

# **Order for Enforcement of the Nuclear Damage Compensation Facilitation Corporation Act**

(Cabinet Order No. 257 of August 10, 2011)

The Cabinet enacts this Cabinet Order based on the provisions of Article 7, paragraph (1), Article 13, paragraph (1), Article 38, paragraph (1), item (ii), Article 59, paragraph (5), Article 60, paragraphs (3) and (8), Article 69, paragraph (3), and Article 72 of the Nuclear Damage Compensation Facilitation Corporation Act (Act No. 94 of 2011).

(Commercial Reprocessing Facilities)

Article 1 The Reprocessing Facility prescribed by Cabinet Order which is referred to in Article 38, paragraph (1), item (ii) of the Nuclear Damage Compensation Facilitation Corporation Act (hereinafter referred to as "the Act") is a Reprocessing Facility (meaning a Reprocessing Facility as prescribed in Article 44, paragraph (2), item (ii) of the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material, and Reactors (Act No. 166 of 1957); hereinafter referred to as "Nuclear Reactor Regulation Act" in this Article) used other than for testing and research, that carries out Reprocessing (meaning the Reprocessing prescribed in Article 2, paragraph (10) of the Nuclear Reactor Regulation Act) for Nuclear Fuel Material (meaning the Nuclear Fuel Material prescribed in Article 3, item (ii) of the Atomic Energy Basic Act (Act No. 186 of 1955)) that has been used as fuel at a Commercial Power Reactor (meaning a Commercial Power Reactor as prescribed in Article 43-4, paragraph (1) of the Nuclear Reactor, etc. Regulation Act).

(Procedures for Payment into the Treasury)

Article 2 (1) When the Nuclear Damage Compensation Facilitation Corporation (hereinafter referred to as "the Corporation") makes a payment under the provisions of Article 59, paragraph (4) of the Act, it must make that payment into the Treasury by July 31 of the following business year, however, that an amount equivalent to half of that payment may be paid into the Treasury by July 31 of the relevant business year.

(2) When the Corporation makes a payment under the provisions of Article 59, paragraph (4) of the Act, it must attach a balance sheet as of the end of the relevant business year, the profit and loss statement for the business year, and other documents prescribed by Order of the competent ministry, to the calculation sheet for the amount to be paid into the Treasury as calculated based on the provisions of the same paragraph, and must submit these to the

competent minister by July 21 of the following business year.

(Account to Which Payment Monies Are Attributed)

Article 3 Payment monies under the provisions of Article 59, paragraph (4) of the Act are attributed to the Nuclear Damage Compensation Facilitation Account of the Energy Policy Special Account.

(Limits on Borrowings and Issuance of Nuclear Damage Compensation Facilitation Corporation Bonds)

Article 4 The amount prescribed by Cabinet Order which is provided for in Article 60, paragraph (3) of the Act is four trillion yen.

(Debenture Certificates for Nuclear Damage Compensation Facilitation Corporation Bonds)

Article 5 (1) If the Corporation issues the Nuclear Damage Compensation Facilitation Corporation Bonds (hereinafter referred to as "Corporation Bonds") prescribed in Article 60, paragraph (1) of the Act, it must issue debenture certificates for the Corporation Bonds, unless the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001; referred to as "Corporate Bonds Transfer Act" in Article 8, paragraph (1), item (vi) and paragraph (2), item (iii)) apply to the Corporation Bonds.  
(2) The debenture certificates for the Corporation Bonds referred to in the preceding paragraph are bearer bonds with coupons.

(Means of Issuing Corporation Bond Issuance)

Article 6 The Corporation Bonds are issued through solicitation.

(Determination of Matters for Corporation Bonds for Subscription)

Article 7 Whenever the Corporation intends to solicit persons to subscribe for the Corporation Bonds that it will issue, it must determine the following matters for the Corporation Bonds for Subscription (meaning the Corporation Bonds that will be allocated to persons who have subscribed for the relevant Corporation Bonds in response to the solicitation; the same applies hereinafter):

- (i) the total amount of the Corporation Bonds for Subscription;
- (ii) the amount of each of the Corporation Bonds for Subscription;
- (iii) the interest rate for the Corporation Bonds for Subscription;
- (iv) the means and deadline for redemption of the Corporation Bonds for Subscription;
- (v) the means and deadline for interest payment;
- (vi) if debenture certificates will be issued for the Corporation Bonds, the fact

- that this is the case;
- (vii) the Amount to Be Paid In for each of the Corporation Bonds for Subscription (meaning the amount of money to be paid in exchange for each of the Corporation Bonds for subscription; the same applies in Article 13, paragraph (2), item (iii));
  - (viii) the due date for the payment of monies in exchange for the Corporation Bonds for Subscription;
  - (ix) if it is decided that none of the Corporation Bonds for Subscription will be issued unless the persons to whom the total amount of Corporation Bonds for Subscription will be allocated have been established by a certain date, the fact that this is the case and that certain date; and
  - (x) matters in addition to what is listed in the preceding items, which are prescribed by Order of the competent ministry.

(Offer to Subscribe for Corporation Bonds for Subscription)

- Article 8 (1) The Corporation must notify a person who intends to offer to subscribe for the Corporation Bonds for Subscription in response to the solicitation referred to in the preceding Article, of the following matters:
- (i) the name of the Corporation Bonds for Subscription;
  - (ii) the matters listed in the items of the preceding Article in connection with the relevant solicitation;
  - (iii) if debenture certificates will be issued for the Corporation Bonds, the fact that they will be bearer bonds;
  - (iv) the measures for if the amount of the Corporation Bonds for Subscription for which the Corporation has received offers to subscribe exceeds the total amount of the Corporation Bonds for Subscription;
  - (v) if a person has been entrusted with the solicitation or administration, its trade name or name;
  - (vi) if the provisions of the Corporate Bonds Transfer Act are applicable, that fact and the trade name of the Institution for Book-entry Transfer (meaning an Institution for Book-entry Transfer as prescribed in Article 2, paragraph (2) of the Corporate Bonds Transfer Act); and
  - (vii) matters in addition to what is listed in the preceding items, which are prescribed by Order of the competent ministry.
- (2) A person who offers to subscribe for the Corporation Bonds for Subscription in response to the solicitation set forth in the preceding Article must deliver to the Corporation a document specifying the following matters:
- (i) the name and address of the person making the offer;
  - (ii) the total par value of the Corporation Bonds for Subscription for which they seek to subscribe and the number of bonds by par value; and
  - (iii) for a person intending to respond to a solicitation involving Corporation

Bonds to which the provisions of the Corporate Bonds Transfer Act apply (such bonds are referred to as "Transfer Corporation Bonds" in Article 10, paragraph (2)), an account opened for such person in order to conduct transfer of the relevant Corporation Bonds.

- (3) A person making an offer as referred to in the preceding paragraph may, in lieu of delivering the document referred to in the same paragraph, and pursuant to the provisions of Order of the competent ministry, furnish the matters that are required to be stated in the document by an electronic or magnetic means (meaning a means that uses an electronic data processing system or any other information communications technology specified by Order of the competent ministry), with the consent of the Corporation. If this is the case, the person making the offer is deemed to have delivered the document prescribed in the same paragraph.
- (4) The Corporation must immediately notify a person making an offer who is referred to in paragraph (2) (hereinafter referred to as the "Offeror") of a change in any matter listed in the items of paragraph (1) and of the matter affected by the change.
- (5) It is sufficient for the Corporation to send a notice or demand letter to an Offeror at the address set forth in paragraph (2), item (i) (or to any other place or contact address at which the Offeror has notified the Corporation that the Offeror will receive notices or demand letters).
- (6) The notice or demand letter in the preceding paragraph is deemed to have arrived at the time when that notice or demand letter should normally have arrived.

#### (Allocation of Corporation Bonds for Subscription)

- Article 9 (1) The Corporation must select from among the Offerors the persons to receive an allocation of the Corporation Bonds for Subscription, and must determine the par values and the number of the Corporation Bonds for Subscription for each par value. In this, the Corporation may reduce the number of the Corporation Bonds for Subscription for each par value to be allocated to each Offeror, below the number prescribed in paragraph (2) item (ii) of the preceding Article.
- (2) The Corporation must notify the Offeror, no later than the day immediately preceding the date referred to in Article 7, item (viii) of the par values and number of Corporation Bonds for Subscription that will be allocated to each Offeror for each par value.

#### (Special Provisions on Offers to Subscribe for and the Allocation of Subscription Corporation Bonds for Subscription)

- Article 10 (1) The provisions of the preceding two Articles do not apply if a local

public entity subscribes for the Corporation Bonds for Subscription or if the person who has been entrusted with solicitation with regard to the Corporation Bonds for Subscription personally subscribes for the Corporation Bonds for Subscription.

- (2) In a case referred to in the preceding paragraph, a local public entity that subscribes for Transfer Corporation Bonds or the person who has been entrusted with solicitation with regard to the Transfer Corporation Bonds must indicate to the Corporation the matters listed in Article 8, paragraph (2), item (iii) at the time of that subscription.

(Holder of Rights in Corporation Bonds for Subscription)

Article 11 The persons listed in the following items become right holders in the Corporation Bonds for Subscription specified in the relevant items:

- (i) an Offeror: the Corporation Bonds for subscription allocated thereto by the Corporation;
- (ii) a local public entity that subscribes for the Corporation Bonds for Subscription: the Corporation Bonds for Subscription for which the relevant local public entity subscribes; or
- (iii) a person who has been entrusted with solicitation with regard to the Corporation Bonds for Subscription and who personally subscribes for the Corporation Bonds for Subscription: the Corporation Bonds for Subscription for which that person subscribes.

(Issuance of Debenture Certificates for Corporation Bonds)

Article 12 (1) After the day on which debenture certificates of the Corporation Bonds have been issued for which it has been provided that debenture certificates will be issued, the Corporation, without delay, must issue the relevant debenture certificates for the Corporation Bonds.

- (2) The matters listed in Article 7, items (ii) through (v), and Article 8, paragraph (1), items (i), (iii) and (v), and the serial number must be stated on each debenture certificate for Corporation Bonds, and the president of the Corporation must have their name displayed and affix their seal to them.

(Nuclear Damage Compensation Facilitation Corporation Bonds Registry)

Article 13 (1) The Corporation must keep the Nuclear Damage Compensation Facilitation Corporation Bonds Registry at its principal office.

- (2) The following matters must be stated or recorded in the Nuclear Damage Compensation Facilitation Corporation Bonds Registry:

- (i) the matters listed in Article 7, items (iii) through (vi) and other matters prescribed by Order of the competent ministry as the matters that specify the features of the Corporation Bonds (referred to as the "Class" in the

- following item);
- (ii) for each Class, the total amount of the Corporation Bonds and the amount of each of the Corporation Bonds;
  - (iii) the Amount to Be Paid In for each of the Corporation Bonds and the day on which it is paid in;
  - (iv) if debenture certificates are issued for Corporation Bonds, the serial numbers of the debenture certificates for the Corporation Bonds, the dates of their issuance, and the number of debenture certificates for Corporation Bonds;
  - (v) matters listed in Article 8, paragraph (1), items (i), (v) and (vi);
  - (vi) matters in relation to the payment of principal and interest; and
  - (vii) matters beyond what is set forth in in the preceding items, which are prescribed by Order of the competent ministry.

(Assignment of Corporation Bonds with Issued Debenture Certificates)

Article 14 The assignment of the Corporation Bonds for which it is provided that debenture certificates will be issued does not become effective unless the debenture certificates for the relevant Corporation Bonds are delivered.

(Presumption of Rights)

Article 15 (1) A person in possession of debenture certificates for Corporation Bonds is presumed to be the lawful owner of the rights in the Corporation Bonds to which the relevant debenture certificates pertain.

(2) A person who takes the delivery of debenture certificates for Corporation Bonds acquires the rights in the Corporation Bonds to which the relevant debenture certificates pertain; provided, however, that this does not apply if that person has acted in bad faith or with gross negligence in taking the delivery thereof.

(Pledges of Corporation Bonds with Issued Debenture Certificates)

Article 16 A pledge on Corporation Bonds for which it is provided that debenture certificates will be issued, does not become effective unless the debenture certificates for the relevant Corporation Bonds are delivered.

(Requirements for Perfection of a Pledge of Corporation Bonds)

Article 17 A pledgee of Corporation Bonds for which there are provisions to the effect that Bond certificates are issued may not assert a pledge of the Corporation Bonds against the Corporation or against any third party unless the pledgee is in continuous possession of the debenture certificates for the relevant Corporation Bonds.

(Loss of Debenture Certificates for Corporation Bonds)

Article 18 (1) Debenture certificates for Corporation Bonds may be invalidated pursuant to the public notification procedures under Article 100 of the Non-Contentious Cases Procedures Act (Act No. 14 of 1898).

(2) A person who has lost debenture certificates for Corporation Bonds may not request the reissuance of the debenture certificates until after obtaining the order of nullification of a right prescribed in Article 106, paragraph (1) of the Non-Contentious Cases Procedures Act.

(Redemption of Corporation Bonds with Missing Coupons)

Article 19 (1) If Corporation Bonds for which debenture certificates have been issued are redeemed before maturity and the coupons attached to the Corporation Bonds are missing, the Corporation must deduct the amount of the claim for interest from the Corporation Bond indicated on the coupon from the redemption value; provided, however, that this does not apply if that claim has fallen due.

(2) The person in possession of a coupon referred to the preceding paragraph may demand at any time that the Corporation pay the amount that is required to be deducted pursuant to the provisions of the same paragraph in exchange for the coupon.

(Extinctive Prescription of the Right to Claim Redemption of Corporation Bonds)

Article 20 (1) The right to claim the redemption of the Corporation Bonds extinguishes by prescription if not exercised for ten years.

(2) The right to claim interest from Corporation Bonds and the right to a claim pursuant to the provisions of paragraph (2) of the preceding Article extinguish by prescription if not exercised for five years.

(Authorization to Issue Corporation Bonds)

Article 21 (1) If the Corporation seeks to obtain authorization to issue Corporation Bonds pursuant to the provisions of Article 60, paragraph (1) of the Act, it must submit a written application stating the following matters to the competent minister twenty days prior to the day of the solicitation with regard to the Corporation Bonds:

(i) the reason that it is necessary to issue the Corporation Bonds;

(ii) matters listed in Article 7, items (i) through (v) and (vii), and Article 8, paragraph (1), items (i), (v) and (vi);

(iii) the means of solicitation with regard to the Corporation Bonds;

(iv) the estimated amount of expenses necessary for the issuance of the Corporation Bonds; and

- (v) in addition to what is listed in the preceding items, matters that the Corporation seeks to state on the debenture certificates for the Corporation Bonds.
- (2) The following documents must be attached to the written application referred to in the preceding paragraph:
  - (i) a document stating the matters listed in each of the items of Article 8, paragraph (1);
  - (ii) a document stating the use to funds raised through the issuance of the Corporation Bonds; and
  - (iii) a document stating the prospects of subscription for the Corporation Bonds.

(Delegation to Order of the Competent Ministry)

Article 22 Beyond the matters prescribed in Articles 5 through 21, any necessary matters concerning the Corporation Bonds are prescribed by Order of the competent ministry.

(Special Provisions on the Corporation Tax)

Article 23 If the provisions of Article 69, paragraph (1) or (2) of the Act apply to the Nuclear Operator set forth in paragraph (1) or (2) of the same Article in the Consolidated Business Year prescribed in paragraph (1) of the same Article, in the calculation of the amount of individual income or individual loss prescribed in Article 81-18, paragraph (1) of the Corporation Tax Act (Act No. 34 of 1965) for the relevant Nuclear Operator, the amount included in the calculation of the amount of deductible expenses pursuant to the provisions of Article 69, paragraph (1) of the Act is included in the amount of individually attributed deductible expenses prescribed in Article 81-18, paragraph (1) of the Corporation Tax Act, and the amount included in the calculation of the amount of gross income pursuant to the provisions of Article 69, paragraph (2) of the Act is included in the amount of individually attributed gross profit prescribed in Article 81-18, paragraph (1) of the Corporation Tax Act.

(Competent Minister and Order of the Competent Ministry)

Article 24 (1) The competent minister referred to in the Act and this Cabinet Order is the minister specified in the relevant of the following items for the classification of matters listed in the relevant item:

- (i) matters related to authorization under the provisions of Article 5, paragraph (2), Articles 11, 17, and 19 of the Act, acceptance of opinions under the provisions of Article 24, paragraph (4) of the Act, appointment under the provisions of Article 25, paragraph (1) of the Act, authorization under the provisions of paragraph (2) of the same Article, dismissal under the provisions of Article 28 of the Act, recognition under the provisions of the



- proviso to Article 29 of the Act, supervision under the provisions of Article 64, paragraph (1) of the Act (excluding supervision to enforce the provisions of Chapters V and VI of the Act), orders under the provisions of paragraph (2) of the same Article (excluding orders to enforce the provisions of Chapters V and VI of the Act), collection of reports and on-site inspections under the provision of Article 65, paragraph (1) of the Act (excluding collection of reports and on-site inspections to enforce the provisions of Chapters V and VI of the Act), and authorization under the provisions of Article 66 of the Act: the Prime Minister and the Minister of Education, Culture, Sports, Science and Technology;
- (ii) matters related to authorization under the provisions of Article 36, paragraph (1) of the Act, acceptance of reports under the provisions of Article 38, paragraph (3) of the Act, publication under the provisions of paragraph (4) of the same Article, authorization under the provisions of Article 39, paragraph (4) of the Act, consultation under the provisions of paragraph (5) of the same Article of the Act, orders under the provisions of paragraph (7) of the same Article, acceptance of reports under the provisions of Article 42, paragraph (2) of the Act (including as applied *mutatis mutandis* in Article 43, paragraph (4) and Article 54, paragraph (3) of the Act), orders under the provisions of Article 42, paragraph (3) of the Act (including as applied *mutatis mutandis* in Article 43, paragraph (4) and Article 54, paragraph (3) of the Act), approval under the provisions of Article 45, paragraph (1) of the Act, consultation under the provision paragraph (5) of the same Article (including as applied *mutatis mutandis* in Article 46, paragraph (4) of the Act), publication under the provisions of Article 45, paragraph (6) of the Act (including as applied *mutatis mutandis* in Article 46, paragraph (4) of the Act), approval under the provisions of Article 46, paragraph (1) of the Act, announcement, collection of reports, and public notice under the provisions of Article 47, paragraph (1) of the Act, publication under the provisions of paragraph (2) of the same Article of the Act, authorization under the provisions of Article 52, paragraph (3) of the Act, consultation under the provisions of paragraph (4) of the same Article of the Act, supervision under the provisions of Article 64, paragraph (1) of the Act (limited to that for the purpose for enforcing the provisions of Chapter V of the Act), orders under the provisions of paragraph (2) of the same Article (limited to those for the purpose of enforcing the provisions of Chapter V of the Act), and collection of reports and on-site inspections under the provisions of Article 65, paragraph (1) of the Act (limited to those for the purpose of enforcing the provisions of Chapter V of the Act): the Prime Minister and the Minister of Economy, Trade and Industry; or
- (iii) matters related to authorization under the provisions of Article 57,

- paragraph (1) of the Act, consultation under the provisions of paragraph (2) of the same Article, recognition under the provisions of Article 58, paragraph (1) of the Act, authorization under the provisions of Article 60, paragraph (1) of the Act, consultation under the provisions of paragraph (2) of the same Article, authorization under the provisions of paragraph (6) of the same Article, designation under the provisions of Article 62, items (i) and (ii) of the Act, supervision under the provisions of Article 64, paragraph (1) of the Act (limited to that for the purpose of enforcing the provisions of Chapter VI of the Act), orders under the provisions of paragraph (2) of the same Article (limited to those for the purpose of enforcing the provisions of Chapter VI of the Act), collection of reports and on-site inspections under the provisions of Article 65, paragraph (1) of the Act (limited to those for the purpose of enforcing the provisions of Chapter VI of the Act), acceptance of calculation sheets under the provisions of Article 2 paragraph (2), and acceptance of written applications under the provisions of Article 21, paragraph (1): the Prime Minister, the Minister of Education, Culture, Sports, Science and Technology, and the Minister of Economy, Trade and Industry.
- (2) The authority of the competent minister as prescribed in Article 65, paragraph (1) of the Act does not prevent each respective competent minister from exercising such authority individually.
- (3) The Order of the competent ministry referred to in the Act and this Cabinet Order is Order specified in the relevant of the following items for the classification of matters set forth in each of the relevant items:
- (i) Order of the competent ministry referred to in Article 36, paragraph (2), Article 39 paragraphs (2) and (3), Article 41, paragraph (1), item (iv), Article 45, paragraph (2), item (viii), Article 46, paragraph (1), and Article 52, paragraph (2) of the Act, and Order of the competent ministry referred to in Article 71 of the Act (limited to provisions that specify matters necessary for enforcing the provisions of Chapter V of the Act, and necessary matters in connection with supervision pursuant to the provisions of Article 64, paragraph (1), orders under the provisions of paragraph (2) of the same Article of the Act, and collection of reports and on-site inspections under the provisions of Article 65, paragraph (1) for the purpose of enforcing the provisions of Chapter V of the Act): orders issued by the Prime Minister and the Minister of Economy, Trade and Industry;
- (ii) Order of the competent ministry referred to in Articles 58, paragraphs (1) and (3), Article 62, item (iii), and Article 63 of the Act, Order of the competent ministry referred to in Article 71 of the Act (limited to provisions that specify necessary matters in connection with the supervision under the provisions of Article 64, paragraph (1), orders under the provisions of paragraph (2) of the same Article of the Act, and collection of reports and on-

site inspections under the provisions of Article 65, paragraph (1) for the purpose of enforcing the provisions of Chapter VI of the Act), and Order of the competent ministry referred to in Articles 2, paragraph (2), Article 7, item (x), Article 8, paragraph (1), item (vii) and paragraph (3), Article 13, paragraph (2), items (i) and (vii) and Article 22: orders issued by the Prime Minister, the Minister of Education, Culture, Sports, Science and Technology, and the Minister of Economy, Trade and Industry; or

(iii) Order of the competent ministry referred to in Article 71 of the Act (excluding provisions listed in the preceding two items): orders issued by the Prime Minister and the Minister of Education, Culture, Sports, Science and Technology.

**Supplementary Provisions [Cabinet Order No. 257 of August 10, 2011]  
[Extract]**

(Effective Date)

Article 1 This Cabinet Order comes into effect as of the day of its promulgation.