article 1 (1) National Plans referred to in Article 5, paragraph (1) of the National Land Use Planning Act (hereinafter referred to as the "Act") is to specify the following matters:

- (i) basic concept of national land use;
 - (ii) the areas targeted for their respective land use types according to the purpose of national land use and the outline thereof by area;
 - (iii) outline of the measures necessary for achieving the matters set forth in the preceding item.
- (2) In the case where a prefectural government establishes a Prefectural Plan referred to in Article 7, paragraph (1) of the Act, the plan is to specify the matters set forth in the items of the preceding paragraph with regard to the national land use in areas in the prefecture.
- (3) In the case where a municipal government establishes a Municipal Plan referred to in Article 8, paragraph (1) of the Act, the plan is to specify the matters set forth in the items of paragraph (1) with regard to the national land use in areas in the municipality.

(Land Use Master Plans)

Article 2 A land use master plan referred to in Article 9, paragraph (1) of the Act is to specify the areas set forth in the items of paragraph (2) of that Article using a topographical map at a scale of 1:50,000.

Article 3 Minor revisions specified by Cabinet Order referred to in Article 9, paragraph (14) of the Act are; revisions due to changes in names of municipalities, establishment of new towns or sections (Aza) or abolishment of

towns or sections (Aza) in municipal area, or changes in municipal areas or area names, or changes in lot numbers.

(Notice to the Registry Office Pertaining to Designation of a Regulated Area)

Article 4 Having issued a public notice under Article 12, paragraph (3), paragraph (8), or paragraph (12) (including as applied mutatis mutandis pursuant to paragraph (15) of that Article) of the Act, a prefectural governor must give a notice on the matters pertaining to the public notice to the registry office having jurisdiction over the area pertaining to the public notice, without delay.

(Rights to Use and Profit)

Article 5 Rights to use and profit specified by Cabinet Order referred to in Article 14, paragraph (1) of the Act are; a superficies right and a right of lease of land.

(Cases Not Requiring Permission for Transfer of a Right on Land)

Article 6 Cases specified by Cabinet Order referred to in Article 14, paragraph (2) of the Act are as follows:

- (i) in case of purchasing a right on land based on a request for purchase under Article 19, paragraph (1) of the Act (hereinafter referred to as a "request for purchase");
- (ii) in case of a settlement under the Code of Civil Procedure (Act No. 109 of 1996);
- (iii) in case of going through the procedures by obtaining permission from the court pursuant to the provisions of Chapter 5 or Chapter 7-2 of the Deposit Insurance Act (Act No. 34 of 1971), Chapter 6 of the Agricultural and Fisheries Cooperative Savings Insurance Act (Act No. 53 of 1973), Part II, Chapter 10, Section 2 of the Insurance Business Act (Act No. 105 of 1995), the Act on Special Measures for the Reorganization Proceedings of Financial Institutions (Act No. 95 of 1996), the Act on Emergency Measures for the Revitalization of the Financial Functions (Act No. 132 of 1998), the Civil Rehabilitation Act (Act No. 225 of 1999), the Act on Special Provisions Concerning the Rehabilitation Proceedings of Agricultural and Fisheries Cooperatives (Act No. 95 of 2000), the Act on Recognition of and Assistance for Foreign Insolvency Proceedings (Act No. 129 of 2000), the Corporate Reorganization Act (Act No. 154 of 2002), the Bankruptcy Act (Act No. 75 of 2004) or Part II, Chapter 9 or Part III, Chapter 8 of the Companies Act (Act No. 86 of 2005);
- (iv) in the case where permission under Article 27, paragraph (1) of the Public Waters Reclamation Act (Act No. 57 of 1921) is required;

- (v) in the case where a contract is concluded through conciliation under the Domestic Relations Case Procedure Act (Act No. 52 of 2011);
- (vi) in the case where a contract is concluded based on arrangement under Article 15-2 of the Land Expropriation Act (Act No. 219 of 1951) or in the case of a settlement under Article 50 of the same Act;
- (vii) in the case where permission under Article 3, paragraph (1) of the Cropland Act (Act No. 229 of 1952) is required (including the cases set forth in the items of that paragraph if the cases are specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism);
- (viii) in case of disposing of a facility used for land development, etc. according to the New Housing and Urban Development Act (Act No. 134 of 1963) and a disposal plan for which permission referred to in Article 22, paragraph (1) of that Act or consent referred to in paragraph (2) of that Article has been obtained pursuant to the provisions of Article 30, paragraph (1) of that Act;
- (ix) in case of disposing of a facility site according to the New Urban Infrastructure Act (Act No. 86 of 1972) and a disposal plan for which consent referred to in Article 45, paragraph (1) of that Act has been obtained pursuant to the provisions of Article 48, paragraph (1) of that Act;
- (x) in case of a sale through disposition of delinquency, compulsory execution, or through auction by exercising security rights (including an auction governed by rules for mortgage), or exercise of an enterprise mortgage;
- (xi) in the case where emergency measures required for natural disaster are taken (limited to the case where approval from the mayor of the municipality where the land is located is granted);
- (xii) in the case where an area is designated as a regulated area pursuant to the provisions of Article 12, paragraph (1) of the Act, if a notification under Article 27-4, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act) has been filed for land pertaining to the designated area, and a contract for land transaction contract is concluded without changing the information pertaining to the notification, such as the estimated purchase price for a right on land to be transferred or established (meaning a change in the estimated purchase price for transfer or establishment of a right on land (excluding a purchase price reduction) and a change of the purpose of land use after a right on land is transferred or established; the same applies hereinafter).

(Calculation of Fair Price for Rights on Land)

Article 7 (1) A fair price for a right on land pertaining to a request for permission referred to in Article 14, paragraph (1) of the Act (hereinafter referred to as a "request for permission") on the issue date of a public notice under Article 12, paragraph (3) of the Act (hereinafter referred to as a "public

notice on the designation of a regulated area"), is to be calculated as follows, by taking into account the transaction prices of similar lots of land in the neighboring area pursuant to the provisions of Article 16, paragraph (1), item (i) of the Act:

(i) in the case where a right on land pertaining to the request for permission is the ownership of a residential lot, a fair price for the ownership is calculated based on the method prescribed in (a) or (b) according to the cases prescribed in (a) or (b) below respectively:

(a) the case where the land pertaining to the application for permission is located in a certain range within an area, out of a district forming an urban area, for which the status of use is considered to be stable and which contains a lot selected pursuant to the provisions of Article 9, paragraph (1) (hereinafter referred to as a "benchmark lot"), and the usefulness of the land is similar to the usefulness of that benchmark lot, at the time of the public notice on the designation of the regulated area (excluding the case where the land has a unique shape or otherwise falls under the mode specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism): the amount obtained by multiplying the price per unit area of the assessed value of fixed assets tax (meaning the price registered in the land tax ledger or supplemental land tax ledger pursuant to the provisions of Article 381, paragraph (1) or paragraph (2) of the Local Tax Act (Act No. 226 of 1950) at the time of the public notice on the designation of the regulated area; the same applies hereinafter) of the land pertaining to the application for permission by the amount obtained by dividing the standard price at the time of designation (meaning the price after adjustments of the standard price, which was determined pursuant to the provisions of Article 9, paragraph (1), while taking into account socioeconomic circumstances corresponding to fluctuations in land prices during the period from the base date of that standard price to the time of the public notice on the designation of the regulated area; the same applies hereinafter) pertaining to that benchmark lot by the price per unit area of the assessed value of fixed assets tax of that benchmark lot, and then further multiplying by the square measure of the land pertaining to the application for permission;

(b) in cases other than the case set forth in (a): the amount calculated using the method prescribed in 1. or 2. below:

1. the amount calculated based on the standard land price for benchmark lots on the day when regulated area was designated, which is calculated based on the results of a comparison between the land pertaining to the request for permission and one or two or more benchmark lots, which are deemed to have a potential similar to the

land on the issue date of the public notice on the designation of the regulated area, in terms of factors that affect the objective value of the land, such as the locations, acreage and surrounding environments, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism;

2. if it is difficult to calculate the amount by making a comparison with the standard price of the benchmark lots at the time when those were designated pursuant to the provisions of 1. above, the amount calculated by taking into account an estimated price calculated based on transaction prices of similar lots in the neighboring area at the time when the public notice on the designation of the regulated area is issued, an estimated price calculated based on a land rent, etc. of similar lots in the neighboring area at that time, and the estimated development cost for land having an equivalent potential at that time;
- (ii) in the case where a right on land pertaining to the request for permission is the ownership of forest land, a fair price for the ownership is the amount calculated as prescribed in (a) or (b) below in accordance with the cases prescribed in (a) or (b) below respectively:
 - (a) in the case where there is a benchmark lot that is considered having a potential similar to that of the land pertaining to the request for permission at the time when the public notice on the designation of the regulated area is issued: the amount obtained by making a comparison pursuant to the provisions of (b), 1. of the preceding item;
 - (b) in cases other than the case set forth in (a): the amount calculated by taking into account an estimated price calculated based on transaction prices of similar lots in the neighboring area at the time when the public notice on the designation of the regulated area is issued and an estimated price calculated based on a land rent, etc. of similar lots in the neighboring area at that time;
- (iii) in the case where a right on land pertaining to the request for permission is the ownership of land other than residential land and forest land, a fair price for the land ownership is the amount calculated in accordance with the cases prescribed in (a) or (b) below respectively:
 - (a) if there is a benchmark lot that is considered having a potential similar to that of the land pertaining to the request for permission at the time when the public notice on the designation of the regulated area is issued: the amount obtained by making a comparison pursuant to the provisions of item (i), (b), 1.;
 - (b) in cases other than the case set forth in (a): the amount calculated by taking into account an estimated price calculated based on transaction prices of similar lots in the neighboring area at the time when the public

notice on the designation of the regulated area is issued, an estimated price calculated based on a land rent, etc. of similar lots in the neighboring area at that time, and estimated development cost for land having an equivalent potential at that time (if it is difficult to obtain an estimated price and estimated cost, the amount calculated based on the amount calculated by taking into account the amount calculated pursuant to the provisions of item (i) by considering the land pertaining to the request for permission as a residential lot at that time, the amount calculated based on an estimated amount calculated based on the cost for developing the land into buildable lots, etc., the amount of buildable lots or forest land in the neighboring area at that time calculated pursuant to the provisions of the preceding two items, or an estimated price, etc. for cropland or meadow/pastureland at that time calculated based on transaction prices of similar lots in the neighboring area pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism);

- (iv) in the case where a right on land pertaining to the request for permission is the ownership of land so as to obtain a right to use land and profit therefrom, a fair price for the ownership is the amount calculated by taking into account an estimated price calculated based on transaction prices of similar lots in the neighboring area pertaining to the same type of right at the time when the public notice on the designation of the regulated area is issued, and an estimated price calculated based on a land rent, etc. pertaining to the same type of right at that time, in accordance with the rent, key money, duration of the right and other contract details pertaining to the same type of right at that time and a ratio of the land leasehold right (meaning the ratio of the price for a land lease right to the price for an ownership of land pertaining to the land lease right (meaning the price considered to be the normal price that is determined without a land lease right); the same applies hereinafter) that is considered customary in the area including the land pertaining to the request for permission at that time, notwithstanding the provisions of the preceding three items;
- (v) in the case where a right on land pertaining to the request for permission is a superficies right or a lease right concerning land, a fair price for the right is the amount calculated by taking into account an estimated price calculated based on transaction prices for the same type of right for the similar lots in the neighboring area at the time when the public notice on the designation of the regulated area is issued, and an estimated price calculated based on a land rent, etc. for the same type of right at that time, in accordance with the rent, key money, duration of right and other contract details pertaining to the same type of right at that time and the ratio of the land lease right that is considered customary in the area including the land pertaining to the

- request for permission at that time;
- (vi) in the case where a right on land pertaining to the request for permission is obtained to acquire an ownership, a superficies right or a lease right concerning land, a fair price of the right is the amount calculated pursuant to the provisions of the preceding items in accordance with the land ownership pertaining to the acquisition, the type of the land pertaining to the ownership, and the categories of superficies right and lease right concerning the land.
- (2) In the case where the land pertaining to a request for permission is located in a tract of land whose square measures, shapes, etc. meet the requirements specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, and if a large number of owners of the tract of land have filed an request for permission simultaneously, a tract of land is divided into groups of areas having similar land category, landform, or other conditions so as to select standard lots based on their respective conditions, a fair price for an ownership of land pertaining to the request for permission in the area including the selected lots on the issue date of the public notice on the designation of the regulated area is able to be calculated based on the prices of selected lots calculated pursuant to the provisions of item (i) through item (iii) of the preceding paragraph, notwithstanding the provisions of the preceding paragraph.
- (3) In the case where it is considered that the conditions of the land pertaining to a request for permission or the circumstances in the surrounding area have changed significantly from those at the time when the public notice on the designation of the regulated area is issued (excluding the case where a person has special circumstances specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism), a fair price for a right on land pertaining to the request for permission at the time when the public notice on the designation of the regulated area is issued, that is calculated by taking into account the transaction prices of similar lots in the neighboring area, is to be calculated provided that the conditions of the land remain unchanged and the circumstances in the surrounding area remain unchanged from the filing date of the request for permission, by applying the provisions of the preceding two paragraphs. In this case, the term "is the amount calculated" in paragraph (1) is deemed to be replaced with the "amount calculated (if the cost for developing residential lots, etc. has been borne after the public notice on the designation of the regulated area was issued, the cost will be deducted)"; and the term a "person is able to calculate" the amount in the preceding paragraph" is deemed to be replaced with a "person is able to calculate the amount. In this case, if the cost for developing residential lots has been borne thereafter, the cost will be deducted when calculating a fair price at that time." respectively

(4) The estimated price or the estimated cost referred to in paragraph (1), item (i), (b), 2., item (ii), (b), item (iii), (b), item (iv) or item (v) are obtained pursuant to the following provisions and the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism:

- (i) when transaction prices or a land rent, etc. of similar lots in the neighboring area are considered prices formed by a speculative transaction, transaction for using the land for special usage, or other special circumstances, measures to correct the situation is to be taken;
- (ii) when transaction prices or a land rent, etc. of similar lots in the neighboring area are those evaluated prior to the issue date of public notice on the designation of the regulated area, and it is considered that land prices have changed by that time, the prices are to be adjusted by taking into account socioeconomic circumstances in response to the price fluctuations.

(Price Calculation for Ownership of Land Based on Posted Price)

Article 8 (1) Price for an ownership of the land pertaining to a request for permission at the time when a public notice on the designation of a regulated area is issued, is calculated based on the posted price under Article 6 of the Land Price Announcement Act (Act No. 49 of 1969) (hereinafter referred to as the "posted price"), pursuant to the provisions of Article 16, paragraph (1), item (i) of the Act, which is conducted as follows:

- (i) in the case where the land pertaining to the request or permission is a residential lot, a price for an ownership of the land is calculated based on the amount obtained by making a comparison between the land pertaining to the request for permission and one or two or more standard lots (meaning standard lots prescribed in Article 2, paragraph (1) of the Land Price Announcement Act; the same applies hereinafter) or benchmark lots, which are considered having a potential similar to that of the land at the time when the public notice on the designation of the regulated area is issued, in terms of factors that affect the objective value of the land, such as the locations, acreages and surrounding environments, and then, by using the comparison results to make a comparison with the posted price at the time when those standard lots are designated (meaning the price after the posted price are adjusted by taking into account socioeconomic circumstances in response to fluctuations in land prices during the period from the base date of that posted price to the issue date of the public notice on the designation of the regulated area; the same applies hereinafter) or the standard price at the time when those benchmark lots are designated, or the amount calculated pursuant to the provisions of paragraph (1), item (i), (b), 2. of the preceding Article so as to strike a balance between the price and the posted price or the standard price at the time when one or two or more standard lots or

- benchmark lots are designated, which are considered having a potential similar to that of the land at the time when the public notice on the designation of the regulated area is issued, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism;
- (ii) in the case where the land pertaining to the request for permission is land other than residential land and forest land, a price for an ownership of the land is calculated based on the amount calculated pursuant to the provisions of paragraph (1), item (iii) of the preceding Article so as to strike a balance between these prices and the posted price or standard price at the time when one or two or more standard lots or benchmark lots were designated, which are considered having a potential similar to that of the land at the issue date of the public notice on the designation of the regulated area;
- (iii) in the case where land pertaining to the request for permission is land pertaining to a right to use land and profit therefrom (excluding forest land), a price for an ownership of the land is calculated based on the amount calculated pursuant to the provisions of paragraph (1), item (iv) of the preceding Article so as to strike a balance between the price and the posted price or standard price at the time when one or two or more standard lots or benchmark lots are designated, which are considered having a potential similar to that of the land at the issue date of the public notice on the designation of the regulated area, notwithstanding the provisions of the preceding two items.
- (2) The provisions of paragraph (2) and paragraph (3) of the preceding Article apply mutatis mutandis to the case of calculating a price for an ownership of the land pertaining to a request for permission at the issue date of public notice on the designation of a regulated area, which is based on the posted price pursuant to the provisions of Article 16, paragraph (1), item (i) of the Act.

(Standard Price for Benchmark Lots)

- Article 9 (1) A prefectural governor is to select a lot where the land use and the environment, etc. is considered to be normal in area that is considered having a similar potential in terms of natural and social conditions (excluding regulated areas designated pursuant to the provisions of Article 12, paragraph (1) of the Act), request for annual appraisal of the selected lot by at least one real property appraiser, and to examine appraisal results, make necessary adjustments, and determine the standard price per unit area of that lot as of the base date specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.
- (2) The standard price referred to in the preceding paragraph is the price that is considered the normal transaction price of land in the case of land transactions without restrictions (excluding transactions of cropland or meadow/pastureland

(excluding those of land to be developed into other than cropland or meadow/pastureland)) (in the case where buildings or other fixtures are located on the land or a right to use and profit is established for the land, the price which is considered to be the normal price formed without these fixtures or the right).

- (3) When a prefectural governor intends to determine the standard price pursuant to the provisions of paragraph (1), if the benchmark lot pertaining to the standard price is located in an area announced to the public prescribed in Article 2, paragraph (1) of the Land Prices Public Announcement Act (excluding forest land), the governor is to calculate the standard price based on the posted price, and if the benchmark lot pertaining to the standard price is the forest land located in the area announced to the public or is located outside that area, the governor is to determine the standard price by taking into account an estimated price calculated based on transaction prices of similar lots in the neighboring area, an estimated price calculated based on a land rent, etc. of similar lots in the neighboring area, and the estimated cost for developing the land having an equivalent potential.
- (4) A prefectural governor is to obtain the estimated price or the estimated cost referred to in the preceding paragraph pursuant to the following provisions and the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism:
 - (i) when transaction prices or a land rent, etc. of similar lots in the neighboring area are considered the prices formed by a speculative transaction, a transaction for using the land for special usage, or other special circumstances, measures to correct the situation are to be taken;
 - (ii) when transaction prices or a land rent, etc. of similar lots in the neighboring area are those evaluated prior to the base date for determining the standard price, and it is considered that land prices have changed prior to that base date, price adjustments are to be made by taking into account socioeconomic circumstances corresponding to those fluctuations.
- (5) Having determined the standard price pursuant to the provisions of paragraph (1), a prefectural governor is to endeavor to make the location of the benchmark lot, the price per unit area of the benchmark lot, the base date for determining the price, and other matters considered to be necessary known to the public.

(Method of Calculating Adjustment Factors Corresponding to Fluctuations in Prices)

Article 10 The method to calculate adjustment factors prescribed in Article 16, paragraph (1), item (i) or Article 19, paragraph (2) of the Act is the method to calculate those by using the appended formula using the National Composite

Index (hereinafter referred to as the "National Composite Consumer Index) among the Consumer Price Index, which is prepared by the Statistics Bureau of Japan based on the results of surveys conducted for the Retail Price Index, which is fundamental statistics prescribed in Article 2, paragraph (4) of the Statistics Act (Act No. 53 of 2007), and the Investment Goods Index (hereinafter referred to as the "Investment Goods Index) among the Corporate Goods Price Index, which is prepared by the Bank of Japan based on the results of statistical surveys conducted by the bank by filing a notification pursuant to the provisions of Article 25 of that Act.

(Costs for Developing Residential Land)

Article 11 The costs for developing residential land specified by Cabinet Order referred to in Article 16, paragraph (1), item (i) of the Act are; costs of main construction works, costs of appurtenant works, costs of public facilities or facilities that serve the public interest pertaining to the development of residential land, etc. borne by constructors, costs to sell the residential lots, etc., general management fees required for the business, including residential property development business, as well as the amount of funds to pay these costs.

(Cases Specified by Cabinet Order Referred to in Article 16, Paragraph (1), Item (ii), (f) of the Act)

Article 12 The cases specified by Cabinet Order referred to in Article 16, paragraph (1), item (ii), (f) of the Act are as follows:

- (i) in the cases where land is used as an alternative lot of land by a person who sold a right on land; where land is used by a person whose right has been expropriated under the Land Expropriation Act or other Acts, or by a person who operates a business prescribed in Article 16, paragraph (1), item (ii), (a) of the Act or a person who engages in a business prescribed in (c) or (e) of that item for the purpose of operating their business, or where land is used by a person who establishes a facility prescribed in (d) of that item for the purpose of establishing the facility;
- (ii) in the case where the land is used as an alternative lot of land by a person who establish a business prescribed in Article 16, paragraph (1), item (ii), (a) of the Act or a person who operates a business prescribed in (c) or (e) of that item to operate their business, or by a person who establishes a facility prescribed in (d) of that item to establish a facility;
- (iii) in the case where, land is to be used by the national government, local governments, or corporations prescribed in Article 14 that establishes a business prescribed in Article 16, paragraph (1), item (ii), (a) of the Act, operates a business prescribed in (c) or (e) of that item, or establish a facility

prescribed in (d) of that item, for the purpose of using the land for their business or of establishing a facility on the land (limited to the case where it is considered that a right on land will be transferred without fail);

(iv) in the case where land is used as security for a claim or for the performance of obligations in conducting ordinary economic activities, or through the performance of obligations in conducting ordinary economic activities.

(Notice on Disposition to Grant or Not to Grant Permission)

Article 13 (1) Having taken a disposition under Article 14, paragraph (1) of the Act, a prefectural governor must notify the requestor of this with a written document stating the location and square measure of the land pertaining to the disposition, and other matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism, without delay. The same applies in the case where permission under Article 14, paragraph (1) of the Act is deemed to have been granted pursuant to the provisions of Article 17, paragraph (2) of the Act.

(2) Having given a notice under the preceding paragraph, a prefectural governor must notify a mayor of the municipality where the land is located of the matters pertaining to that notice, without delay.

(Corporations Specified by Cabinet Order Referred to in Article 18 of the Act)

Article 14 The corporations specified by Cabinet Order referred to in Article 18 of the Act are; port authorities, the Urban Renaissance Agency, the Japan Water Agency, the Organization for Small & Medium Enterprises and Regional Innovation, the Japan Railway Construction, Transport and Technology Agency, regional public housing corporations, the Japan Workers' Housing Association, the Organization for Environment Improvement around International Airport, regional public road corporations, and land development corporations.

(Request for Purchase of Rights on Land)

Article 15 A person who intends to file a request for purchase of a right on land must submit a request form stating the type and details of the right on land pertaining to the request for purchase, the location and square measure of the land, and other matters specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism to the prefectural governor, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism.

Article 16 (1) The provisions of Article 7, paragraph (1) through paragraph (3)

apply mutatis mutandis to the case where a fair price of the right on land pertaining to a request for purchase on the issue date of the public notice on designation of a regulated area is calculated, by taking into account transaction prices of similar lots in the neighboring area, pursuant to the provisions of Article 19, paragraph (2) of the Act. In this case, the term a "request for permission" in Article 7, paragraph (1) through paragraph (3) is deemed to be replaced with a "request for purchase".

- (2) The provisions of Article 7, paragraph (2) and paragraph (3) and Article 8, paragraph (1) apply mutatis mutandis to the case where a price for land ownership pertaining to a request for purchase on the issue date of the public notice on designation of a regulated area is calculated based on the posted price, pursuant to the provisions of Article 19, paragraph (2) of the Act. In this case, the term a "request for permission" in Article 7, paragraph (2) and paragraph (3), and Article 8, paragraph (1) is deemed to be replaced with a "request for purchase".
- (3) The provisions of Article 11 apply mutatis mutandis to the costs for developing residential lots borne by a person pertaining to a request for purchase.

(Mutatis Mutandis Application Regarding Oral Hearing)

Article 16-2 The provisions of Article 8 of the Order for Enforcement of the Administrative Complaint Review Act (Cabinet Order No. 391 of 2015) apply mutatis mutandis to oral hearing referred to in Article 20, paragraph (3) of the Act which is replaced pursuant to Article 2 of the that Order. In this case, the term "Order of the Ministry of Internal Affairs and Communications" in Article 8 of that Article is deemed to be replaced with "Order of the Ministry of Land, Infrastructure, Transport and Tourism".

(Cases Not Requiring Notification on the Purpose of Use After a Right on Land is Transferred or Established)

Article 17 The cases specified by Cabinet Order referred to in Article 23, paragraph (2), item (iii) of the Act are the cases where a contract for land transaction is concluded provided that the contract falls under any of the following cases:

- (i) cases set forth in Article 6, item (ii) through item (viii), item (x) or item (xi);
- (ii) cases where unused land is purchased pursuant to the provisions of Article 32 of the Act;
- (iii) a case where a right on land being used for business pertaining to a public notice on approval of business (including those deemed to be a public notice on approval of business pursuant to the provisions of the City Planning Act (Act No. 100 of 1968) or other Acts) under Article 26, paragraph (1) of the

- Land Expropriation Act (including as applied mutatis mutandis pursuant to Article 138, paragraph (1) of that Act), is transferred or established;
- (iv) a case where an ownership of land on which a right to use prescribed in Article 50, paragraph (1) of the Forest Act (Act No. 249 of 1951) has been established, is transferred based on consultations referred to in Article 55, paragraph (1) of that Act;
 - (v) a case where a person whose name has been publicized as a counterparty of the offer for purchase of land pursuant to the provisions of Article 55, paragraph (4) of the City Planning Act purchases the land pursuant to the provisions of Article 56, paragraph (1) of that Act;
 - (vi) a case where unused land is purchased pursuant to the provisions of Article 58-9 of the City Planning Act;
 - (vii) in a case where a request for permission for land located in the regulated area has been filed or permission under Article 14, paragraph (1) of the Act has been obtained, or permission under Article 14, paragraph (1) of the Act is deemed to have been obtained pursuant to the provisions of Article 17, paragraph (2) of the Act, at the time when a public notice was issued pursuant to the provisions of Article 12, paragraph (8) of the Act, at the time when the designation of a regulated area was revoked, when area in a regulated area was decreased, or when a part thereof ceased to be a regulated area due to the expiration of the designation period of the regulated area, and if a contract for land transaction is concluded without changing the purpose of land use after a right on land is transferred or established which is included in the matters pertaining to the request for permission or the permission for the land;
 - (viii) in a case where a notification under Article 27-4, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act) had already been filed at the time when the designation of an observed or monitored area was revoked, when the area of an observed or monitored area was decreased, or when a part thereof ceased to be an observed or monitored area due to the expiration of the designation period thereof, and if a contract for land transaction is concluded without changing the purpose of land use after a right on land is transferred or established, which is included in the matters pertaining to the notification.

(Cases Not Requiring Notification on Transfer of Rights on Land in Observed Areas)

Article 17-2 (1) The cases specified by Cabinet Order referred to in Article 27-4, paragraph (2), item (ii) of the Act are as follows:

- (i) cases set forth in Article 6, item (ii) through item (viii), item (x) or item (xi);
- (ii) cases set forth in item (ii) through item (vi) of the preceding Article;

- (iii) a case where the following lots in a tract of land that was developed to be used for a residential facility, medical facility, shopping facility or other facilities necessary for the common welfare or convenience for the residents are created, so as to transfer or establish a right on land by obtaining confirmation from a prefectural governor stating that the estimated purchase price of the respective lots of land do not fall under Article 27-5, paragraph (1), item (i) of the Act, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism (if the prefectural governor confirms that the estimated purchase price does not fall under the category of that item by specifying the valid period, limited to cases where transfer or establishment of a right on land is conducted during that period):
- (a) a lot whose square measure is 500 square meters or less for a residential facility (including a lot whose total square measure is 800 square meters or less and whose square measure excluding slopes is 500 square meters or less);
 - (b) a lot whose square measure is 1,000 square meters or less for a facility necessary for the common welfare or benefits for the residents;
 - (c) a lot used for a residential facility or other facility specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism that is mainly used for the purpose of recreation, each of them is designated by a prefectural governor pursuant to the prefectural rules when the governor considers that it is appropriate to specify a square measure exceeding those specified in (a) or (b) by taking into account the trends in land transactions and land use in the surrounding area, which is larger than the square measure specified in (a) or (B) and less than 1,500 square meters (excluding a lot falling under (a) or (b));
- (iv) a case where a right on land and an unit ownership of a building pertaining to the right on land are transferred or established simultaneously by obtaining confirmation from a prefectural governor stating that the estimated purchase price does not fall under Article 27-5, paragraph (1), item (i) of the Act, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism (if the prefectural governor confirms that the estimated purchase price does not fall under the categories of that item by specifying the valid period, limited to cases where a right on land is transferred or established during that period), and if the right on land is owned jointly by the unit ownership holders of the building;
- (v) in the case where a right on land is transferred or established for purpose of contribution, lease, entrustment of lease or other acts specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism based on a contract for specified joint real estate venture prescribed in Article 2, paragraph (3) of the Act on Specified Joint Real Estate Ventures (Act No. 77

- of 1994), by obtaining confirmation from a prefectural governor stating that the estimated purchase price does not fall under categories of Article 27-5, paragraph (1), item (i) of the Act, pursuant to the provisions of Order of the Ministry of Land, Infrastructure, Transport and Tourism (if the prefectural governor confirms that the estimated purchase price does not fall under categories of that item by specifying a valid period, limited to cases where a right on land is transferred or established during that period), and if the right on land is owned by specified joint real estate enterprises prescribed in Article 2, paragraph (5) of that Act, small-sized specified joint real estate enterprises prescribed in paragraph (7) of that Article, special enterprises prescribed in paragraph (9) of that Article, or qualified special investors prescribed in paragraph (11) of the same Article, that is jointly owned by business partners prescribed in paragraph (12) of that Article, or by business partners pertaining to a contract for specified joint real estate venture prescribed in that paragraph (excluding the case specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism as a case where transfer or establishment of a right on land hinders proper and efficient land use in the surrounding area including the land);
- (vi) in the case where a request for permission has been filed, permission under Article 14, paragraph (1) of the Act has been obtained, or permission under Article 14, paragraph (1) of the Act is deemed to have been obtained pursuant to the provisions of Article 17, paragraph (2) of the Act, at the time when a public notice is issued pursuant to the provisions of Article 12, paragraph (8) of the Act, when the designation of a regulated area is revoked, when the area of regulated area is decreased, or when the area thereof ceased to be a regulated area due to the expiration of the designation period of the regulated area, or when a contract for land transaction is concluded without changing the estimated purchase price, etc., or permission for transfer or establishment of a right on land, which is included in the matters pertaining to the request for permission;
- (vii) in a case where a notification under Article 27-4, paragraph (1) of the Act as applied *mutatis mutandis* pursuant to Article 27-7, paragraph (1) of the Act has been filed at the time when the designation of a monitored area was revoked, when the area of a monitored area was decreased, or when a part thereof ceased to be a monitored area due to the expiration of the designation period of the monitored area, and a contract for land transaction is concluded without changing the estimated purchase price for transfer or establishment of a right on land, which is included in the matters pertaining to the notification.
- (2) When a request for confirmation prescribed in item (iii) through item (v) of the preceding paragraph has been filed, a prefectural governor must inform the

requestor that the governor will confirm the request if the governor will do so, or inform the requestor that the governor will not confirm the request if the governor will not do so by attaching the reason for refusal, within six weeks from the day on which the request was filed.

- (3) When a request for confirmation prescribed in paragraph (1), item (iii) through item (v) has been filed and, if a prefectural governor finds it difficult to confirm whether the estimated purchase price for transfer or establishment of a right on land pertaining to the request falls under categories of Article 27-5, paragraph (1), item (i) of the Act within the period referred to in the preceding paragraph, the prefectural governor may extend the period referred to in that paragraph by another three weeks. In this case, the governor must notify the requestor of the reason for extension within the period referred to in that paragraph.

(Mutatis Mutandis Application to Price of Rights on Land Pertaining to Notification)

Article 18 (1) The provisions of Article 7, paragraph (1) and paragraph (2) apply mutatis mutandis to the case where a fair price for a right on land pertaining to the notification under Article 27-4, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act) is calculated, by taking into account transaction prices, etc. of similar lots in the neighboring area pursuant to the provisions of Article 27-5, paragraph (1), item (i), and Article 27-8, paragraph (1), item (i) of the Act. In this case, the term "land pertaining to a request for permission" in Article 7, paragraph (1), item (i) is deemed to be replaced with "land pertaining to the notification under Article 27-4, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act) (hereinafter referred to as a "notification" in this paragraph and the following paragraph)"; and the terms a "request for permission" and a "public notice on the designation of the regulated area" are deemed to be replaced with a "notification", and the term a "standard price at the time when the designation is filed" in (a) and (b) of that item is deemed to be replaced with a "standard price at the time when the notification is issued"; the terms a "request for permission" and a "public notice on the designation of the regulated area" in item (ii) through item (v) of that paragraph are deemed to be replaced with a "notification"; the term a "request for permission" in item (vi) of that paragraph is deemed to be replaced with a "notification"; and the terms a "request for permission" and a "public notice on the designation of the regulated area" in paragraph (2) of that Article are deemed to be replaced with a "notification".

- (2) The provisions of Article 7, paragraph (2), and Article 8, paragraph (1) apply mutatis mutandis to the case where a price for an ownership of land pertaining

to the notification under Article 27-4, paragraph (1) of the Act is calculated (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act), based on the posted price pursuant to the provisions of Article 27-5, paragraph (1), item (i), and Article 27-8, paragraph (1), item (i) of the Act. In this case, the term "land pertaining to a request for permission" in Article 7, paragraph (2) is deemed to be replaced with "land pertaining to the notification under Article 27-4, paragraph (1) of the Act (including as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act) (hereinafter referred to as the "notification" in this paragraph and paragraph (1) of the following Article)", the term "file a request for permission" is deemed to be replaced with "file a notification", the term a "public notice on the designation of the regulated area" is deemed to be replaced with a "notification", and the term "land pertaining to the request for permission" is deemed to be replaced with "land pertaining to the notification"; and the terms a "request for permission" and a "public notice on the designation of a regulated area" in Article 8, paragraph (1) are deemed to be replaced with a "notification", and the terms a "request for permission" and a "public notice on the designation of the regulated area" are deemed to be replaced with a "notification", the term a "posted price at the time when the regulated area is designated" is deemed to be replaced with a "posted price at the time when notification is issued", and the term a "standard price at the time when the regulated area is designated" is deemed to be replaced with a "standard price at the time when notification is issued" in item (i) through item (iii) of that paragraph respectively.

(Cases Not Requiring Notification on Transfer of Rights on Land in Monitored Areas)

Article 18-2 The cases specified by Cabinet Order referred to in Article 27-4, paragraph (2), item (ii) of the Act as applied mutatis mutandis pursuant to Article 27-7, paragraph (1) of the Act are as follows:

- (i) cases set forth in Article 6, item (ii) through item (viii), item (x) or item (xi);
- (ii) cases set forth in Article 17, item (ii) through item (vi);
- (iii) cases set forth in Article 17-2, paragraph (1), item (iii) through item (vi);
- (iv) in the case where a notification under Article 27-4, paragraph (1) of the Act has been filed at the time when an area was designated as a monitored area pursuant to the provisions of Article 27-6, paragraph (1) of the Act, and a contract for land transaction is concluded without changing the estimated purchase price for transfer or establishment of a right on land, which is included in the matters pertaining to the notification .

(Cases Specified by Cabinet Order Referred to in Article 27-8, Paragraph (1), Item (ii), (a) of the Act)

Article 18-3 The cases specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (a) of the Act are as follows:

- (i) the case where a contract for land transaction has been concluded provided that the contract falls under any of the cases set forth in Article 6, item (ii) through item (viii), item (x) or item (xi), Article 17, item (ii) through item (vi), or Article 17-2, paragraph (1), item (vi);
- (ii) the case where the right has been acquired based on covenants in contract for sale and purchase of an ownership of land that fall under the requirements specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Period Specified by Cabinet Order Referred to in Article 27-8, Paragraph (1), Item (ii), (b) of the Act)

Article 18-4 The period specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (b) of the Act is one year.

(Uses Specified by Cabinet Order Referred to in Article 27-8, Paragraph (1), Item (ii), (c) of the Act)

Article 18-5 Uses specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (c) of the Act are as follows:

- (i) use of land to build a temporary building or structure, or other temporary use of land;
- (ii) use of the land where area of use is considered to be much smaller compared to that of land being used for the same or similar purposes in the neighboring area, in light of the development status of the land pertaining to the notification or buildings and other structures built thereon;
- (iii) use of buildings and other structures built on the land pertaining to the notification whose number of usage is considered to be much fewer than that of their original number of usage.

(Ordinary Economic Activities)

Article 18-6 Ordinary economic activities specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (d), 2. and (e), 1. of the Act are securing of a claim or an accord and satisfaction.

(Transfer of Rights on Land Made to Substitute Purchased Rights on Land)

Article 18-7 Transfer of a right on land specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (e), 2. of the Act is to be made in order to substitute for the rights associated with the land that has been purchased, and is to be made to a person seeking to acquire, by transfer, the right on land under the notification which have been purchased so that the land can be used

in an undertaking that will alter, etc. its shape or quality and that the person seeking to transfer the rights associated with the land under the notification will undertake, or so that the land can be used in place of the land used for that undertaking.

(Special Circumstances)

Article 18-8 Special circumstances specified by Cabinet Order referred to in Article 27-8, paragraph (1), item (ii), (e), 3. of the Act refer to circumstances where it is considered extremely difficult or inappropriate to change the shape and type of lots of land, to construct a building or other structure, or to operate a construction business pertaining to the notification, due to a disaster or other compelling reasons.

(Collection of Reports)

Article 18-9 The matters on which a report may be requested pursuant to the provisions of Article 27-9 of the Act are as follows:

- (i) name and address of a counterparty of a contract for land transaction, and in the case of a corporation, name of a representative thereof;
- (ii) the date of a contract for land transaction;
- (iii) square measure of the land pertaining to a contract for land transaction;
- (iv) price for transfer or establishment of a right on land pertaining to a contract for land transaction;
- (v) status of use at the time when a right on land pertaining to a contract for land transaction is transferred or established and the purpose of use after the right thereof is transferred or established;
- (vi) if land pertaining to the contract for land transaction is a subject of a right other than the right to be transferred or established under that contract, the type and details of the right;
- (vii) if any buildings, other structures or trees or bamboo plants exist on the land pertaining to a contract for land transaction, the matters concerning those structures or trees or bamboo plants specified by Order of the Ministry of Land, Infrastructure, Transport and Tourism.

(Right to Use and Profit)

Article 19 A right to use and profit specified by Cabinet Order referred to in Article 28, paragraph (1) of the Act is a superficies right and a right to lease concerning land.

(Requirements Specified by Cabinet Order Referred to in Article 28, Paragraph (1), Item (iii) of the Act)

Article 20 The requirements specified by Cabinet Order referred to in Article 28,

paragraph (1), item (iii) of the Act are either of the following requirements:

- (i) the land is not used for a residential house, or for a facility for business, or for other purposes;
- (ii) in the case where the land is used for a residential house or a facility for business, or for other purposes (excluding the case where the land is actually used for an ordinary residence), it is considered that area of use of the land is much smaller than that of lots of land in the neighboring area being used for the same or similar purposes, in light of the development status of the land or buildings and other structures built thereon.

(Corporations Holding Consultations on Purchases of Unused Land)

Article 21 Corporations specified by Cabinet Order referred to in Article 32, paragraph (1) of the Act are corporations prescribed in Article 14 (excluding land development corporations), and corporations whose main purpose is to undertake the development and disposal of land to which more than half of the stated capital, funds or others equivalent thereto are contributed by the national government (including corporations wholly owned by the national government) or local governments.

(Purchase Price for Unused Land)

Article 22 (1) When purchasing unused land pursuant to the provisions of Article 32 of the Act, if the unused land is located in a regulated area, a fair price for the unused land is calculated based on the amount obtained by multiplying the price of the unused land at the time when the public notice on the designation of the regulated area is issued, which was calculated pursuant to the provisions of Article 7 (excluding paragraph (1), item (v) and item (vi)) or Article 8, by using adjustment factors corresponding to fluctuations in prices during the period from the issue date of public notice to the date of purchase, which was calculated in accordance with the calculation method under Article 10.

(2) The provisions of Article 7, paragraph (1) (excluding item (v) and item (vi)) and paragraph (2) apply mutatis mutandis to the case where a fair price for unused land when purchasing unused land by taking into account transaction prices, etc. of similar lots in the neighboring area pursuant to the provisions of Article 33 of the Act is calculated (excluding the case where the unused land is located in a regulated area at the time when it is purchased). In this case, the terms a "request for permission" and a "public notice on the designation of the regulated area" in Article 7, paragraph (1), item (i) are deemed to be replaced with a "purchase of unused land", the term "standard price at the time when the regulated area is designated" is deemed to be replaced with a "standard price at the time when unused land is purchased", and the terms a "request for

permission" and a "public notice on the designation of the regulated area" in item (ii) though item (iv) of that paragraph are deemed to be replaced with a "purchase of unused land"; the terms a "request for permission" and a "public notice on the designation of regulated area" in paragraph (2) of that Article are deemed to be replaced with a "purchase of unused land".

- (3) The provisions of Article 7, paragraph (2) and Article 8, paragraph (1) apply mutatis mutandis to the case where a price for unused land when purchasing unused land based on the posted price pursuant to the provisions of Article 33 of the Act is calculated (excluding the case where the unused land is located in a regulated area at the time when it is purchased). In this case, the terms a "request for permission" and a "public notice on the designation of a regulated area" in Article 7, paragraph (2) are deemed to be replaced with a "purchase of unused land"; the terms a "request for permission" and a "public notice on the designation of a regulated area" in Article 8, paragraph (1) are deemed to be replaced with a "purchase of unused land", the term a "posted price at the time when a regulated area is designated" in Article 8 paragraph (1) is deemed to be replaced with a "posted price at the time when the unused land is purchased", and the term a "standard price at the time when a regulated area is designated" in Article 8 paragraph (1) is deemed to be replaced with a "standard price at the time when the unused land is purchased".

(Land Inspectors)

Article 23 A land inspector is to be appointed by a prefectural governor from among officials of the prefectural government who have experiences and knowledge on land use and appraisal of real property.

(Special Provisions for Large Cities)

Article 24 The administrative affairs over which a prefectural governor has authority pursuant to the provisions of Article 4, Article 13, Article 15, Article 17-2, and the preceding Article are to be administered by a mayor of a designated city (hereinafter referred to as a "designated city") referred to in Article 252-19, paragraph (1) of the Local Autonomy Act (Act No. 67 of 1947) in the designated city. In this case, the provisions relating to prefectural governments or prefectural governors in the provisions of Article 4, Article 13, Article 15, Article 17-2, and the preceding Article apply to designated cities or mayors of designated cities as the provisions relating thereto.

(Particulars Governed by Order of the Ministry of Land, Infrastructure,
Transport and Tourism)

Article 25 Beyond what is provided for in the Act and this Cabinet Order, procedures and other matters necessary for the enforcement of the Act and this

Cabinet Order are provided for by Order of the Ministry of Land, Infrastructure, Transport and Tourism.