

Order Concerning the Certification, etc. of Supervisory Business Plans

(Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 3 of October 31, 2012)

Based on the provisions of Article 2, paragraph (4), and Article 6, paragraph (1), paragraph (2), item (ii), paragraph (3), items (ii) and (iii), and Article 7, paragraph (1) of the Act on Special Measures to Promote Research and Development Business, etc. by Specified Multinational Enterprises (Act No. 55 of 2012), and for the purpose of enforcing the same Act, the Order Concerning the Certification, etc. of Supervisory Business Plans is established as follows.

(Details of the Business Expected to Create New Business and Expand Work Opportunities)

Article 1 The business that is prescribed by order of the competent ministry as being expected to create new business and expand work opportunities as set forth in Article 2, paragraph (4) of the Act on Special Measures to Promote Research and Development Business, etc. by Specified Multinational Enterprises (hereinafter referred to as the "Act") is to fall under both of the following items:

- (i) the business is conducted by establishing a company whose amount of stated capital exceeds 100,000,000 yen;
- (ii) for the purpose of developing necessary facilities, ensuring human resources with advanced knowledge or technology, or taking any other measures for the implementation of the business, through capital contributions by a corporation that has the majority of the voting rights of all shareholders, etc. (meaning the voting rights of all shareholders or equity investors; the same applies hereinafter) of the specified multinational enterprise (meaning the specified multinational enterprise prescribed in Article 2, paragraph (1) of the Act) that establishes the company set forth in the preceding item (hereinafter referred to as the "parent corporation" in this Article), the specified multinational enterprise, a corporation in which the specified multinational enterprise has the majority of the voting rights of all shareholders, etc. (hereinafter referred to as "subsidiary corporation" in this Article), or a corporation in which the specified multinational enterprise and the parent corporation have, in total, the majority of the voting rights of all

shareholders, etc. (excluding the specified multinational enterprise and subsidiary corporation, and limited to a corporation in which the specified multinational enterprise has part of the voting rights of all shareholders, etc.), the amount of stated capital of a domestic corporation (limited to the company set forth in the preceding item, a company in which the company set forth in the preceding item has the majority of the voting rights of all shareholders, etc., the specified multinational enterprise, the subsidiary corporation, a corporation in which the subsidiary corporation has the majority of the voting rights of all shareholders, etc. (hereinafter referred to as the "indirectly-owned company" in this Article), a corporation in which the indirectly-owned company has the majority of the voting rights of all shareholders, etc. (hereinafter referred to as the "subsidiary of an indirectly-owned company" in this Article), or a corporation in which the parent corporation, the specified multinational enterprise, the subsidiary corporation, the indirectly-owned company, and the subsidiary of an indirectly-owned company have, in total, the majority of the voting rights of all shareholders, etc. (excluding the specified multinational enterprise, the subsidiary corporation, the indirectly-owned company, and the subsidiary of an indirectly-owned company, and limited to a corporation in which the specified multinational enterprise has part of the voting rights of all shareholders, etc.) that has its head office or principal office in Japan) is expected to be increased by 500,000,000 yen or more during the implementation period of the supervisory business plan (or by 300,000,000 yen or more in the case of a business plan whose implementation period is three years or longer but shorter than four years, and by 400,000,000 yen or more in the case of a business plan whose implementation period is four years or longer but shorter than five years).

(Application for Certification of Supervisory Business Plans)

- Article 2 (1) A specified multinational enterprise intending to receive certification of a supervisory business plan pursuant to the provisions of Article 6, paragraph (1) of the Act (hereinafter referred to as the "applicant" in this Article) must submit a written application in the form of Form 1 and a copy thereof to the competent minister via the Minister of Economy, Trade and Industry.
- (2) The written application referred to in the preceding paragraph must have the following documents necessary for the relevant certification procedures attached:
- (i) the applicant's articles of incorporation or any other document in lieu thereof;
 - (ii) business reports, balance sheets, and profit and loss statements for the

- most recent two business terms of the applicant and its major subsidiary corporations or other similar entities (meaning subsidiary corporations or other similar entities prescribed in Article 4, paragraph (1) of the Act; the same applies hereinafter) (in cases where these documents are not available, a document stating the outline of the business contents for the most recent year);
- (iii) a document stating the status or estimate of subscription for shares or capital contributions of the applicant and its major subsidiary corporations or other Similar Entities.
- (3) Beyond what is set forth in the items of the preceding paragraph, the competent minister may request submission of other documents necessary for the certification.
- (4) The written application set forth in paragraph (1) may be stated in English.
- (5) When the documents listed in the items of paragraph (2) and the documents referred to in paragraph (3) are not stated in Japanese or English, Japanese or English translations thereof must be attached.
- (6) When a supervisory business plan pursuant to the provisions of Article 6, paragraph (3) of the Act has been certified, the competent minister is to notify the applicant to that effect.
- (7) The notification referred to in the preceding paragraph is to be made by attaching a copy of the written application set forth in paragraph (1) to a written notice of certification in Form 2.

(Regularly Hired Employees for Supervisory Business)

Article 3 Matters prescribed by order of the competent ministry set forth in Article 6, paragraph (2), item (ii) of the Act are as follows:

- (i) the estimated total amount of annual remuneration for regularly hired employees for supervisory business for each business year during the implementation period of the supervisory business plan;
- (ii) when intending to employ foreign nationals, matters on a management system concerning residence of foreign nationals.

(Number of Regularly Hired Employees in Supervisory Business)

Article 4 The number prescribed by order of the competent ministry set forth in Article 6, paragraph (3), item (ii) of the Act is ten; provided, however, that the number is 18 in the most recent business year of the implementation of a supervisory business plan (or 14 in the case of a business plan whose implementation period is three years or longer but shorter than four years, or 16 in the case of a business plan whose implementation period is four years or longer but shorter than five years).

(Requirements Concerning Regularly Hired Employees in Supervisory Business)

Article 5 The requirements prescribed by order of the competent ministry set forth in Article 6, paragraph (3), item (ii) of the Act are as follows:

- (i) the estimated total amount referred to in Article 3, item (i) is not less than 70,000,000 yen; provided, however, that the amount is not less than 130,000,000 yen in the most recent business year of the implementation period of the supervisory business plan (or not less than 100,000,000 yen in the case of a supervisory business plan whose implementation period is three years or longer but shorter than four years, or not less than 110,000,000 yen in the case of a supervisory business plan whose implementation period is four years or longer but shorter than five years);
- (ii) when intending to employ foreign nationals, a sufficient management system concerning residence of foreign nationals is to be prepared under the plan.

(Implementation Period of Supervisory Business)

Article 6 The period prescribed by order of the competent ministry set forth in Article 6, paragraph (3), item (iii) of the Act is three years or more but shorter than five years (or five years in the case of seeking the application of the special provisions for taxation as prescribed in the paragraphs of Article 11 of the Act).

(Application for Certification for Changes to Supervisory Business Plans)

- Article 7 (1) A certified supervisory business operator (meaning the certified supervisory business operator prescribed in Article 7, paragraph (1) of the Act; the same applies hereinafter) who intends to receive a certification for a change to a supervisory business plan pursuant to the provisions of that paragraph, must submit a written application in the form of Form 3 and a copy thereof to the competent minister via the Minister of Economy, Trade and Industry; provided, however, that this does not apply to minor changes.
- (2) The written application referred to in the preceding paragraph must have the following documents attached; provided, however, that documents listed in item (ii) may be omitted if there is no change in the details stated in documents that had already been submitted to the competent minister, by way of stating to that effect in the written application:
- (i) a document stating the implementation status of supervisory business conducted according to the supervisory business plan;
 - (ii) the documents listed in the items of Article 2, paragraph (2).
- (3) The provisions of Article 2, paragraphs (3) to (7) apply mutatis mutandis to the certification set forth in paragraph (1).

(Instructions for Making Changes to Certified Supervisory Business Plans)

Article 8 When instructing a certified supervisory business operator to make a change to a certified supervisory business plan pursuant to the provisions of Article 7, paragraph (3) of the Act, the competent minister is to notify the certified supervisory business operator to that effect by sending a written notice in the form of Form 4.

(Rescission of the Certification of Supervisory Business Plans)

Article 9 When rescinding certification of a supervisory business plan pursuant to the provisions of Article 7, paragraph (2) or paragraph (3) of the Act, the competent minister is to notify the relevant certified supervisory business operator to that effect by sending a written notice in the form of Form 5.

(Reports Concerning the Implementation Status)

Article 10 (1) A certified supervisory business operator must make a report concerning the implementation status of the certified supervisory business plan for each business year during the implementation period, within three months after the end of each business year, in principle, to the competent minister via the Minister of Economy, Trade and Industry, by submitting a written implementation status report in the form of Form 6.

(2) The written implementation status report referred to in the preceding paragraph must have the inventory of assets, the balance sheet, and the income and expenditure statement or the profit and loss statement attached, or any document equivalent to either of these, for each business year, as well as a document stating any other matters to be referred to.

(3) The written implementation status report referred to in paragraph (1) may be stated in English.

(4) When the documents referred to in paragraph (2) are not stated in Japanese or English, Japanese or English translations thereof must be attached.

Supplementary Provisions

This Order comes into effect as of the date on which the Act comes into effect (November 1, 2012).