

Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Tentative translation)

(Act No. 43 of May 18, 2022)

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Chapter I General Provisions

(Purpose)

Article 1 The Purpose of this Act is to comprehensively and effectively promote economic measures regarding ensuring security through the formulation of a basic policy on the promotion of ensuring security through integrated

implementation of economic measures, and the establishment of systems regarding the stable supply of specified critical products and the stable provision of specified essential infrastructure services, and systems regarding development support for specified critical technologies and non-disclosure of patent applications, as economic measures related to ensuring security, in view of the increasing importance of preventing acts committed with regard to economic activity that harm the security of the nation and its citizens to ensure security associated with increased complexity of the international situation, changes in socioeconomic structure, etc.

(Basic Policy)

- Article 2 (1) The Government must provide a basic policy on the promotion of ensuring security through integrated implementation of economic measures (hereinafter referred to as the "basic policy").
- (2) The basic policy is to provide the following matters:
- (i) basic matters on the promotion of ensuring security through integrated implementation of economic measures;
 - (ii) basic matters on integrated implementation of economic measures regarding ensuring the stable supply of specified critical products (meaning specified critical products provided in Article 7; the same applies in Article 6), ensuring the stable provision of specified essential infrastructure services (meaning specified essential infrastructure services provided in Article 50, paragraph (1); the same applies in Article 49), development support for specified critical technologies (meaning specified critical technologies provided in Article 61; the same applies in Article 60), and non-disclosure of patent applications (meaning non-disclosure of patent applications provided in Article 65, paragraph (1));
 - (iii) basic matters on economic measures that should be promoted comprehensively and effectively regarding ensuring security (excluding what is set forth in the preceding Item); and
 - (iv) beyond what is set forth in the preceding three items, matters necessary for the promotion of ensuring security through integrated implementation of economic measures.
- (3) The Prime Minister must prepare a draft of the basic policy and seek a cabinet decision.
- (4) When the cabinet decision under the provisions of the preceding paragraph has been made, the Prime Minister must publicize without delay the basic policy.
- (5) The provisions of the preceding two paragraphs apply mutatis mutandis to modifications to the basic policy.

(Recommendations of the Prime Minister, etc.)

Article 3 (1) When the Prime Minister finds it necessary for the comprehensive and effective promotion of economic measures related to ensuring security, the Prime Minister may seek the provision of necessary materials or information, explanations, statements of opinion, or other necessary cooperation from the head of a relevant administrative organ.

(2) When the Prime Minister finds it particularly necessary for the comprehensive and effective promotion of economic measures related to ensuring security, the Prime Minister may issue necessary recommendations to the head of a relevant administrative organ or seek reports on measures taken as a result of such recommendation.

(3) When the Prime Minister finds it necessary for the comprehensive and effective promotion of economic measures related to ensuring security, the Prime Minister may provide the head of a relevant administrative organ with information that contributes to economic measures related to ensuring security.

(Responsibilities of the State)

Article 4 (1) The State has a responsibility to comprehensively and effectively promote economic measures related to ensuring security in line with the basic policy.

(2) The relevant national administrative organs must mutually cooperate on implementation of economic measures related to ensuring security.

(3) The State must endeavor to ensure necessary funding and take other measures to promote the comprehensive and effective promotion of economic measures related to ensuring security.

(Points of Attention in the Implementation of Control Measures under the Provisions of this Act)

Article 5 Control measures under the provisions of this Act must be taken in consideration of the impact on economic activity and to the extent found to be reasonably necessary to ensure security.

Chapter II Ensuring Stable Supply of Specified Critical Products

Section 1 Guiding Principles on Ensuring Stable Supply, etc.

(Guiding Principles on Ensuring Stable Supply)

Article 6 (1) The Government is to, pursuant to the basic policy, provide guiding principles on ensuring stable supply of specified critical products (hereinafter referred to as the "guiding principles on ensuring stable supply" in this Chapter) to prevent a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside.

- (2) The guiding principles on ensuring stable supply is to provide the following matters:
- (i) matters regarding the basic direction on ensuring stable supply of specified critical products;
 - (ii) matters regarding measures implemented by the State regarding ensuring stable supply of specified critical products;
 - (iii) matters regarding designation of specified critical products;
 - (iv) matters that should be used as criteria for preparing the policies on initiatives for ensuring stable supply provided in Article 8, paragraph (1);
 - (v) matters regarding the basic direction to facilitate procurement of funds necessary for initiatives to ensure stable supply of specified critical products (including matters that should be used as criteria for preparing the basic guidelines on operations to facilitate promotion of ensuring supply provided in Article 13, paragraph (1));
 - (vi) basic matters regarding the roles to be played by stable supply support corporations (meaning stable supply support corporations provided in Article 31, paragraph (1); the same applies in Article 8, paragraph (2), item (iv) and Article 9, paragraph (6)) and stable supply support incorporated administrative agencies (meaning stable supply support incorporated administrative agencies provided in Article 42, paragraph (2), ; the same applies in Article 8, paragraph (2), item (iv) and Article 9, paragraph (6)) regarding operations to support ensuring stable supply (meaning operations to support ensuring stable supply provided in Article 31, paragraph (1); the same applies in Article 8, paragraph (2) item (iv) and Article 9, paragraph (6)), and, funds for stable supply support corporations (meaning funds for stable supply support corporations provided in Article 34, paragraph (1); the same applies in Article 8, paragraph (2), item (iv) and Article 33, paragraph (2), item (v)) and funds for stable supply support incorporated administrative agencies (meaning funds for stable supply support incorporated administrative agencies provided in Article 43, paragraph (1); the same applies in Article 8, paragraph (2), item (iv));
 - (vii) basic matters regarding designations under the provisions of Article 44, paragraph (1);
 - (viii) basic matters to be considered in ensuring stable supply of specified critical products; and
 - (ix) beyond what is set forth in the preceding items, matters necessary for ensuring stable supply of specified critical products.
- (3) The Prime Minister must prepare a draft guiding principles on ensuring stable supply and seek a cabinet decision.
- (4) When preparing the draft guiding principles on ensuring stable supply under the provisions of the preceding paragraph, the Prime Minister must, in

advance, seek the opinions of persons with knowledge of economic measures related to ensuring security and industrial structure, and other knowledge of ensuring stable supply of specified critical products.

- (5) When a cabinet decision has been made under the provisions of paragraph (3), the Prime Minister must, without delay, publicize the guiding principles on ensuring stable supply.
- (6) The provisions of the preceding three paragraphs apply mutatis mutandis to modifications to the guiding principles on ensuring stable supply.

(Designation of Specified Critical Products)

Article 7 When critical products (including programs; the same applies hereinafter) which are vital for the survival of citizens or for which their daily lives or the economic activities depend widely on, or raw materials, parts, facilities, equipment, devices or programs necessary for the production thereof (hereinafter referred to as "raw materials, etc.") are or likely to be reliant excessively on the outside and ensuring the stable supply of the relevant products or raw materials, etc. necessary for the production thereof (hereinafter referred to as "products, etc." in this Article), through the improvement of the development base, diversification of supply sources, stockpiling, introduction of production technology and development or improvement of the relevant products, etc. or other initiatives to enhance resilience of the supply chain of the relevant products, etc. or the rationalization of usage of products, etc., development of alternative products or other initiatives to reduce reliance on the relevant products, etc., is found particularly necessary to prevent a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, the relevant products are to be designated as specified critical products by Cabinet Order

(Policies on Initiatives for Ensuring Stable Supply)

Article 8 (1) The competent ministers are to, regarding the specified critical products designated under the provisions of the preceding Article which pertain to businesses under the jurisdiction of the relevant competent minister, provide policies on initiatives for ensuring stable supply pertaining to the relevant specified critical products or raw materials, etc. necessary for the production thereof (hereinafter referred to as "specified critical products, etc." in this Chapter and Article 86, paragraph (1), item (ii)) (hereinafter referred to as "policies on initiatives for ensuring stable supply" in this Chapter) for each specified critical product pursuant to the guiding principles on ensuring stable supply,.

- (2) The policies on initiatives for ensuring stable supply are to provide the

following matters:

- (i) matters on the basic direction of initiatives to ensure stable supply of covered individual specified critical product, etc. (hereinafter referred to as "individual specified critical products, etc." in this Chapter);
 - (ii) matters on measures to be implemented by the competent ministers regarding initiatives to ensure stable supply of individual specified critical products, etc.;
 - (iii) matters on the details of initiatives to ensure stable supply of individual specified critical products, etc., and, for each relevant initiative, the period to conduct the initiative or the time limit to conduct the initiative;
 - (iv) matters on the roles to be played by stable supply support corporations and stable supply support incorporated administrative agencies regarding operations to support ensuring stable supply and funds for stable supply support corporations or funds for stable supply support incorporated administrative agencies to ensure stable supply of individual specified critical products, etc.;
 - (v) matters on designations under the provisions of Article 44, paragraph (1) pertaining to covered individual specified critical products;
 - (vi) matters to be considered in ensuring stable supply of individual specified critical products, etc.; and
 - (vii) beyond what is set forth in the preceding items, matters necessary to ensure stable supply of individual specified critical products, etc.
- (3) When the competent ministers make a designation under the provisions of Article 44, paragraph (1) for a covered individual specified critical products, the competent ministers are to provide matters on the measures under the provision of paragraph (6) of the same Article pertaining to the covered individual specified critical products, in addition to the matters set forth in the items of the preceding paragraph, in the policies on initiatives for ensuring stable supply.
- (4) When preparing the policies on initiatives for ensuring stable supply, the competent ministers must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organs.
- (5) When the competent ministers have provided the policies on initiatives for ensuring stable supply, the competent ministers must publicize them without delay.
- (6) The provisions of the preceding two paragraphs apply mutatis mutandis to modifications to the policies on initiatives for ensuring stable supply.

Section 2 Plans for Ensuring Stable Supply

(Approval of Plans for Ensuring Supply)

Article 9 (1) A person that intends to ensure stable supply of specified critical products, etc. may prepare a plan for initiatives to ensure stable supply of specified critical products, etc. which the person intends to implement (hereinafter referred to as "initiatives" in this Article) and, as provided by orders of the competent ministries, submit it to the competent ministers and obtain approval thereof.

(2) When two or more persons intend to jointly undertake initiatives, the relevant two or more persons may jointly prepare a plan for initiatives (hereinafter referred to as a "plan for ensuring supply" in this Section and Article 29) supply and obtain approval under the preceding paragraph.

(3) A plan for ensuring supply must contain the matters listed as follows:

- (i) item of specified critical products, etc. intended for ensuring stable supply;
- (ii) objectives of the initiatives;
- (iii) details and implementation period of the initiatives;
- (iv) implementation framework for the initiatives;
- (v) amount of funding required for the initiatives and the procurement method thereof;
- (vi) measures to ensure smooth and reliable implementation of the initiatives;
- (vii) framework to manage information on the initiatives;
- (viii) current status of procurement and supply or usage of the relevant specified critical products, etc. of the preparer of the plan for ensuring supply; and
- (ix) beyond what is set forth in the preceding items, matters provided by orders of the competent ministries.

(4) When there has been an application for the approval under paragraph (1), the competent ministers are to give such approval if the competent ministers find that the plan for ensuring supply pertaining to the relevant application meets all of the following items:

- (i) the details of the initiatives are appropriate in light of the policies on initiatives for ensuring stable supply;
- (ii) it is deemed that the initiatives will be implemented for a period longer than or within the time limit provided in the policies on initiatives for ensuring stable supply;
- (iii) the implementation framework for the initiatives, and the amount of funding required for the initiatives and procurement method thereof are appropriate for the smooth and reliable implementation of the plan for ensuring supply;
- (iv) it is deemed that measures to be taken in case of shortage of supply and demand of the specified critical products, etc., investments to contribute to maintain or strengthen the supply capacity of the specified critical products, etc., measures to contribute to reduce reliance, or other measures, provided

- by orders of the competent ministries as measures for smooth and reliable implementation of initiatives, are likely to be taken;
- (v) a framework has been established to appropriately manage information regarding the initiatives; and
 - (vi) when two or more persons engaged in businesses that fall within the same industry have jointly applied for the approval of paragraph (1) pertaining to a jointly prepared plan for ensuring supply, the plan for ensuring supply meets the following:
 - (a) in light of domestic and external market conditions, proper competition is ensured between the business entities that filed the relevant application and other business entities that engage in businesses that fall within the same industry; and
 - (b) it is not likely to cause unjust damage to the interest of general consumers and related business entities.
- (5) When granting the approval in paragraph (1), the competent ministers must, in advance, consult with the Prime Minister and the heads of other relevant administrative organs.
- (6) When having granted the approval in paragraph (1), the competent ministers are to give notice to that effect to the stable supply support corporation or stable supply support incorporated administrative agencies conducting operations to support ensuring stable supply of the specified critical products pertaining to the relevant approval.

(Modification of Plans for Ensuring Supply)

- Article 10 (1) When person that has obtained the approval of paragraph (1) of the preceding Article (hereinafter referred to as a "approved business entities to ensure supply" in this Chapter) modifies the plan for ensuring supply pertaining to the relevant approval, the person must, in advance, obtain the approval of the competent ministers as provided by orders of the competent ministries; provided, however, that this does not apply to minor modifications as provided by orders of the competent ministries.
- (2) When having made minor modifications as provided by orders of the competent ministries in the proviso to the preceding paragraph, an approved business entities to ensure supply must make notification to that effect to the competent ministers.
- (3) The provisions of paragraphs (4) through (6) of the preceding Article apply mutatis mutandis to approvals of modifications under the provisions of paragraph (1).

(Rescission of Approval of Plan for Ensuring Supply)

- Article 11 (1) When the competent ministers find that an approved business

entities to ensure supply is not undertaking initiatives to ensure stable supply of specified critical products, etc. in accordance with an approved plan for ensuring supply (in the case where an approval of modifications has been granted under the provisions of paragraph (1) of the preceding Article or a notification of a modification has been made under the provisions of paragraph (2) of the preceding Article, the modified plan; hereinafter referred to as "approved plan for ensuring supply" in this Chapter), the competent ministers may rescind the approval.

- (2) When the competent ministers find that an approved plan for ensuring supply no longer meets any of the items of Article 9, paragraph (4), the competent ministers may instruct the approved business entities to ensure supply to modify the relevant approved plan for ensuring supply or rescind the approval.
- (3) The provisions of Article 9, paragraph (6) apply mutatis mutandis to rescissions of approvals under the provisions of the preceding two paragraphs.

(Regular Reporting)

Article 12 An approved business entities to ensure supply must, each fiscal year, report to the competent ministers the implementation status of the approved plan for ensuring supply as provided by orders of the competent ministries.

Section 3 Special Provisions for the Japan Finance Corporation Act

(Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply)

Article 13 (1) The competent ministers are to, pursuant to the guiding principles on ensuring stable supply, provide basic guidelines on the implementation of operations listed as follows of the Japan Finance Corporation (hereinafter referred to as "JFC" in this Section and Article 98) and a person that has been designated under the provisions of Article 16, paragraph (1) (hereinafter referred to as the "basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc." in this Section):

- (i) operations for JFC to lend a person that has been designated under the provisions of Article 16, paragraph (1) (hereinafter referred to as "designated financial institution" in this Section and Article 48, paragraph (5)) funds necessary to lend funds necessary for approved business entities to ensure supply to conduct approved business to ensure supply (meaning business regarding initiatives to ensure stable supply of specified critical products, etc. undertaken in accordance with an approved plan for ensuring supply; hereinafter the same applies in this Chapter) and operations incidental thereto (hereinafter referred to as "operations to facilitate promotion of ensuring supply" in this Section); and

- (ii) operations for designated financial institutions to lend approved business entities to ensure supply funds necessary to conduct approved business to ensure supply for which the funds necessary for the relevant lending are lent by JFC (hereinafter referred to as "operations to promote ensuring supply" in this Chapter and Article 96, item (ii)).
- (2) The basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc. are to provide the following matters:
- (i) matters on the basic direction of operations to facilitate promotion of ensuring supply and operations to promote ensuring supply;
 - (ii) matters on the roles to be played by JFC and designated financial institutions regarding facilitation of procuring funds necessary for approved business entities to ensure supply to conduct approved business to ensure supply;
 - (iii) matters on the details of operations to facilitate promotion of ensuring supply to be conducted by JFC and the implementation framework thereof;
 - (iv) matters on the details of operations to promote ensuring supply to be conducted by designated financial institutions and the implementation framework thereof; and
 - (v) beyond what is set forth in the preceding items, matters necessary for the implementation of operations to facilitate promotion of ensuring supply and operations to promote ensuring supply.
- (3) When preparing the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc., the competent ministers must, in advance, consult with the heads of relevant administrative organs.
- (4) When the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc. have been provided, the competent ministers must publicize them without delay.
- (5) The provisions of the preceding two paragraphs apply mutatis mutandis to modifications to the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc.

(Operations to Facilitate Promotion of Ensuring Supply to be Conducted by JFC)

Article 14 Notwithstanding the provisions of Articles 1 and 11 of the Japan Finance Corporation Act (Act No. 57 of 2007), JFC may conduct operations to facilitate promotion of ensuring supply.

(Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply)

Article 15 (1) JFC must, pursuant to the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc., provide a policy on

the implementation method and implementation conditions for operations to facilitate promotion of ensuring supply and other matters necessary for implementation of operations to facilitate promotion of ensuring supply (hereinafter referred to as the "implementation policy for operations to facilitate promotion of ensuring supply") as provided by orders of the competent ministries.

- (2) When providing the implementation policy for operations to facilitate promotion of ensuring supply, JFC must, in advance, obtain the authorization of the competent ministers. The same applies to any modifications thereof.
- (3) After having obtained the authorization of the preceding paragraph, JFC must, without delay, publicize the implementation policy for operations to facilitate promotion of ensuring supply.
- (4) JFC must conduct operations to facilitate promotion of ensuring supply in accordance with the implementation policy for operations to facilitate promotion of ensuring supply.

(Designation of Designated Financial Institutions)

Article 16 (1) The competent ministers may, as provided by orders of the competent ministries, designate a person found to meet all of the following items as a person conducting operations to promote ensuring supply upon the person's application regarding operations to promote ensuring supply:

- (i) the person is a bank or other financial institution as provided by Cabinet Order;
 - (ii) the person's implementation framework for operations to promote ensuring supply and business regulations on promotion of ensuring supply set forth in the following paragraph are in conformity with laws and regulations, the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc., and the implementation policy for operations to facilitate promotion of ensuring supply, and are sufficient to implement operations to promote ensuring supply properly and reliably; and
 - (iii) in light of the person's personnel structure, the person has knowledge and experience that enable it to properly and reliably implement operations to promote ensuring supply.
- (2) A person that intends to obtain the designation under the provisions of the preceding paragraph (hereinafter referred to as "designation" in this section") must provide regulations on operations to promote ensuring supply (hereinafter referred to as "business regulations on promotion of ensuring supply" in the following paragraph and Article 18) pursuant to the basic guidelines for implementation of operations to facilitate promotion of ensuring supply, etc. and the implementation policy for operations to facilitate promotion of ensuring supply , as provided by orders of the competent

ministries, and submit these to the competent ministers accompanied with a designation application and other documents as provided by orders of the competent ministries.

- (3) The business regulations on promotion of ensuring supply must provide matters on the implementation framework and implementation method of operations to promote ensuring supply and other matters as provided by orders of the competent ministries.
- (4) A person that falls under any of the following items may not obtain designation:
 - (i) a person that has violated this Act, the Banking Act (Act No. 59 of 1981), or other Act as provided by Cabinet Order, or an order thereof or disposition based on either of these and been sentenced to a fine or severer punishment, and for whom five years have not elapsed since the day the person completed the sentence or ceased to be subject to the sentence;
 - (ii) a person whose designation has been rescinded under the provisions of Article 23, paragraph (1) or (2), and for whom five years have not elapsed since the day of the rescission; and
 - (iii) a corporation that has a person among officers conducting the operation who falls under any of the following:
 - (a) a person as provided by orders of the competent ministries as being unable to properly perform their duties due to mental or physical disorder or has received an order for the commencement of bankruptcy proceedings and has not had their rights restored; or
 - (b) when a designated financial institution's designation has been rescinded under the provisions of Article 23, paragraph (1) or (2), a person that was an officer of that designated financial institution within sixty days prior to the public notification of the date and location of hearings pertaining to the relevant rescission of designation, and for whom five years have not elapsed since the day of the relevant rescission of designation.

(Public Notification, etc. of Designation of Designated Financial Institutions)

- Article 17 (1) When the competent ministers have made a designation, the competent ministers are to make a public notification of the trade name or name, address, and location of the business office or office that conducts the operations to promote ensuring supply.
- (2) When changing trade name or name, address, or location of the business office or office that conducts the operations to promote ensuring supply, a designated financial institution must notify, in advance, the competent ministers to that effect.
 - (3) When there has been a notification under the provisions of the preceding paragraph, the competent ministers are to make a public notification to that

effect.

(Authorization, etc. of Modifications to Business Regulations on Promotion of Ensuring Supply)

Article 18 (1) When modifying the business regulations on promotion of ensuring supply, a designated financial institution must, in advance, obtain the authorization of the competent ministers.

(2) When the competent ministers find that a designated financial institution's business regulations on promotion of ensuring supply have become inappropriate for proper and reliable implementation of operations to promote ensuring supply, the competent ministers may order the business regulations on promotion of ensuring supply to be modified.

(Agreements)

Article 19 (1) JFC is to conclude agreements with designated financial institutions that include matters listed as follows, and conduct its operations in accordance thereto, regarding the operations to facilitate promotion of ensuring supply:

- (i) matters on criteria for lending conditions pertaining to operations to promote ensuring supply conducted by designated financial institutions;
- (ii) that designated financial institutions prepare and submit to JFC reports on their financial status and the implementation status of operations to promote ensuring supply; and
- (iii) beyond what is set forth in the preceding two items, details, implementation method, and other matters as provided by orders of the competent ministries of the operations to promote ensuring supply conducted by designated financial institutions and operations to facilitate promotion of ensuring supply conducted by JFC.

(2) When concluding an agreement of the preceding paragraph, JFC must, in advance, obtain the authorization of the competent ministers. The same applies to any modification thereto.

(Bookkeeping)

Article 20 Designated financial institutions must, as provided by orders of the competent ministries, prepare books, enter in the books matters to be provided by orders of the competent ministries, and keep the books, regarding the operations to promote ensuring supply.

(Supervision Orders)

Article 21 When the competent ministers find it necessary for enforcing the provisions of this Section, the competent ministers may issue orders to a

designated financial institution necessary for supervision regarding operations to promote ensuring supply.

(Suspension or Discontinuation of Operations to Promote Ensuring Supply)

Article 22 (1) When suspending or discontinuing, in whole or in part, operations to promote ensuring supply, a designated financial institution must, in advance, make a notification to that effect to the competent ministers as provided by orders of the competent ministries.

(2) When there has been a notification under the provisions of the preceding paragraph, the competent ministers are to make public notification to that effect.

(3) When a designated financial institution has discontinued in whole the operations to promote ensuring supply, the designation of the relevant designated financial institution ceases to be effective.

(Rescission, etc. of Designations of Designated Financial Institutions)

Article 23 (1) When a designated financial institution has come to fall under Article 16, paragraph (4), item (i) or (iii), the competent ministers are to rescind the designation thereof.

(2) When a designated financial institution falls under any of the following items, the competent ministers may rescind the designation thereof:

(i) when the designated financial institution is found to be unable to properly and reliably implement the operations to promote ensuring supply;

(ii) when the designated financial institution has committed a wrongful act in connection with the designation; or

(iii) when the designated financial institution has violated this Act, an order pursuant to this Act, or a disposition based on either of these.

(3) When the competent ministers have rescinded a designation under the provisions of paragraph (2), the competent ministers are to make a public notification to that effect.

(Completion of Operations due to Rescission, etc. of Designation of Designated Financial Institutions)

Article 24 If the designation of a designated financial institution have ceased to be effective under the provisions of Article 22, paragraph (3), or has been rescinded under the provisions of paragraph (1) or (2) of the preceding Article, the person that was the designated financial institution or its general successor is deemed to be the designated financial institution within the scope of the purpose of completing transactions based on the agreement on the designated financial institution's operations to promote ensuring supply.

(Application of the Japan Finance Corporation Act)

Article 25 (1) Regarding finances and accounting of JFC and competent ministers in cases when operations to facilitate ensuring supply are conducted, such operations are deemed to be operations to facilitate promotion of specified business under the provisions of Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (Act No. 38 of 2010) and the provisions of the Japan Finance Corporation Act apply with terms replaced pursuant to Article 17 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (excluding portions pertaining to the row of Article 11, paragraph (1), item (v), Article 58, Article 59, paragraph (1), Article 71, Article 73, item (i), Article 73, item (iii), Article 73, item (vii), and Supplementary Provisions Article 47, paragraph (1) in the table in Article 17 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products). In such cases, "Minister of Economy, Trade and Industry" in the row of Article 64, paragraph (1) in the table is deemed to be replaced with "Prime Minister."

(2) Beyond what is set forth in the preceding paragraph, regarding the application of provisions of the Japan Finance Corporation Act in cases when operations to facilitate ensuring supply are conducted, the terms and phrases set forth in the middle column of the following table in the provisions of the same Act set forth in the left-hand column of the table are deemed to be replaced with the terms and phrases set forth respectively in the right-hand column of the table. In such cases, any necessary technical replacement of terms is provided by Cabinet Order.

Article 11, paragraph (1), item (v)	operations conducted by JFC	operations conducted by JFC (excluding operations to facilitate ensuring supply under the provisions of Article 13, paragraph (1), item (i) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) (hereinafter referred to as "operations to facilitate ensuring supply"))
Article 58 and Article 59, paragraph (1)	this Act	this Act and the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures

Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied following the replacement of terms pursuant to the provisions of Article 25, paragraph (2) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures
Article 73, item (i)	This Act	This Act (including cases when applied following the replacement of terms pursuant to the provisions of Article 25, paragraph (2) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures)
Article 73, item (iii)	Article 11	Article 11 and Article 13, paragraph (1), item (i) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures
Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) as applied following the replacement of terms pursuant to the provisions of Article 25, paragraph (2) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures
Supplemental Provisions Article 47, paragraph (1)	JFC operations	JFC operations (excluding operations to facilitate promotion of ensuring supply)

Section 4 Special Provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act and the Small and Medium-Sized Enterprise Credit Insurance Act

(Definition of Small and Medium-Sized Enterprises)

Article 26 In this Section, "small and medium-sized enterprises" means a person that falls under any of the following items:

- (i) any company whose amount of stated capital or the total amount of capital contribution is 300,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 300 or less, which mainly engages in the business classified under manufacturing industry, construction, transportation or other business categories (excluding business categories provided in the following item through item (iv) and business categories as provided by Cabinet Order in item (v));

- (ii) any company whose amount of stated capital or the total amount of capital contribution is 100,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 100 or less, which mainly engages in the business classified under wholesale business (excluding business categories as provided by Cabinet Order in item (v));
- (iii) any company whose amount of stated capital or the total amount of capital contribution is 50,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 100 or less, which mainly engages in business classified under service industry (excluding business categories as provided by Cabinet Order in item (v));
- (iv) any company whose amount of stated capital or the total amount of contributions is not more than 50,000,000 yen, or a company or an individual whose number of regularly hired employees is 50 or less, which mainly engages in business classified under retail industry (excluding business categories as provided by Cabinet Order in the following item);
- (v) any company whose amount of stated capital or the total amount of contributions is not more than an amount provided by Cabinet Order for each business category as provided by Cabinet Order and any company or individual whose number of regularly hired employees is not more than a number provided by Cabinet Order for each business category which mainly engages in business in that business category;
- (vi) enterprise cooperatives;
- (vii) cooperative partnerships;
- (viii) business cooperatives, federations of cooperatives, or other partnerships or federations thereof established pursuant to a special law, as provided by Cabinet Order; or
- (ix) any corporation which mainly engages in medical practice whose number of regularly hired employees is 300 or less (excluding what is set forth in the preceding items).

(Special Provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act)

Article 27 (1) Small and medium-sized enterprise investment and consultation corporations may undertake businesses listed as follows beyond the businesses listed in the items of Article 5, paragraph (1) of the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act (Act No. 101 of 1963):

- (i) subscription for shares issued by a small and medium-sized enterprise at the time of the incorporation of a stock company with an amount of stated capital exceeding 300,000,000 yen for the purpose of conducting an approved business to ensure supply, and the holding of shares pertaining to the relevant subscription; and

(ii) subscription for shares, share options (excluding those attached to bonds with share options), or bonds with share options, etc. (meaning bonds with share options, etc. as provided in Article 5, paragraph (1), item (ii) of the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; hereinafter the same applies in this item) issued by a small and medium-sized enterprise which is a stock company with an amount of stated capital exceeding 300,000,000 yen to raise funds necessary to conduct approved business to ensure supply, and the holding of shares, share options (including shares issued or transferred due to the exercise thereof), or bonds with share options, etc. (including shares issued or transferred due to the exercise of the share options attached to the bonds with share options, etc.) pertaining to the relevant subscription.

(2) Regarding the application of the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act, the businesses listed in the items of the preceding paragraph are respectively deemed to be businesses under Article 5, paragraph (1), items (i) and (ii) of the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act.

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act)

Article 28 (1) Regarding the application of the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950) that are listed in the left-hand column of the following table pertaining to insurance relationships of ordinary insurance provided in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (referred to as "ordinary insurance" in paragraphs (4) and (5)), unsecured insurance provided in Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (referred to as "unsecured insurance" in paragraph (5)), or special petty insurance provided in Article 3-3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (referred to as "special petty insurance" in paragraph (5)) for which small and medium-sized businesses have received a guarantee related to ensuring supply (meaning guarantees of obligations provided in Article 3, paragraph (1), Article 3-2, paragraph (1), or Article 3-3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to funds necessary for approved business to ensure supply; hereinafter the same applies in this Article), each term and phrase listed in the middle column of the same table is deemed to be replaced with the corresponding term and phrase listed in the right-hand column of the same table.

Article 3, paragraph (1)	the total insurance value	the total insurance value of insurance relationships pertaining to the guarantees related to ensuring supply under the provisions of Article 28, paragraph (1) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) (hereinafter referred to as "guarantee related to ensuring supply") and the total insurance value of other insurance relationships, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value	the total insurance value of insurance relationships pertaining to guarantees related to ensuring supply and the total insurance value of other insurance relationships, respectively
Article 3-2, paragraph (3) and Article 3-3, paragraph (2)	out of the amount of the relevant borrowings	out of the amount of the relevant borrowings for each guarantee related to ensuring supply and other guarantee
	the debtor	the debtor for each guarantee related to ensuring supply and other guarantee

(2) Regarding the application of the provisions of Article 3-7, paragraphs (1) and (2) of the Small and Medium-Sized Enterprise Credit Insurance Act to insurance relationships in overseas investment-related insurance under the provisions of Article 3-7, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act which pertains to small and medium-sized enterprises that have received a guarantee related to ensuring supply, the term "200,000,000 yen" in Article 3-7, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act is deemed to be replaced with "300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds necessary for approved business to ensure supply under the provisions of Article 13, paragraph (1), item (i) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022)(hereinafter referred to as "funds for business to ensure supply"))", and the term "400,000,000 yen" is deemed to be replaced with "600,000,000 yen (400,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply), and the term "200,000,000" in Article 3-7, paragraph (2) is deemed to be replaced with "300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply)".

- (3) Regarding the application of the provisions of Article 3-8, paragraphs (1) and (2) of the Small and Medium-Sized Enterprise Credit Insurance Act to insurance relationships for new business development insurance under the provisions of Article 3-8, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act which pertains to a small or medium-sized business that has received a guarantee related to ensuring supply, the term "200,000,000 yen" in Article 3-8, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act is deemed to be replaced with "300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds necessary for approved business to ensure supply under the provisions of Article 13, paragraph (1), item (i) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022)(hereinafter referred to as "funds for business to ensure supply")), the term "400,000,000 yen" is deemed to be replaced with "600,000,000 yen (400,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply)," and the term "200,000,000 yen" in Article 8, paragraph (2) is deemed to be replaced with "300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply)."
- (4) Regarding the application of the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act to ordinary insurance relationship pertaining to guarantees related to ensuring supply, the terms "70 percent" in Article 3, paragraph (2) of the Small and Medium-Sized Enterprise Credit Insurance Act and "70 percent (80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, business reconstruction insurance, and specific corporate bond insurance)" in Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act are deemed to be replaced with "80 percent."
- (5) The amount of insurance premiums in an ordinary insurance, unsecured insurance, or special petty insurance relationship pertaining to a guarantee related to ensuring supply is the number arrived at by multiplying the insurance amount by the rate provided by Cabinet Order that is set within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-sized Enterprise Credit Insurance Act.

Section 5 Development of Market Environment Pertaining to Specified Critical Products, etc.

(Relationship with Fair Trade Commission Pertaining to Specified Critical Products, etc.)

Article 29 (1) When intending to grant an approval of Article 9, paragraph (1) (including approvals of modifications under the provisions of Article 10, paragraph (1); the same applies in the following paragraph) to a plan for ensuring supply pertaining to an application by two or more persons engaged in businesses that fall within the same industry, the competent ministers may, when the competent ministers find it to be necessary, seek the opinion of the Fair Trade Commission on the plan for ensuring supply pertaining to the relevant application.

(2) When the Fair Trade Commission finds it to be necessary, the Fair Trade Commission may state an opinion on a plan for ensuring supply for which an opinion has been sought under the provisions of the preceding paragraph that the competent ministers have granted an approval of Article 9, paragraph (1).

(Relationship with the Customs Tariff Act Pertaining to Specified Critical Products, etc.)

Article 30 (1) In the case where the competent minister considers that, with respect to industries under its administrative jurisdiction that are related to specified critical products, etc., there is sufficient evidence with regard to the fact of the importation of product to which subsidies (meaning the subsidies under Article 7, paragraph (2) of the Customs Tariff Act (Act No. 54 of 1910); hereinafter the same apply in this paragraph) are granted, directly or indirectly, to production or export in any foreign country and the fact that such importation causes or threatens to cause material injury to the domestic industry (limited to an industry which produces like products of such products to which the said subsidies are granted; hereinafter the same apply in this paragraph) or materially prevents the establishment of domestic industry, and if the competent minister find it necessary to prevent in advance a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, the competent minister may, as provided by Cabinet Order, request the minister with jurisdiction over affairs concerning investigation under paragraph (6) of that Article to conduct such investigation.

(2) In the case where the competent minister considers that, with respect to industries under its administrative jurisdiction that are related to specified critical products, etc., there is sufficient evidence with regard to the fact of the importation of dumped product (dumping meaning the dumping under Article 8, paragraph (1) of the Customs Tariff Act; hereinafter the same applies in this paragraph) and the fact that such importation causes or threatens to cause material injury to the domestic industry (limited to an industry that produces

the like products of the dumped product, hereinafter the same applies in this paragraph) or materially prevents the establishment of domestic industry, and if the competent minister find it necessary to prevent in advance a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, the competent minister may, as provided by Cabinet Order, request the minister with jurisdiction over affairs concerning investigation under paragraph (5) of that Article to initiate such investigation.

(3) In the case where the competent minister considers that, with respect to industries under its administrative jurisdiction that are related to specified critical products, etc., there is sufficient evidence with regard to the fact of an increase in imports of specified type of products (including an increase in the ratio of such imports to the total domestic production) as a result of a decline in the price in a foreign country or other unforeseen developments of circumstances and the fact that importation of such a product causes or threatens to cause serious injury to the domestic industry which produces the like product or other products whose usage compete with directly, and when the competent minister find it necessary to prevent a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, the competent minister may, as provided by Cabinet Order, request the minister with jurisdiction over affairs concerning investigation under Article 9, paragraph (6) of the Customs Tariff Act to initiate such investigation.

(4) In the case where the competent minister has made a request for investigation under the provisions of the preceding three paragraphs, and when a decision to initiate the investigation has been made, the competent minister is to publicize the outline of the fact that the request has been made and the facts pertaining to such request.

Section 6 Support by Stable Supply Support Corporations

(Designation and Operations of Stable Supply Support Corporations)

Article 31 (1) The competent ministers may, pursuant to the guiding principles on ensuring stable supply and policies on initiatives for ensuring stable supply and as provided by orders of the competent ministers, designate for each specified critical products a general incorporated association, general incorporated foundation, or other corporation provided by orders of the competent ministries, that is found to be in conformity to all the following items regarding operations provided in paragraph (3) (hereinafter referred to as "operations to support ensuring stable supply" in this Chapter and Article 96, item (iii)) at the application thereof as a stable supply support corporation.

(i) the corporation has the financial base and technical capability sufficient to

- properly and reliably conduct the operations to support ensuring stable supply;
- (ii) the corporation's implementation framework for operations to support ensuring stable supply is appropriate in light of the guiding principles on ensuring stable supply;
 - (iii) if the corporation conducts operations other than operations to support ensuring stable supply, conducting those operations is not likely to impede the proper and reliable implementation of the operations to support ensuring stable supply; and
 - (iv) beyond what is set forth in the preceding three items, the corporation conforms to the criteria provided by orders of the competent ministries to be able to properly and reliably implement the operations to support ensuring stable supply.
- (2) A person that falls under any of the following items may not receive the designation under the provisions of the preceding paragraph (hereinafter referred to as "designation" in this Section):
- (i) a person that has violated this Act and was sentenced to punishment and for whom two years have not elapsed since the day the person completed the sentence or ceased to be subject to the sentence;
 - (ii) a person whose designation was rescinded under the provisions of Article 41, paragraph (1) or (2), and two years have not elapsed since the day of the rescission; or
 - (iii) a corporation that has an officer that falls under item (i).
- (3) A stable supply support corporation is to conduct the following operations as provided by orders of the competent ministries:
- (i) providing subsidies to be allocated to funds necessary for approved business entities to ensure supply to conduct approved business to ensure supply;
 - (ii) granting compensation for interest to financial institutions that lend funds necessary for approved business entities to ensure supply to conduct approved business to ensure supply (hereinafter referred to as "loan financial institutions" in Article 33, paragraph (2) item (iv));
 - (iii) collecting information on ensuring stable supply of specified critical products, etc. covered under the operations to support ensuring stable supply;
 - (iv) responding to inquiries and requests for consultation regarding matters necessary to ensure stable supply of specified critical products, etc. covered under the operations to support ensuring stable supply from persons intending to ensure stable supply of the relevant specified critical products, etc.; and
 - (v) conducting operations incidental to the operations listed in the preceding items.

- (4) In making a designation, the competent ministers are to provide, as provided by orders of the competent ministries, criteria to be followed when the relevant stable supply support corporation implements operations to support ensuring stable supply (hereinafter referred to as "implementation criteria to support ensuring supply" in this Section).
- (5) When providing the implementation criteria to support ensuring supply, the competent ministers must, in advance, consult with the Minister of Finance and the heads of other relevant administrative organs.
- (6) When having provided the implementation criteria to support ensuring supply, the competent ministers must publicize the criteria.
- (7) The provisions of the preceding two paragraphs apply mutatis mutandis to modifications to the implementation criteria to support ensuring supply.

(Public Notice, etc. of Designation of Stable Supply Support Corporations)

- Article 32 (1) When the competent ministers have made a designation, the competent ministers are to make a public notification of the name, address, and location of the business office or office that conducts the operations to support ensuring stable supply of the stable supply support corporation pertaining to the relevant designation, and the specified critical products pertaining to the designation.
- (2) When changing name, address, and location of the business office or office that conducts the operations to support ensuring stable supply, a stable supply support corporation must notify, in advance, the competent ministers to that effect.
 - (3) When there has been a notification under the provisions of the preceding paragraph, the competent ministers are to make a public notification to that effect.

(Business Regulations on Operations to Support Ensuring Stable Supply)

- Article 33 (1) When conducting operations to support ensuring stable supply, a stable supply support corporation must, prior to commencing the relevant operations to support ensuring stable supply, provide regulations on operations to support ensuring stable supply (hereinafter referred to as "business regulations on operations to support ensuring stable supply" in this Article) and obtain the authorization of the competent ministers as provided by orders of the competent ministries. The same applies when intending to make modifications thereto.
- (2) Matters to be provided in the business regulations on operations to support ensuring stable supply are as follows:
 - (i) specified critical products pertaining to the designation;
 - (ii) matters on approved business to ensure stable supply covered by the

- operations to support ensuring stable supply;
- (iii) the following matters on operations listed in Article 31, paragraph (3), item (i):
- (a) matters on requirements for providing subsidies to approved business entities to ensure supply;
 - (b) matters for approved business entities to ensure supply to state in applications for issuance of subsidies;
 - (c) matters on conditions to be attached to decisions on the issuance of subsidies to approved business entities to ensure supply; and
 - (d) beyond what is set forth in (a) through (c), matters to be provided by orders of the competent ministries as matters necessary for issuance of subsidies;
- (iv) the following matters on operations listed in Article 31, paragraph (3), item (ii):
- (a) matters on requirements for granting compensation for interest to loan financial institutions;
 - (b) matters for financial institutions to state in applications to grant compensation for interest;
 - (c) matters on conditions to be attached to decisions on granting compensation for interest to loan financial institutions; and
 - (d) beyond what is set forth in (a) through (c), matters to be provided by orders of the competent ministries as matters necessary for granting compensation for interest;
- (v) when establishing a fund for stable supply support corporation, matters on management of the fund for the relevant stable supply support corporation; and
- (vi) beyond what is set forth in the preceding items, matters to be provided by orders of the competent ministries as matters necessary for operations to support ensuring stable supply.
- (3) When the competent ministers find that the application for authorization of paragraph (1) is in conformity with the guiding principles on ensuring stable supply, policies on initiatives for ensuring stable supply, and the implementation criteria to support ensuring supply, and is sufficient to properly and reliably implement operations to support ensuring stable supply, the competent ministers are to give the authorization.
- (4) When giving the authorization of paragraph (1), the competent ministers must, in advance, consult with the Minister of Finance and other heads of relevant administrative organs.
- (5) When a stable supply support corporation has obtained the authorization of paragraph (1), it must, without delay, publicize the business regulations on operations to support ensuring stable supply.

- (6) When the competent ministers find that a stable supply support corporation's business regulations on operations to support ensuring stable supply are no longer in conformity with guiding principles on ensuring stable supply, policies on initiatives for ensuring stable supply, or the implementation criteria to support ensuring supply, the competent ministers may order the business regulations on operations to support ensuring stable supply to be modified.

(Funds for Stable Supply Support Corporations)

Article 34 (1) When the competent ministers have provided matters on operations that fall under both of the following items and operations incidental thereto as operations to support ensuring stable supply conducted by a stable supply support corporation, the relevant stable supply support corporation is to establish a fund to be allocated to the costs required for such operations (hereinafter referred to as "fund for stable supply support corporation" in this Section and Article 99) and allocate subsidies that have been received under the provisions of the following paragraph to the fund:

- (i) the operation which is an operation pertaining to initiatives to ensure stable supply of specified critical products, etc. implemented to prevent a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, and is urgent to ensure stable supply of specified critical products, etc.; and
 - (ii) the operation which is an operation over multiple fiscal years and for which it is impossible to forecast in advance the amount needed in each fiscal year, there is a need for flexible expenditures or other special circumstances, and it is found necessary to secure a source of funds in advance for the relevant multiple fiscal years for the stable and efficient implementation thereof.
- (2) The State may subsidize funds to a stable supply support corporation to be allocated to a fund for stable supply support corporation within the scope of the budget.
- (3) Interest and other income arising from the operation of a fund for stable supply support corporations are to be allocated to the relevant fund for stable supply support corporation.
- (4) A stable supply support corporation must not invest surplus funds from its operations pertaining to the operation of a fund for stable supply support corporations using any method other than the following methods:
- (i) acquisition of Japanese Government Bonds or other negotiable instruments as provided by the competent ministers;
 - (ii) depositing to a bank or other financial institution as provided by the competent ministers; or
 - (iii) money trust with a financial institution engaged in the trust business (meaning a financial institution authorized under Article 1, paragraph (1) of

the Act on Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943)) with a contract agreement on compensation of principal.

- (5) When providing a negotiable instrument under the provisions of item (i) of the preceding paragraph or a financial institution under the provisions of item (ii) of the preceding paragraph, the competent ministers must, in advance, consult with the Minister of Finance. The same applies to any modifications thereto.
- (6) When the competent ministers have made a notification under the provisions of Article 10, paragraph (3) or Article 9, paragraph (6), as applied mutatis mutandis pursuant to Article 11, paragraph (3), and finds it necessary, the competent ministers are to order the stable supply support corporation that received the relevant notification (limited to stable supply support corporations that have received subsidies under the provisions of paragraph (2)) to pay to the national treasury an amount equivalent to all or part of the subsidies received under the provisions of paragraph (2).
- (7) Procedures for making payments, the account to which payment monies are attributed, and other matters necessary regarding payments to the national treasury are provided by Cabinet Order.
- (8) When a stable supply support corporation has established a fund for stable supply support corporations, the stable supply support corporation must prepare a report on operations pertaining to the relevant fund for stable supply support corporations and submit it to the competent ministers each business year no later than six months after the end of the relevant business year.
- (9) When the competent ministers have received a submission of a report under the preceding paragraph, the competent ministers must report to the Diet, attaching opinions thereon.

(Business Plans, etc.)

- Article 35 (1) A stable supply support corporation must, as provided by orders of the competent ministries, each business year prepare a business plan and budget for revenue and expenditure regarding the operations to support ensuring stable supply and obtain the authorization of the competent ministers. The same applies when intending to make modifications thereto.
- (2) When a stable supply support corporation have obtained the authorization of the preceding paragraph, the stable supply support corporation must, without delay, publicize the business plan and budget for revenue and expenditure.
 - (3) A stable supply support corporation must, no later than three months after the end of each business year, as provided by orders of the competent ministries, prepare a business report and statement of accounts regarding the operations to support ensuring stable supply, submit them to the competent ministers, and publicize them.

(Separate Accounting)

Article 36 A stable supply support corporation must, as provided by orders of the competent ministries, separate the accounting for each of the following operations; provided, however, that accounting pertaining to operations listed in item (ii) is to be separated limited to cases when the stable supply support corporation has established a fund for stable supply support corporations under the provisions of Article 34, paragraph (1):

- (i) operations to support ensuring stable supply (excluding operations listed in the following item);
- (ii) operations pertaining to a fund for stable supply support corporations; and
- (iii) other operations.

(Duty of Confidentiality)

Article 37 An officer or an employee of a stable supply support corporation, or a person who was formerly in that position, must not divulge or misappropriate any confidential information learned in the course of operations to support ensuring stable supply to any person without justifiable grounds.

(Bookkeeping)

Article 38 A stable supply support corporation must, as provided by orders of the competent ministries, prepare books, enter in the books matters to be provided by orders of the competent ministries, and keep the books.

(Supervision Orders)

Article 39 When the competent ministers find it necessary for enforcing the provisions of this section, the competent ministers may issue to a stable supply support corporation orders necessary for supervision regarding operations to support ensuring stable supply.

(Suspension or Discontinuation of Operations to Support Ensuring Stable Supply)

- Article 40 (1) A stable supply support corporation must not suspend or discontinue all or a part of operations to support ensuring stable supply without permission of the competent ministers as provided by orders of the competent ministries.
- (2) When the competent ministers have permitted discontinuing all of operations to support ensuring stable supply, the designation of the relevant stable supply support corporation ceases to be effective.
 - (3) When the competent ministers have granted the permission of paragraph (1), the competent ministers are to make a public notification to that effect.

(Rescission, etc. of Designations of Stable Supply Support Corporations)

Article 41 (1) When a stable supply support corporation has come to fall under Article 31, paragraph (2), item (i) or item (iii), the competent ministers are to rescind the designation thereof.

- (2) When a stable supply support corporation falls under any of the following items, the competent ministers may rescind the designation thereof:
- (i) when the stable supply support corporation is found to be unable to properly and reliably implement the operations to support ensuring stable supply;
 - (ii) when the stable supply support corporation has committed a wrongful act in connection with the designation; or
 - (iii) when the stable supply support corporation has violated this Act, an order pursuant to this Act, or a disposition based on either of these.
- (3) Beyond what is set forth in the preceding two paragraphs, when the competent ministers have come to find it not necessary for a stable supply support corporation to conduct operations to support stable supply, the competent ministers may rescind the designation thereof.
- (4) When the competent ministers rescind a designation pursuant to the provisions of any of the preceding three paragraphs, the competent ministers are to make a public notification to that effect.
- (5) When the designation of a stable supply support corporation is rescinded pursuant to the provisions of paragraph (1) or (2), the stable supply support corporation must transfer all of its operations to support ensuring stable supply to a stable supply support corporation selected by the competent ministers as one that is to assume all of the relevant operations to support ensuring stable supply.
- (6) Beyond what is set forth in the preceding paragraph, the transfer of operations to support ensuring stable supply and other necessary matters in a case where a designation is rescinded pursuant to the provisions of paragraph (1) or (2) are provided by orders of the competent ministries.

Section 7 Support by Stable Supply Support Incorporated Administrative Agencies

(Designation and Operations of Stable Supply Support Incorporated Administrative Agencies)

Article 42 (1) When an incorporated administrative agency listed in the appended table (meaning an incorporated administrative agency under the provisions of Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No 103 of 1999); the same applies in the following paragraph and Article 86, paragraph (1), item (iv)) has received a

designation as an stable supply support incorporated administrative agencies under the provisions of the following paragraph, the incorporated administrative agency may, as provided by the relevant individual laws under the provisions of Article 1, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (hereinafter referred to as the "relevant individual laws" in this paragraph and paragraph (1) of the following Article), conduct operations to support ensuring stable supply (limited to operations set forth in Article 31, paragraph (3), items (i) and (ii) and operations incidental thereto; the same applies in paragraph (1) of the following Article) pertaining to the relevant designation to achieve the purpose of this Act, strictly for the purpose provided in the relevant individual laws under the provisions of Article 5 of the Act on General Rules for Incorporated Administrative Agencies.

- (2) The competent ministers may, pursuant to the policies on initiatives for ensuring stable supply, designate for each specified critical products incorporated administrative agencies under the jurisdiction of the competent ministers pertaining to specified critical products pertaining to the business under the jurisdiction of the competent ministers as stable supply support incorporated administrative agencies.
- (3) The provisions of Article 32 apply mutatis mutandis to stable supply support incorporated administrative agencies.

(Funds for Stable Supply Support Incorporated Administrative Agencies

Established in Stable Supply Support Incorporated Administrative Agencies)

Article 43 (1) An stable supply support incorporated administrative agencies may, as provided by the Relevant Individual Act, establish a fund to be allocated to costs required for operations to support ensuring stable supply pertaining to the designation under the provisions of paragraph (2) of the preceding Article that fall under both of the following items and operations incidental thereto (hereinafter referred to as a "fund for stable supply support incorporated administrative agencies" in this Article and Article 99):

- (i) the operation which is an operation pertaining to initiatives to ensure stable supply of specified critical products, etc. implemented to prevent a situation in which the security of the nation and its citizens is undermined due to actions taken from the outside, and is urgent to ensure stable supply of specified critical products, etc.; and
 - (ii) the operation which is an operation over multiple fiscal years and for which it is impossible to forecast in advance the amount needed in each fiscal year, there is a need for flexible expenditures or other special circumstances, and it is found necessary to secure a source of funds in advance for the relevant multiple fiscal years for the stable and efficient implementation thereof.
- (2) The provisions of Article 34, paragraphs (3), (8), and (9) apply mutatis

mutandis to funds for stable supply support incorporated administrative agencies established by stable supply support incorporated administrative agencies.

- (3) The provisions of Articles 47 and 67 of the Act on General Rules for Incorporated Administrative Agencies (limited to portions pertaining to item (vii)) apply mutatis mutandis to the operation of funds for stable supply support incorporated administrative agencies established by stable supply support incorporated administrative agencies under the provisions of paragraph (1). In such cases, the term "money trust" under Article 47, item (iii) of the Act on General Rules for Incorporated Administrative Agencies is deemed to be replaced with "money trust with a contract agreement on compensation of principal."

Section 8 Specified Critical Products for which Special Measures are Required

(Designation, etc. of Specified Critical Products for which Special Measures are Required)

- Article 44 (1) When the competent ministers find it will be impossible to ensure stable supply of a specified critical products under the jurisdiction of the competent ministers with the measures under the provisions of Section 3 through the preceding Section, the competent ministers may, pursuant to the guiding principles on ensuring stable supply and policies on initiatives for ensuring stable supply, designate specified critical products for which special measures are required to ensure stable supply of the relevant specified critical products.
- (2) When making a designation under the provisions of the preceding paragraph, the competent ministers must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organs.
- (3) When the competent ministers have made a designation under the provisions of paragraph (1), the competent ministers are to make a public notification of the specified critical products pertaining to the relevant designation.
- (4) When the competent ministers finds that the reason for the designation under the provisions of paragraph (1) have ceased to exist, the competent ministers are to cancel the designation under the provisions of paragraph (1).
- (5) The provisions of paragraphs (2) and (3) apply mutatis mutandis to a cancellation under the provisions of the preceding paragraph.
- (6) The competent ministers are to engage in stockpiling and take other measures necessary to ensure stable supply of a specified critical products designated under the provisions of paragraph (1) or the raw materials, etc. necessary for the production thereof.

- (7) The stockpiling under the provisions of the preceding paragraph may serve as stockpiling pursuant to Article 10 of the Act on Special Measures against Novel Influenza (Act No. 31 of 2012), or the provisions of other Acts as provided by Cabinet Order, and vice versa.
- (8) In cases where, due to actions taken from the outside, there will be or there will likely be a supply shortage of a specified critical products designated under the provisions of paragraph (1) (limited to those provided by Cabinet Order as vital for the survival of citizens; hereinafter the same applies in this paragraph) or the raw materials, etc. necessary for the production thereof, and a significant increase in the price thereof is highly likely to cause a situation that undermines the security of the nation and its citizens, and the competent ministers find it especially necessary to deal with the relevant situation, the competent ministers are to be able to, as provided by Cabinet Order, transfer, lend, or allow the use of the relevant specified critical products or raw material, etc. necessary for the production thereof held pursuant to paragraph (6) at a price lower than the market price and which is provided by Cabinet Order as a standard price before its significant increase by specifying necessary conditions.
- (9) When the competent ministers implement the measures under the provisions of the preceding paragraph, the competent ministers must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organs.

(Entrusted Facility Managers)

- Article 45 (1) When the competent ministers find it is necessary to effectively implement the measures under the provisions of paragraph (6) of the preceding Article, the competent ministers may, as provided by Cabinet Order, entrust the management of facilities (including sites thereof) necessary for measures under the provisions of paragraph (6) of the preceding Article to a corporation designated by the competent ministers (hereinafter referred to as "entrusted facility manager" in this Article and Article 48, paragraph (7)).
- (2) Cabinet Order of the preceding paragraph is to provide the procedures for designating an entrusted facility manager, procedures for entrusting management, and other necessary matters.
- (3) An entrusted facility manager must, as provided by orders of the competent ministries, provide regulations on operations of management pertaining to the designation under the provisions of paragraph (1) (hereinafter referred to as "entrusted facility management operations" in this Article and Article 48, paragraph (7)) and obtain the authorization of the competent ministers. The same applies when intending to make modifications thereto.
- (4) When granting the authorization under the provisions of the preceding paragraph, the competent ministers must, in advance, consult with the Prime

Minister, the Minister of Finance, and the heads of other relevant administrative organs.

- (5) The regulations on entrusted facility management operations must provide the method of implementation of the entrusted facility management operations and other matters as provided by orders of the competent ministries.
- (6) When the competent ministers find that the regulations on entrusted facility management operations authorized under the provisions of paragraph (3) have become inappropriate for the proper and reliable implementation of entrusted facility management operations, the competent ministers may order an entrusted facility manager to modify it.
- (7) An entrusted facility manager must, as provided by orders of the competent ministries, no later than three months after the end of each business year, prepare a business report and statement of accounts regarding the entrusted facility management operations and submit them to the competent ministers.
- (8) An entrusted facility manager must, as provided by orders of the competent ministries, separate the accounting for entrusted facility management operations and operations other than entrusted facility management operations.
- (9) When the competent ministers find it necessary for enforcing the provisions of this Section, the competent ministers may issue orders to an entrusted facility manager necessary for supervision regarding entrusted facility management operations.
- (10) When an entrusted facility manager has violated an order under the preceding paragraph or the competent ministers find that the entrusted facility manager is unable to properly and reliably implement management, the competent ministers may rescind its designation or order the entrusted facility manager to suspend, in whole or in part, the entrusted facility management operations within a provided period.

Section 9 Miscellaneous Provisions

(Request for Submission of Materials)

Article 46 When the competent ministers find it necessary for enforcing the provisions of this Chapter, the competent ministers may seek from the Prime Minister, heads of relevant administrative organs or other relevant persons the provision of materials or information, explanations, statements of opinion, or other necessary cooperation.

(Securing of Funds)

Article 47 The State is to endeavor to secure the necessary funding for approved business entities to ensure supply to conduct approved business to ensure

supply.

(Collection of Reports and On-Site Inspections)

- Article 48 (1) The competent ministers may, to the extent necessary for enforcement of the provisions of this Chapter, seek from individuals, corporations, or other organizations that engage in the business of producing, importing, or selling a product pertaining to business under the competent ministers' administrative jurisdiction necessary reports or the submission of materials regarding the status of production, import, sale, procurement, or storage of the relevant product or raw materials, etc. necessary for the production thereof.
- (2) The competent minister may, to the extent necessary for the enforcement of Article 30, paragraphs (1) through (3), seek from individuals, corporations, or other organizations engaged in the business of producing, importing or selling the specified critical products, etc. pertaining to businesses under its administrative jurisdiction reports or the submission of materials on matters necessary to request for investigation under these provisions.
- (3) A person that is requested to report or submit materials pursuant to the provisions of the preceding two paragraphs must endeavor to comply with the request.
- (4) The competent ministers may, to the extent necessary for enforcement of the provisions of this Chapter, seek from approved business entities to ensure supply reports or the submission of materials on the implementation status of the plan for ensuring stable supply or other necessary matters.
- (5) The competent ministers may, to the extent necessary for enforcement of the provisions of this Chapter, seek from designated financial institutions necessary reports or the submission of materials on operations to promote ensuring supply, or have officials of the competent ministers enter the business office, office, or other necessary places of the designated financial institution and ask questions on operations to promote ensuring supply or inspect books, document, and other articles.
- (6) The competent ministers may, to the extent necessary for enforcement of the provisions of this Chapter, seek from stable supply support corporations necessary reports or the submission of materials on operations to support ensuring stable supply, or have officials of the competent ministers enter the business office, office or other necessary places of the stable supply support corporation and ask questions on operations to support ensuring stable supply or inspect books, document, and other articles.
- (7) The competent ministers may, to the extent necessary for enforcement of the provisions of this Chapter, seek from entrusted facility managers necessary reports or the submission of materials on entrusted facility management

operations, or have officials of the competent ministers enter the business office, office or other necessary places of the entrusted facility manager and ask questions on entrusted facility management operations or inspect books, document, and other articles.

- (8) The officials who conduct the on-site inspection under the provisions of the preceding three paragraphs must carry an identification card and produce it when requested by the people concerned.
- (9) The authority for the on-site inspections under the provisions of paragraphs (5) through (7) must not be construed as having been granted for criminal investigation.

Chapter III Ensuring the Stable Provision of Specified Essential Infrastructure Services

(Guiding Principles on Specified Essential Infrastructure Services)

Article 49 (1) The Government is to, pursuant to the basic policy, provide guiding principles on ensuring the stable provision of specified essential infrastructure services by preventing the specified interference actions (meaning specified interference actions provided in Article 52, paragraph (2), item (ii), (c); the same applies in the next paragraph) (hereinafter referred to as the "guiding principles on specified essential infrastructure services" in this Article).

- (2) The guiding principles on specified essential infrastructure services is to provide the following matters:
 - (i) matters regarding the basic direction to ensure stable provision of specified essential infrastructure services by preventing specified interference actions (including matters regarding details of specified interference actions);
 - (ii) basic matters regarding designation of specified essential infrastructure service providers (meaning specified essential infrastructure service providers provided in paragraph (1) of the next Article; the same applies in the next item and item (v)) (including matters of attention regarding the relevant designation from an economic and social perspective);
 - (iii) basic matters regarding recommendations and orders to specified essential infrastructure service providers;
 - (iv) matters to be considered in ensuring the stable provision of specified essential infrastructure services by preventing specified interference actions (including matters to be considered in the drafting of orders of the competent ministries to provide specified critical facilities provided in paragraph (1) of the next Article and critical maintenance and management, etc. provided in Article 52, paragraph (1));
 - (v) matters regarding necessary coordination with specified essential

- infrastructure service providers or any other relevant persons regarding ensuring stable provision of specified essential infrastructure services by preventing specified interference actions; and
- (vi) beyond what is set forth in the preceding items, matters necessary to ensure stable provision of specified essential infrastructure services by preventing specified interference actions.
- (3) The Prime Minister must prepare a draft guiding principles on specified essential infrastructure services and seek a cabinet decision.
- (4) When the Prime Minister prepares the draft guiding principles on specified essential infrastructure services under the provisions of the preceding paragraph, the Prime Minister must, in advance, seek the opinions of persons with knowledge of economic measures related to ensuring security and ensuring the stable provision of information and communications technology or any other specified essential infrastructure services, and give consideration to the impact on economic activity regarding specified essential infrastructure services.
- (5) When the cabinet decision under the provisions of paragraph (3) has been made, the Prime Minister is to, without delay, publicize the guiding principles on specified essential infrastructure services.
- (6) The provisions of the preceding three paragraphs apply mutatis mutandis to modifications to the guiding principles on specified essential infrastructure services.

(Designation of Specified Essential Infrastructure Service Providers)

Article 50 (1) The competent minister may designate as a specified essential infrastructure service providers a person who falls under the criteria provided by order of the competent ministry as a person who engages in specified essential infrastructure business (meaning, among following business, a business that is provided by Cabinet Order as a business that provides specified essential infrastructure services (meaning services that form the basis for the lives of the citizenry or economic activity, and for which disruption that arises to their stable provision is likely to cause a situation that damages the security of the nation and citizens; hereinafter the same applies in this paragraph and Article 52); hereinafter the same applies in this Chapter and Article 86, paragraph (2)) for which suspension or degradation of the function of the specified critical facilities in use (meaning facilities, devices, equipment, or programs provided by order of the competent ministry that are critical for the stable provision of specified essential infrastructure services and are likely to be used as a means for actions taken from outside Japan to interfere with the stable provision of specified essential infrastructure services; hereinafter the same applies in this Chapter and Article 92, paragraph (1)) are

highly likely to cause a situation that damages the security of the nation and its citizens:

- (i) electricity business provided in Article 2, paragraph (1), item (xvi) in the Electricity Business Act (Act No. 170 of 1964);
- (ii) gas business provided in Article 2, paragraph (11) in the Gas Business Act (Act No. 51 of 1954);
- (iii) oil refinery business provided in Article 2, paragraph (5) and petroleum gas importer business provided in Article 2, paragraph (9) of the Oil Stockpiling Act (Act No. 96 of 1975);
- (iv) water supply service provided in Article 3, paragraph (2) and wholesale water supply service provided in Article 3, paragraph (4) of the Water Supply Act (Act No. 177 of 1957);
- (v) type I railway business provided in Article 2, paragraph (2) of the Railway Business Act (Act No. 92 of 1986);
- (vi) general motor truck transportation business provided in Article 2, paragraph (2) of the Motor Truck Transportation Act (Act No. 83 of 1989);
- (vii) cargo liner service business provided in Article 2, paragraph (4) and irregular route business, which mainly transports between Japanese ports and ports in regions outside of Japan, provided in Article 2, paragraph (6) of the Marine Transportation Act (Act No. 187 of 1949);
- (viii) international air transport services business provided in article 2, paragraph (19) and domestic scheduled air transport services business provided in Article 2, paragraph (20) of the Aviation Act (Act No. 231 of 1952);
- (ix) Business to establish and manage airports (meaning airports provided in Article 2 of the Airport Act (Act No. 80 of 1956); hereinafter the same applies in this item) or public facility, etc. operating project business pertaining to airports provided in Article 2, paragraph (6) of the Act on Promotion of Private Finance Initiative (Act No. 117 of 1999);
- (x) telecommunications business provided in Article 2, item (iv) of the Telecommunications Business Act (Act No. 86 of 1984);
- (xi) broadcasting business that conducts basic broadcasting provided in Article 2, item (ii) of the Broadcasting Act (Act No. 132 of 1950);
- (xii) postal business;
- (xiii) businesses pertaining to finance set forth as follows:
 - (a) businesses that engage in actions listed in any item of Article 2, paragraph 2 of the Banking Act;
 - (b) insurance business provided in Article 2, Paragraph 1 of the Insurance Business Act (Act No. 105 of 1995);
 - (c) business to operate a financial instruments exchange market provided in Article 2, paragraph (17), financial instruments obligation assumption

- services provided in Article 2, paragraph (28), and type-I financial instruments business provided in Article 28, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948);
- (d) trust business provided in Article 2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004);
- (e) clearing services for interbank funds transfer provided in Article 2, paragraph (20), and business of issuing prepaid payment instruments for third-party business provided in Article 3, paragraph (5) (excluding items listed in Article 4) of the Payment Services Act (Act No. 59 of 2009);
- (f) business to conduct services provided in Article 34 of the Deposit Insurance Act (Act No. 34 of 1971) and business to conduct services provided in Article 34 of the Agricultural and Fishery Cooperatives Savings Insurance Act (Act No. 53 of 1973);
- (g) book-entry transfer services provided in Article 3, paragraph (1) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001); and
- (h) monetary claims recording business provided in Article 51, paragraph (1) of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007); and
- (xiv) business to conduct intermediation services of comprehensive credit purchases provided in Article 2, paragraph (3) of the Installment Sales Act (Act No. 159 of 1961).
- (2) When the competent minister has designated a specified essential infrastructure service provider, the competent minister must notify the relevant designated person of the designation and give public notice of the relevant designated person's name, address, type of specified essential infrastructure business pertaining to the designation, and date on which the designation was made. The same applies when there are changes to these matters.
- (3) A specified essential infrastructure service provider must notify the competent minister when there is a change in name or address no later than two weeks prior to the date of the change.

(Cancellation of Designation)

Article 51 When the competent minister finds that a specified essential infrastructure service provider no longer falls under the criteria provided by order of the competent ministry in paragraph (1) of the preceding Article, the competent minister is to cancel the designation under paragraph (1). In this case, the provisions of paragraph (2) of the preceding Article apply *mutatis mutandis*.

(Introduction of Specified Critical Facilities, etc.)

Article 52 (1) When a specified essential infrastructure service provider introduces specified critical facilities from another enterprise (excluding cases when introducing specified critical facilities supplied by a person found to be substantially identical to the relevant specified essential infrastructure service provider or any other person provided by Cabinet Order (excluding cases when specified critical facilities supplied by a person other than the relevant person provided by the relevant Cabinet Order are incorporated into the relevant specified critical facilities)) or entrusts another enterprise to maintain, manage, or operate specified critical facilities (limited to those provided by order of the competent ministry as critical for maintaining the function of the relevant specified critical facilities or the stable provision of specified essential infrastructure services pertaining to the specified critical facilities, and through which the relevant specified critical facilities are likely to be used as a means for actions taken from outside Japan to interfere with the stable provision of specified essential infrastructure services; hereinafter referred to as "critical maintenance and management, etc." in this Chapter and Article 92, paragraph (1)), in accordance with the order of the competent ministry, the specified essential infrastructure service provider must, in advance, prepare a plan regarding the introduction of the relevant specified critical facilities or entrustment of critical maintenance and management, etc. (hereinafter referred to as "plan of introduction, etc." in this Chapter) and notify the competent minister thereof accompanied by documents provided by order of the competent ministry. Provided, however, that this does not apply when provided by order of the competent ministry when introducing specified critical facilities from another enterprise or entrusting another enterprise to conduct critical maintenance and management, etc. of specified critical facilities in cases of urgent necessity.

(2) The plan of introduction, etc. must contain the following matters:

- (i) outline of the specified critical facilities;
- (ii) the following matters when introducing specified critical facilities:
 - (a) details and timing of the introduction;
 - (b) matters provided by order of the competent ministry as matters regarding the supplier of the specified critical facilities; and
 - (c) matters provided by order of the competent ministry as matters regarding facilities, equipment, devices, or programs that comprise part of the specified critical facilities that are likely to be used as a means for specified interference actions (meaning actions taken from outside Japan to interfere with the stable provision of specified essential infrastructure services regarding the introduction or entrustment of critical maintenance and management, etc. of specified critical facilities; hereinafter the same

- applies in this Chapter);
- (iii) when entrusting another person with critical maintenance and management, etc. of specified critical facilities, the following matters:
 - (a) details and timing or duration of the entrustment of critical maintenance and management, etc.;
 - (b) matters provided by order of the competent ministry as matters regarding the other party to the entrustment of critical maintenance and management, etc.; and
 - (c) when the other party to the entrustment of critical maintenance and management, etc. further entrusts critical maintenance and management, etc. to another enterprise, matters provided by order of the competent ministry as matters regarding the relevant further entrustment; and
 - (iv) beyond the matters listed in the preceding three items, matters provided by order of the competent ministry as matters regarding the introduction or entrustment of critical maintenance and management, etc. of specified critical facilities.
- (3) A specified essential infrastructure service provider that has made notification of the plan of introduction, etc. under paragraph (1) must not introduce the specified critical facilities or entrust the critical maintenance and management, etc. pertaining to the relevant plan of introduction, etc. until 30 days have passed from the day the competent minister receives the relevant notification. Provided, however, that the period thereof may be shortened when the competent minister finds that a screening under the next paragraph is not necessary in light of the scale, nature, etc. of the relevant introduction or entrustment of critical maintenance and management, etc. or, as a result of a screening under the next paragraph, that the relevant specified critical facilities are not highly likely to be used as a means for specified interference actions before the period ends.
- (4) When there has been a notification of a plan of introduction, etc. under the provisions of paragraph (1), the competent minister may extend the period during which the specified critical facilities must not be introduced and the critical maintenance and management, etc. not be entrusted pertaining to the relevant plan of introduction, etc., limited to four months from the day the competent minister receives the relevant notification, when the competent minister finds that it is necessary to conduct a screening of whether or not it is highly likely that the specified critical facilities pertaining to the relevant plan of introduction, etc. will be used as a means for specified interference actions, or to issue a recommendation under the provisions of paragraph (6) or an order under the provisions of paragraph (10).
- (5) When the competent minister has extended the period during which the specified critical facilities must not be introduced and the critical maintenance

and management, etc. not be entrusted pertaining to the relevant plan of introduction, etc. under the provisions of the preceding paragraph, and the competent minister finds before the final day of the relevant extended period, as a result of the screening under the provisions of the preceding paragraph, that the specified critical facilities cannot be regarded to be highly likely to be used as a means for specified interference actions, the competent minister may shorten the relevant extended period.

- (6) When the competent minister finds, as a result of the screening under paragraph (4), that the specified critical facilities pertaining to the plan of introduction, etc. are highly likely to be used as a means for specified interference actions, the competent minister may recommend that the specified essential infrastructure service provider introduce or entrust critical maintenance and management, etc. of the specified critical facilities pertaining to the relevant plan of introduction, etc. after changing the details of the relevant plan of introduction, etc. or having taken other measures necessary to prevent specified interference actions, or that such activities should be suspended. Provided, however, that the period when the relevant recommendation may be made is to be until the day when 30 days have passed from the day on which the relevant notification has been received (when an extension has been made under the provisions of paragraph (4), the final day of the relevant extended period).
- (7) A specified essential infrastructure service provider that has received a recommendation under the provisions of the preceding paragraph must, within 10 days from the day on which the person is issued the recommendation, notify the competent minister of whether or not to accept the recommendation and, if not accepting, the reasons thereof.
- (8) A specified essential infrastructure service provider that has given notice of the acceptance of the recommendation under the provisions of the preceding paragraph must introduce or entrust critical maintenance and management, etc. of the specified critical facilities pursuant to the relevant plan of introduction, etc. after having notified the competent minister of a plan of introduction, etc. that has been amended pertaining to the relevant recommendation, or suspend introduction of or entrustment of critical maintenance and management, etc. of the specified critical facilities pursuant to the plan of introduction, etc. pertaining to the relevant recommendation.
- (9) A specified essential infrastructure service provider that has given notice of acceptance of the recommendation under the provisions of paragraph (7) may, notwithstanding the provisions of paragraph (3) or paragraph (4), introduce or entrust critical maintenance and management, etc. of the specified critical facilities pursuant to the plan of introduction, etc. notified under the provisions of the preceding paragraph before 30 days have passed from the day the plan of

introduction, etc. was notified under the provisions of paragraph (1) (when an extension has been made under the provisions of paragraph (4), the final day of the relevant extended period).

(10) When a specified essential infrastructure service provider that has received a recommendation under the provisions of paragraph (6) has not given notice under the provisions of paragraph (7) or has given notice of the refusal of the recommendation, and no justifiable grounds are found for refusing the relevant recommendation, the competent minister may, as provided by order of the competent ministry, order the specified essential infrastructure service provider that received the relevant recommendation to introduce or entrust critical maintenance and management, etc. of the specified critical facilities pursuant to the relevant plan of introduction, etc. after having notified the competent minister of an introduction plan of introduction, etc. that has been amended pertaining to the relevant recommendation, or to suspend the introduction or entrustment of critical maintenance and management, etc. of the specified critical facilities pertaining to the plan of introduction, etc. pertaining to the relevant recommendation. Provided, however, that the period during which the competent minister may order the introduction or entrustment of critical maintenance and management, etc. of specified critical facilities pursuant to the plan of introduction, etc. to which the relevant modifications have been made, or to suspend the introduction or entrustment of critical maintenance and management, etc. of specified critical facilities pertaining to the plan of introduction, etc. pertaining to the relevant recommendation is to be until 30 days have passed from receiving the plan of introduction, etc. under the provisions of paragraph (1) (when an extension has been made under the provisions of paragraph (4), the final day of the relevant extended period).

(11) When a specified essential infrastructure service providers has introduced or entrusted critical maintenance and management. of specified critical facilities in the case prescribed in the proviso to paragraph (1), the specified essential infrastructure service provider must, without delay and as provided by order of the competent ministry, submit to the competent minister written notice (hereinafter referred to as "urgent notice of introduction, etc." in Article 54, paragraph (5) and Article 55, paragraph (2)) including the matters listed in the items of paragraph (2) accompanied by documents provided by order of the competent ministry under paragraph (1).

(Transitional Measures on Introduction, etc. of Specified Critical Facilities)

Article 53 (1) The provisions of paragraph (1) of the preceding Article do not apply to persons who have received designation under the provisions of Article 50, paragraph (1) for six months from the day of the designation only with

respect to the introduction or entrustment of critical maintenance and management, etc. of specified critical facilities used for specified essential infrastructure business pertaining to the relevant designation.

- (2) The provisions of paragraph (1) of the preceding Article do not apply to facilities, equipment, a device, or a program that newly became a specified critical facility due to amendment to the order of the competent ministry that provides specified critical facilities under Article 50, paragraph (1) for six months from the day the relevant facilities, equipment, device, or program became specified critical facilities.
- (3) The provisions of paragraph (1) of the preceding Article do not apply to critical maintenance and management, etc. that newly became critical maintenance and management, etc. due to amendment to the order of the competent ministry under paragraph (1) for six months from the day the relevant maintenance and management or operation became critical maintenance and management, etc..

(Modifications, etc. to Plan of Introduction, etc.)

Article 54 (1) When a specified essential infrastructure service provider makes material modifications as provided by order of the competent ministry to matters listed in Article 52, paragraph (2) prior to introducing or entrusting another person with critical maintenance and management, etc. of, or before the end of the period of entrusting another person with critical maintenance and management, etc. of, specified critical facilities pertaining to a plan of introduction, etc. notified under the provisions of Article 52, paragraph (1) (in case of modifications made under the provisions of this Act, the modified plan of introduction, etc.; hereinafter the same applies in this Article and Article 55, paragraph (1)), the specified essential infrastructure service provider must, in advance, prepare draft modifications to the relevant plan of introduction, etc. and notify the competent minister thereof accompanied by documents provided by order of the competent ministry. Provided, however, that this does not apply when provided by order of the competent ministry as cases when making the relevant modifications is of urgent necessity.

- (2) The provisions of Article 52, paragraphs (2) through (10) apply *mutatis mutandis* to notification of draft modifications under the provisions of the preceding paragraph.
- (3) When a specified essential infrastructure service provider has made modifications under the provisions of paragraph (1) under the provisions of the proviso to paragraph (1), the specified essential infrastructure service provider must, as provided by order of the competent ministry, notify the competent minister of a plan of introduction, etc. specifying the details of the relevant modifications, accompanied by documents provided by order of the competent

ministry in paragraph (1).

- (4) When a specified essential infrastructure service provider makes modifications to matters listed in the items of Article 52, paragraph (2) (except for modifications under the provisions of paragraph (1) and minor modifications as provided by order of the competent ministry) prior to introducing or entrusting another person with critical maintenance and management, etc. of, or before the end of the period of entrusting another person with critical maintenance and management, etc. of, specified critical facilities pertaining to a plan of introduction, etc. notified under the provisions of Article 52, paragraph (1), or modifications provided by order of the competent ministry as items listed in Article 52, paragraph (2), item (c) after the relevant introduction, the specified essential infrastructure service provider must, without delay, report the details of the relevant modifications to the competent minister as provided by order of the competent ministry.
- (5) The provisions of the preceding paragraphs apply mutatis mutandis to specified essential infrastructure service providers pertaining to an urgent notice of introduction, etc. notified under the provisions of Article 52, paragraph (11) (in case of modifications made under the provisions of this Act, the modified urgent notice of introduction, etc.; the same applies in Article 55, paragraph (2)). In such cases, the term "prior to introducing or entrusting another person with critical maintenance and management, etc. of, or before the end of the period of entrusting another person with critical maintenance and management, etc." in paragraph (1) and the preceding paragraph is deemed to be replaced with "before the end of the period of entrusting another person with critical maintenance and management, etc."

(Recommendations and Orders After Introduction of Specified Critical Facilities, etc.)

Article 55 (1) If, after a specified essential infrastructure service providers that has made notification of a plan of introduction, etc. under the provisions of Article 52, paragraph (1) has become able to introduce specified critical facilities or entrust critical maintenance and management, etc. or has introduced or entrusted critical maintenance and management, etc. of specified critical facilities pertaining to the relevant plan of introduction, etc. under the provisions of the preceding three articles, the competent minister has come to find that the specified critical facilities pertaining to the relevant plan of introduction, etc. are highly likely to be used as means for specified interference actions due to a shift in the international situation or other changes in circumstances, the competent minister may recommend that the specified essential infrastructure service provider that made the relevant notification implement an inspection or maintenance check, change the other

party to the entrustment of critical maintenance and management, etc. of the relevant specified critical facilities, or take other necessary measures to prevent specified interference actions.

- (2) If, after a specified essential infrastructure service provider that has notified an urgent notice of introduction, etc. under the provisions of Article 52, paragraph (11) has become able to introduce or entrust or has introduced or entrusted critical maintenance and management, etc. of specified critical facilities pertaining to the relevant urgent notice of introduction, etc. under the provisions of the preceding three Articles, the competent minister have come to find that specified critical facilities pertaining to the relevant urgent notice of introduction, etc. are used or are highly likely to be used as means to engage in specified interference actions, the competent minister may recommend that the specified essential infrastructure service provider that made the relevant notification implement an inspection or maintenance check, change the other party to the entrustment of critical maintenance and management, etc. of the relevant specified critical facilities, or take other necessary measures to prevent specified interference actions.
- (3) The provisions of Article 52, paragraphs (7), (8), and (10) (excluding the proviso) apply mutatis mutandis to the recommendations under the provisions of the preceding two paragraphs.

(Procedures, etc. for Recommendations and Orders)

- Article 56 (1) When making a recommendation under the provisions of Article 52, paragraph (6) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2) (including as applied mutatis mutandis pursuant to Article 54, paragraph (5); hereinafter the same applies in this Article); the same applies in the following paragraph and Article 58, paragraph (2)) or paragraph (1) or (2) of the preceding Article, or making an order under the provisions of Article 52, paragraph (10) (including cases when applied mutatis mutandis to Article 54, paragraph (2) and paragraph (3) of the preceding Article; hereinafter the same applies in this Chapter and Article 88), the competent minister must, in advance, consult with the Prime Minister and other heads of relevant administrative organs.
- (2) Beyond what is set forth in Article 52, paragraphs (6) through (10), the preceding Article, and the preceding paragraph, the procedures and other necessary matters for extensions under the provisions of Article 52, paragraph (4) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2); the same applies in Article 88), shortening under the provisions of Article 52, paragraph (5) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2)), recommendations under the provisions of Article 52, paragraph (6) and paragraphs (1) and (2) of the preceding Article, and orders

under the provisions of Article 52, paragraph (10) are provided by Cabinet Order.

(Responsibilities of the Competent Minister)

Article 57 The competent minister is to endeavor to provide information that contributes to preventing specified interference actions to specified essential infrastructure service providers.

(Collection of Reports and On-Site Inspections)

Article 58 (1) The competent minister may, to the extent necessary for designation under the provisions of Article 50, paragraph (1), seek from persons engaged in specified essential infrastructure business necessary reports or the submission of materials regarding the relevant specified essential infrastructure business.

(2) The competent minister may, to the extent necessary to execute the provisions of Article 51, Article 52, paragraphs (6) and (10), and Article 55, paragraphs (1) and (2), seek from specified essential infrastructure service providers the submission of reports or materials necessary for the specified essential infrastructure business engaged in by the specified essential infrastructure service providers, or have officials thereof enter the specified essential infrastructure service provider's offices or other necessary places, ask questions regarding the specified essential infrastructure business, or inspect books, documents, or other objects.

(3) The officials who conduct the on-site inspection under the provisions of the preceding paragraph must carry an identification card and produce it when requested by the people concerned.

(4) The authority for the on-site inspections under the provisions of paragraph (2) must not be construed as having been granted for criminal investigation.

(Request of Document Submission)

Article 59 When the competent minister finds it necessary to execute the provisions of this Chapter, the competent minister may seek the provision of materials and information, explanations, statements of opinion, and other necessary cooperation from the Prime Minister, heads of relevant administrative organs, and other relevant persons.

Chapter IV Support for Development of Specified Critical Technologies

(Guiding principles on research and development of the specified critical technologies)

Article 60 (1) The Government is to provide, pursuant to the basic policy,

guiding principles on promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof (hereinafter referred to as "guiding principles on research and development of the specified critical technologies" in this Chapter).

- (2) The guiding principles on research and development of the specified critical technologies is to provide the following matters:
 - (i) matters on the basic direction regarding promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof;
 - (ii) basic matters on the organization of councils (meaning councils under the provisions of Article 62, paragraph (1));
 - (iii) basic matters on the designation of designated funds (meaning designated funds under the provisions of Article 63, paragraph (1));
 - (iv) basic matters on the implementation of surveys and research (meaning surveys and research under the provisions of Article 64, paragraph (1));
 - (v) matters to be considered in promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof; and
 - (vi) beyond what is set forth in the preceding items, matters necessary for promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof.
- (3) The Prime Minister must prepare a draft guiding principles on research and development of the specified critical technologies and seek a cabinet decision.
- (4) When preparing the draft guiding principles on research and development of the specified critical technologies pursuant to the provision of the preceding paragraph, the Prime Minister must, in advance, hear the opinions of persons with knowledge of economic measures related to ensuring security, domestic and external trends in socioeconomic conditions and research and development, and other knowledge of development support for specified critical technologies.
- (5) When there has been a cabinet decision under the provisions of paragraph (3), the Prime Minister must, without delay, publicize the guiding principles on research and development of the specified critical technologies.
- (6) The provisions of the preceding three paragraphs apply mutatis mutandis to modifications to the guiding principles on research and development of the specified critical technologies.

(Policies of the State)

Article 61 The State is to, pursuant to the guiding principles on research and development of the specified critical technologies, endeavor to provide necessary information, secure funding, develop human resources and improve the quality thereof, and take other measures for the promotion of research and

development of specified critical technologies (meaning advanced technology that could become critical to maintaining the future lives of the citizenry and economic activity (referred to as "advanced technology" in Article 64, paragraph (2), items (i) and (ii)) for which a situation is likely to arise in which the security of the nation and its citizens is undermined if the relevant technology or the information used in research and development thereof is wrongfully used externally, or if the products or services using such technology are dependent on the outside and the stable use of these products or services is no longer possible due to actions taken from the outside; hereinafter the same applies in this Chapter) and the appropriate utilization of the results thereof.

(Council)

- Article 62 (1) For the promotion of research and development of specified critical technologies conducted via the relevant research and development, etc. and the appropriate utilization of the results thereof, the ministers who grant funds regarding research and development, etc. conducted with the State funding under the provisions of Article 12, paragraph (1) of the Act on Vitalizing the Creation of Science, Technology, and Innovation (Act No. 63 of 2008; referred to as the "Vitalization Act" in paragraphs (1) and (2) of the following Article) (hereinafter referred to as "research and development ,etc." in this Article and paragraph (4) of the following Article) (hereinafter referred to as "ministers of research and development" in this Article and Article 87, paragraph (1)) may, pursuant to the guiding principles on research and development of the specified critical technologies and after obtaining the consent of a person engaged in research and development, etc. on the relevant specified critical technologies who is a person found to be reasonable to represent the relevant research and development, etc., organize a council comprised of the relevant persons and the relevant ministers of research and development (hereinafter referred to as the "council" in this Article).
- (2) When organizing a council, the ministers of research and development must, in advance, consult the Prime Minister.
- (3) The ministers of research and development who organize a council pursuant to the provisions of paragraph (1) may, when finding it to be necessary, add as members of the council the heads of relevant national administrative organs, persons engaged in research and development, etc. of the relevant specified critical technology, the institution for surveys and research of specified critical technology (meaning the institution for surveys and research of specified critical technology provided in Article 64, paragraph (3); the same applies in paragraph (6)), and other persons found to be necessary by the ministers of research and development, after obtaining their consent.
- (4) The council is to consult on the following matters to achieve the objective of

paragraph (1):

- (i) matters on collecting, organizing, and analyzing useful data for research and development of the relevant specified critical technology;
 - (ii) matters on means to effectively promote research and development of the relevant specified critical technology;
 - (iii) matters on the details and treatment of the results of research and development of the relevant specified critical technology;
 - (iv) matters on measures necessary to properly manage information on research and development of the relevant specified critical technology;
 - (v) beyond what is set forth in the preceding items, matters necessary to promote research and development of the relevant specified critical technology and utilize appropriately the results thereof.
- (5) Council members are to, pursuant to the results of the consultation in the preceding paragraph, properly manage information on research and development of specified critical technologies and undertake other necessary initiatives.
- (6) When finding it to be necessary to conduct the consultation under paragraph (4), the council may seek from its members or the institution for surveys and research of specified critical technology (excluding those that are members of the relevant council; hereinafter the same applies in this paragraph) the provision of materials, explanations, statements of opinion, or other cooperation which are necessary regarding the promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof. In such cases, the relevant members and relevant institution for surveys and research of specified critical technology are to endeavor to respond to the request.
- (7) A person who is or has been engaged in the administrative processes of a council must not divulge or misappropriate secret learned in the course of the relevant administrative processes without justifiable grounds.
- (8) Beyond what is set forth in the preceding paragraphs, the council is to provide matters necessary for the council's organization and operation.

(Designated Funds)

Article 63 (1) The Prime Minister may, pursuant to the guiding principles on research and development of the specified critical technologies, designate as designated funds those funds under the provisions of Article 27-2, paragraph (1) of the Vitalization Act with the objective of the promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof.

- (2) When making a designation under the preceding paragraph, the Prime Minister must, in advance, consult the Minister of Finance, the minister who

has jurisdiction over the fund distribution institution pertaining to the relevant designated fund (meaning fund distribution institution under the provisions of Article 27-2, paragraph (1) of the Vitalization Act) (referred to as "minister with jurisdiction over the designated fund" in paragraph (4) and Article 87, paragraph (1)) and the heads of other relevant administrative organs.

- (3) The State may, within the limits of the budget, subsidize the funds allocated to a designated fund.
- (4) The minister with jurisdiction over a designated fund is to, jointly with the Prime Minister, organize a council comprised of persons engaged in research and development, etc. of specified critical technologies conducted with the relevant designated fund who is found to be reasonable as a person to represent the relevant research and development, etc., the relevant minister with jurisdiction over the designated fund, and the Prime Minister (referred to as a "council for a designated fund" in the next paragraph) to ensure the relevant designated fund's promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof.
- (5) The provisions of paragraphs (3) through (8) of the preceding Article apply mutatis mutandis to a council for a designated fund. In such cases, the term "paragraph (1)" in paragraphs (3) and (4) of the preceding Article is deemed to be replaced with "paragraph (4) of the next Article," and the term "ministers of research and development" is deemed to be replaced with "minister with jurisdiction over a designated fund and the Prime Minister."

(Surveys and Research)

- Article 64 (1) The Prime Minister is to, pursuant to the guiding principles on research and development of the specified critical technologies, engage in surveys and research necessary for promotion of research and development of specified critical technologies and the appropriate utilization of the results thereof (referred to as "surveys and research" in the next paragraph and paragraph (3)).
- (2) The Prime Minister may entrust, in whole or in part, surveys and research to a person (limited to a corporation) that is in conformity with the following criteria as a person that can appropriately implement the surveys and research:
 - (i) the person has the capability to perform specialized surveys and research on domestic and external socioeconomic conditions and trends in research and development regarding advanced technology;
 - (ii) the person has the capability to collect, organize, and store information on domestic and external information on advanced technology;
 - (iii) the person has the capability to collaborate with domestic and external

- institutions that conduct surveys and research into science and technology, institutions that engage in research and development on science and technology, and other relevant domestic and external institutions; and
- (iv) the person has the capability sufficient to properly implement measures for information security management.
- (3) The head of a relevant administrative organ may provide information and materials necessary to conduct the surveys and research pertaining to the relevant entrustment, in response to a request from a person entrusted under the provisions of the preceding paragraph (referred to as "institution for surveys and research of specified critical technology" in the next paragraph).
- (4) An officer or employee of an institution for surveys and research of specified critical technology, or a person who was formerly in that position, must not divulge or misappropriate sensitive information learned in the course of their duties without justifiable grounds.

Chapter V Non-Disclosure of Patent Applications

(Guiding Principles on Non-Disclosure of Patent Applications)

- Article 65 (1) The Government is, pursuant to the basic policy, to provide guiding principles on measures regarding exceptions to publication of applications under the Patent Act (Act No. 121 of 1959), the proper management of information pertaining to inventions stated in descriptions, claims, or drawings (hereinafter referred to as "descriptions, etc." in this Chapter) pertaining to patent applications under the provisions of Article 36, paragraph (1) of the Patent Act, and other measures to prevent the flowing out of information pertaining to inventions that, if made known to the public, would be highly likely to create a situation to undermine the security of the nation its citizens through actions taken from the outside (hereinafter referred to as "Non-Disclosure of Patent Applications" in this Article) (hereinafter referred to as "guiding principles on non-disclosure of patent applications").
- (2) The guiding principles on non-disclosure of patent applications is to provide the following matters:
- (i) matters on the basic direction of Non-Disclosure of Patent Applications;
 - (ii) basic matters on technology fields to be provided by Cabinet Order pursuant to the provisions of paragraph (1) of the following Article;
 - (iii) matters on procedures regarding security designations (meaning security designations under the provisions of Article 70, paragraph (2); the same applies in paragraph (1) of the following Article and Article 67); and
 - (iv) beyond what is set forth in the preceding three items, necessary matters concerning non-disclosure of patent applications.
- (3) The Prime Minister must prepare a draft guiding principles on non-disclosure

of patent applications and seek a cabinet decision.

- (4) When preparing the draft guiding principles on non-disclosure of patent applications under the provisions of the preceding paragraph, the Prime Minister must, in advance, seek the opinions of persons with knowledge of economic measures related to ensuring security, industrial technology, and other knowledge regarding non-disclosure of patent applications, and must consider impacts on industrial activity.
- (5) When there has been a cabinet decision under the provisions of paragraph (3), the Prime Minister must, without delay, publicize the guiding principles on non-disclosure of patent applications.
- (6) The provisions of the preceding three paragraphs apply mutatis mutandis to modifications to the guiding principles on non-disclosure of patent applications.

(Sending to the Prime Minister)

Article 66 (1) When the Commissioner of the Japan Patent Office has received a patent application, and the descriptions, etc. list an invention belonging to a technology field provided by Cabinet Order in accordance with an international patent classification (meaning international patent classification under the provisions of Article 1 of the Strasbourg Agreement Concerning the International Patent Classification of March 24, 1971) or a classification divided in accordance thereto that could include an invention that, if made known to the public, would be highly likely to create a situation to undermine the security of the nation and its citizens through actions taken from the outside (hereinafter referred to as "specified technology field" in this paragraph)(in cases when the invention belongs to a specific technology field provided by Cabinet Order as a technology field that is found to have a significant impact on the development of industry if a security designation is made, limited to inventions that fall under the requirements provided by Cabinet Order), the Commissioner of the Japan Patent Office is to send to the Prime Minister documents pertaining to the relevant patent application as provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry by the day on which the period provided by Cabinet Order not exceeding three months from the day of the relevant patent application has elapsed. Provided, however, that when it is found to be obviously unnecessary to proceed with a security review (meaning a security review under the provisions of paragraph (1) of the following Article; hereinafter the same applies in the following paragraph) in light of the relevant invention's technology level, characteristics, or disclosure status, the Commissioner of the Japan Patent Office may choose not to send the documents.

- (2) The preceding paragraph also applies when the patent applicant has made a request along with the patent application seeking a security review as provided

by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry, on the ground that the invention stated in the descriptions, etc., if made known to the public, would be highly likely to create a situation to undermine the security of the nation and its citizens. The preceding paragraph also applies when it has been found that a person that, in the past, underwent a security review based on such a request and received a notification under the provisions of paragraph (9) of the following Article or a person who is a successor to the right to the grant of a patent from that person has filed a patent application stating in the descriptions, etc. an invention pertaining to the relevant notification.

- (3) When the Commissioner of the Japan Patent Office has sent the documents under the provisions of the main clause of paragraph (1) or the preceding paragraph, the Commissioner of the Japan Patent Office is to notify the patent applicant that the documents has been sent.
- (4) Regarding the application of the provisions of paragraph (1) when a patent application under the provisions of paragraph (1) is a patent application listed in the left-hand column of the following table, the term "day of the relevant patent application" in paragraph (1) is deemed to be replaced with the day listed in the right-hand column of the table respectively corresponding to the categories in the left-hand column of the table (when the relevant patent application falls under two or more categories in the left-hand column of the table, the latest day provided in the right-hand column of the table pertaining to the relevant categories).

<p>Application written in a foreign language under the provisions of Article 36-2, paragraph (2) of the Patent Act</p>	<p>The day on which the translation pertaining to the relevant patent application under the provisions of Article 36-2, paragraph (2) of the Patent Act has been submitted (When the relevant translation has been submitted under the provisions of Article 36-2, paragraph (4) or (6) of the Patent Act, notwithstanding the provisions of Article 36-2, paragraph (7) of the Patent Act, the day on which the relevant translation was actually submitted)</p>
<p>Patent application filed using a method under the provisions of Article 38-3, paragraph (1) of the Patent Act</p>	<p>The day on which the descriptions and drawings under the provisions of Article 38-3, paragraph (3) of the Patent Act pertaining to the relevant patent application, and a document with regard to the earlier patent application were submitted</p>

Patent application supplemented under Article 38-4, paragraph (2) of the Patent Act in cases of the proviso to Article 38-4, paragraph (4) of the Patent Act (excluding cases under the provisions of Article 38-4, paragraph (5) of the Patent Act),	The day on which the written supplement of the description, etc. pertaining to the relevant patent application under the provisions of Article 38-4, paragraph (3) of the Patent Act was submitted
New patent application under the provisions of Article 44, paragraph (1) of the Patent Act	The day of the division of the patent application pertaining to the relevant patent application under the provisions of Article 44, paragraph (1) of the Patent Act
Patent application pertaining to conversion of application under the provisions of Article 46, paragraph (1) of the Patent Act	The day of the conversion of application pertaining to the relevant patent application under the provisions of Article 46, paragraph (1) of the Patent Act

- (5) The main clause of paragraph (1) and paragraph (2) do not apply to international applications deemed to be patent applications under the provisions of Article 184-3, paragraph (1) of the Patent Act.
- (6) When the Commissioner of the Japan Patent Office determines it necessary in order to judge whether or not to send documents under the provisions of the main clause of paragraph (1) or paragraph (2), the Commissioner of the Japan Patent Office may request the submission of materials and explanations from the patent applicant.
- (7) Until the Commissioner of the Japan Patent Office judges that an application does not fall under cases to send documents under the provisions of the main clause of paragraph (1) or paragraph (2), or until the period provided in the main clause of paragraph (1) has elapsed without the relevant documents having been sent, or until the Prime Minister has made a notification under the provisions of Article 71 or Article 77, paragraph (2), the provisions of Article 49, Article 51, and Article 64, paragraph (1) of the Patent Act are not to apply.
- (8) When there has been a waiver or withdrawal of patent application after the sending of documents under the provisions of the main clause of paragraph (1) or paragraph (2) and before a notification has been received under the provisions of Article 70, paragraph (1) or Article 71, the Commissioner of the Japan Patent Office must notify the Prime Minister to that effect. The same applies when there has been a notification of succession under the provisions of Article 34, paragraph (4) or paragraph (5) of the Patent Act after the sending of documents under the provisions of the main clause of paragraph (1) or paragraph (2) and before a notification has been received under the provisions of Article 71 or Article 77, paragraph (2).

- (9) When the Commissioner of the Japan Patent Office dismisses a patent application after the sending of documents under the provisions of the main clause of paragraph (1) or paragraph (2) and before a notification has been received under the provisions of Article 70, paragraph (1) or Article 71, the Commissioner of the Japan Patent Office is to notify in advance the Prime Minister to that effect.
- (10) When the Commissioner of the Japan Patent Office has judged that sending documents under the provisions of the main clause of paragraph (1) or paragraph (2) does not apply, and a patent applicant has made a request as provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry, the Commissioner of the Japan Patent Office must notify the patent applicant to the effect that a judgment was made not to send documents under these provisions.
- (11) The provisions of paragraph (1) are not to apply to patent applications stating in the descriptions, etc. an invention that newly falls under the provisions of the main clause of paragraph (1) due to amendments to Cabinet Order pursuant to the provisions of paragraph (1) and that is pending before the Japan Patent Office at the time of the amendments thereto.

(Security Review by the Prime Minister)

- Article 67 (1) When the Prime Minister has received documents pertaining to a patent application under the provisions of the main clause of paragraph (1) or paragraph (2) of the preceding Article, the Prime Minister is to conduct a review, as provided by Cabinet Office Order, to determine whether or not the Descriptions, etc. pertaining to the relevant patent application include an invention that, if made known to the public, would be highly likely to create a situation to undermine the security of the nation and its citizens through actions taken from the outside, and whether it is appropriate to protect information pertaining to the relevant invention (meaning measures to prevent outflow of the relevant information to the outside; the same applies in Article 70, paragraph (1)) in consideration of the extent of the likelihood thereof, the impact on industrial development if a security designation is made, and other circumstances (hereinafter referred to as a "security review" in this Chapter).
- (2) When the Prime Minister determines it necessary for a security review, the Prime Minister may seek from the patent applicant and other related persons the submission of materials and explanations.
- (3) In conducting a security review, the Prime Minister may seek from national government organs that have the necessary expert knowledge the submission of materials and explanations necessary for the security review and other necessary cooperation.
- (4) When the Prime Minister is unable to obtain sufficient materials or

information under the provisions of the preceding paragraph, the Prime Minister may seek from persons other than national government organs that have expert knowledge the submission of necessary materials or information, and explanations and other necessary cooperation. In such cases, the Prime Minister must give consideration to the selection of the relevant persons with expert knowledge so that disclosing the details of inventions to the relevant persons with expert knowledge does not damage the interests of the patent applicant.

- (5) When the Prime Minister determines it necessary when seeking from persons other than national government organs that have expert knowledge the submission of necessary materials or information, and explanations and other necessary cooperation under the provisions of the preceding paragraph, the Prime Minister may disclose the details of the invention stated in the descriptions, etc. to that person (if a request is made to use an assistant, that person and the assistant thereof; hereinafter the same applies in this paragraph). In such cases, the Prime Minister must, in advance, obtain that person's consent to receive the disclosure after having explained that the person will be subject to the provisions of paragraph (8).
- (6) When the Prime Minister determines it necessary in judging whether or not to make a security designation, the Prime Minister may, in advance, consult with the heads of relevant administrative organs.
- (7) The provisions of paragraphs (4) and (5) apply *mutatis mutandis* to the heads of relevant administrative organs who have been consulted under the provisions of the preceding paragraph. In such cases, the term "is unable to obtain sufficient materials or information under the provisions of the preceding paragraph" in paragraph (4) is deemed to be replaced with " does not have sufficient materials or information to respond to a consultation under the provisions of paragraph (6)."
- (8) National government officials involved in a security review and persons who have received disclosure of the details of an invention under the provisions of paragraph (5) (including as applied *mutatis mutandis* pursuant to the preceding paragraph) must not divulge or misappropriate confidential information pertaining to the details of the relevant invention without justifiable grounds.
- (9) When the Prime Minister intends to make a security designation, the Prime Minister must notify the patent applicant, as provided by Cabinet Office Order, of the details of the invention that could be an invention for security designation under the provisions of Article 70, paragraph (1), and seek the submission of documents stating matters listed in the following items if the patent applicant will maintain the application:
 - (i) status of information management pertaining to the invention pertaining to

- the relevant notification;
- (ii) in cases where an enterprise other than the patent applicant has been permitted to handle information pertaining to the invention pertaining to the relevant notification, the relevant enterprise; and
 - (iii) beyond what is set forth in the two preceding items, matters to be provided by Cabinet Office Order.
- (10) If maintaining a patent application, a patent applicant must submit, as provided by Cabinet Office Order, to the Prime Minister within fourteen days of receiving the notification under the provisions of the preceding paragraph documents provided under the preceding paragraph.
- (11) When the Prime Minister determines that the stated details of documents submitted under the provisions of the preceding paragraph are inappropriate, the Prime Minister may seek a correction thereof from the patent applicant, specifying a reasonable period of time.

(Prohibition of Invention Publication During Security Review)

Article 68 If a patent applicant has received a notification under the provisions of paragraph (9) of the preceding Article, the patent applicant must not publish the details of the invention pertaining to the relevant notification until receiving a notification under the provisions of Article 70, paragraph (1) or Article 71; provided, however, that this is not to apply if the patent applicant has waived or withdrawn the application or the application has been dismissed.

(Discontinuance of Security Review)

- Article 69 (1) The Prime Minister may discontinue a security review when a patent applicant has not submitted documents under the provisions of Article 67, paragraph (9) within the period of time provided under Article 67, paragraph (10), or has not made corrections under the provisions of Article 67, paragraph (11) within the period of time provided under Article 67, paragraph (11), the Prime Minister determines the patent applicant has violated the provisions of the preceding Article, or the Prime Minister determines that a patent applicant has made a request under the provisions of the first sentence of Article 66, paragraph (2) for unjust purposes and without due cause.
- (2) When discontinuing a security review under the provisions of the preceding paragraph, the Prime Minister must, in advance, notify the patent applicant of the reasons thereof and give the opportunity to submit a document stating an explanation, specifying a reasonable period of time.
- (3) When the Prime Minister has discontinued a security review under the provisions of paragraph (1), the Prime Minister is to notify the Commissioner of the Japan Patent Office to that effect.
- (4) The Commissioner of the Japan Patent Office is to dismiss the patent

application after having received the notification under the provisions of the preceding paragraph.

(Security Designations)

Article 70 (1) When the Prime Minister finds, as a result of a security review, that an invention that, if made known to the public, would be highly likely to create a situation to undermine the security of the nation and citizens through actions taken from the outside has been stated in the descriptions, etc. under the provisions of Article 67, paragraph (1), and that it is appropriate to protect information pertaining to the relevant invention in consideration of the extent of the likelihood thereof, the impact on industrial development if a security designation is made, and other circumstances, the Prime Minister is to designate the relevant invention as an invention for security designation and notify the patent applicant and Commissioner of the Japan Patent Office, as provided by Cabinet Office Order.

(2) When making a designation under the provisions of the preceding paragraph (hereinafter referred to as "security designation" in this Chapter and Article 88), the Prime Minister is to provide a period of time for the security designation not exceeding one year from the day of the relevant security designation.

(3) The Prime Minister must judge whether or not it is necessary to continue a security designation before the day the security designation period (when the security designation period has been extended under the provisions of this paragraph, the extended period; hereinafter the same applies in this Chapter) expires. In such cases, when the Prime Minister determines it is necessary to continue, the Prime Minister may extend the security designation period for no more than one year.

(4) The provisions of Article 67, paragraphs (2) through (8) apply *mutatis mutandis* to cases of the judgment under the provisions of the first sentence of the preceding paragraph. In such cases, the term "invention" in Article 67, paragraphs (4) and (8), and the term "invention stated in the descriptions, etc." in Article 67, paragraph (5) are deemed to be replaced with "invention for security designation under the provisions of Article 70, paragraph (1)."

(5) When the Prime Minister has made an extension under the provisions of the second sentence of paragraph (3), the Prime Minister is to notify to that effect the patent applicant who received the notification under the provisions of paragraph (1) (if there has been a transfer of the right to the grant of the patent after the notification, the successor; hereinafter referred to as the "designated patent applicant" in this Chapter) and the Commissioner of the Japan Patent Office.

(Notifications in Case of Non-Security Designation)

Article 71 When the Prime Minister determines that there is no need to make a security designation as a result of a security review, the Prime Minister is to notify the patent applicant and the Commissioner of the Japan Patent Office to that effect.

(Restrictions on Withdrawal, etc. of Patent Applications)

Article 72 (1) A designated patent applicant may not waive or withdraw a patent application until receiving the notification under the provisions of Article 77, paragraph (2).

(2) Notwithstanding the provisions of Article 10, paragraph (1) of the Utility Model Act (Act No. 123 of 1959) and Article 13, paragraph (1) of the Design Act (Act No. 125 of 1959), a designated patent applicant may not convert the patent application into an application for a utility model registration or an application for design registration until receiving the notification under the provisions of Article 77, paragraph (2).

(Restrictions on Working Inventions for Security Designation)

Article 73 (1) A designated patent applicant and a person to whom a patent applicant has disclosed the details of an invention for security designation or other person who has acquired knowledge of the details of an invention for security designation in the course of duties and knows that the relevant invention for security designation has received a security designation must not work the relevant invention for security designation (meaning work under the provisions of Article 2, paragraph (3) of the Patent Act; hereinafter the same applies in this Chapter and Article 92, paragraph (1), item (vi)). Provided, however, that this is not to apply when the designated patent applicant has received authorization from the Prime Minister for the relevant work.

(2) A designated patent applicant who intends to obtain the authorization under the provisions of the proviso to the preceding paragraph must submit to the Prime Minister an application document stating the details of the work for which the designated patent applicant intends to receive authorization and other matters to be provided by Cabinet Office Order.

(3) When the Prime Minister determines that the work pertaining to the application for authorization under the provisions of the proviso to paragraph (1) is not likely to cause persons other than those provided under the main clause of paragraph (1) to know the details of an invention for security designation and otherwise determines it is appropriate from the perspective of preventing leakage of information pertaining to an invention for security designation, the Prime Minister is to give the authorization under the provisions of the proviso to paragraph (1).

- (4) Conditions necessary to prevent leakage of information pertaining to an invention for security designation may be attached to the authorization under the provisions of the proviso to paragraph (1).
- (5) The provisions of Article 67, paragraphs (2) through (5) and paragraph (8) apply mutatis mutandis to cases of judgments of whether or not to give authorization under the provisions of the proviso to paragraph (1). In such cases, the term "invention" in Article 67, paragraphs (4) and (8), and the term "invention stated in the Descriptions, etc." in Article 67, paragraph (5) are deemed to be replaced with "invention for security designation under the provisions of Article 70, paragraph (1)."
- (6) When the Prime Minister determines that a designated patent applicant has worked an invention for security designation in violation of the provisions of paragraph (1) or conditions attached to authorization under the provisions of paragraph (4) and that it is appropriate for the patent application to be dismissed, the Prime Minister is to notify the Commissioner of the Japan Patent Office and the designated patent applicant to that effect. The same applies when a person other than the designated patent applicant has worked an invention for security designation in violation of the provisions of paragraph (1) or conditions attached to authorization under the provisions of paragraph (4) due to the designated patent applicant not having taken sufficient measures under the provisions of Article 75, paragraph (1).
- (7) When making the notification under the provisions of the preceding paragraph, the Prime Minister must, in advance, notify the designated patent applicant of the reasons thereof and give the opportunity to submit a document stating an explanation, specifying a reasonable period of time.
- (8) When the Commissioner of the Japan Patent Office has received a notification under the provisions of paragraph (6), the Commissioner of the Japan Patent Office is to dismiss the patent application after receiving the notification under the provisions of Article 77, paragraph (2).

(Prohibition of Disclosure of Inventions for Security Designation)

- Article 74 (1) A designated patent applicant and a person to whom a patent applicant has disclosed the details of an invention for security designation or other person who has acquired knowledge of the details of an invention for security designation in the course of duties and knows that the relevant invention for security designation has received a security designation must not disclose the details of the invention for security designation, excluding when there are justifiable grounds.
- (2) When the Prime Minister determines that a designated patent applicant has disclosed the details of an invention for security designation in violation of the provisions of the preceding paragraph and that it is appropriate to dismiss the

patent application, the Prime Minister is to notify the Commissioner of the Japan Patent Office and the designated patent applicant to that effect. The same applies when a person other than the designated patent applicant has disclosed the details of an invention for security designation in violation of the provisions of the preceding paragraph due to the designated patent applicant not having taken sufficient measures under the provisions of paragraph (1) of the following Article.

- (3) The provisions of paragraphs (7) and (8) of the preceding Article apply *mutatis mutandis* to the notification under the provisions of the preceding paragraph.

(Measures for Proper Management of Inventions for Security Designation)

Article 75 (1) A designated patent applicant must properly manage persons who handle information pertaining to inventions for security designation and take other measures provided by Cabinet Office Order as necessary appropriate measures to prevent leakage of information pertaining to inventions for security designation, and must have enterprises permitted to handle information pertaining to inventions for security designation (hereinafter referred to as "invention sharing enterprise" in this Chapter) take such measures.

- (2) An invention sharing enterprise must take the measures under the provisions of the preceding paragraph in accordance with the designated patent applicant's instructions.

(Modifications of Invention Sharing Enterprises)

Article 76 (1) When a designated patent applicant permits an enterprise other than an enterprise stated as an enterprise provided under Article 67, paragraph (9), item (ii) in the document under the provisions of Article 67, paragraph (9) to newly handle information pertaining to an invention for security designation, the designated patent applicant must, in advance, obtain the permission of the Prime Minister as provided by Cabinet Office Order.

- (2) When a designated patent applicant has ceased to permit an invention sharing enterprise to handle information pertaining to an invention for security designation or if other modifications arise regarding invention sharing enterprises, excluding the case referred to in the preceding paragraph, the designated patent applicant must, without delay, notify the Prime Minister of the details of the modification as provided by Cabinet Office Order.

(Cancellation, etc. of Security Designations)

Article 77 (1) When the Prime Minister has determined that it is not necessary to continue a security designation, the Prime Minister is to cancel the security

designation.

- (2) When the Prime Minister has cancelled a security designation under the provisions of the preceding paragraph, or when a security designation period has expired, the Prime Minister is to notify the designated patent applicant and the Commissioner of the Japan Patent Office to that effect.
- (3) The provisions of Article 67, paragraphs (2) through (8) apply *mutatis mutandis* to cases when a security designation is cancelled under the provisions of paragraph (1). In such cases, the term "invention" in Article 67, paragraphs (4) and (8), and the term "invention stated in the Descriptions, etc." in Article 67, paragraph (5) are deemed to be replaced with "invention for security designation under the provisions of Article 70, paragraph (1)."

(Prohibition of Foreign Applications)

- Article 78 (1) When an invention made in Japan that has not been made public is an invention under the provisions of the main clause of Article 66, paragraph (1), no person may file a foreign application (meaning a patent application filed in foreign countries and an international application pursuant to the Patent Cooperation Treaty done in Washington on June 19, 1970, excluding those provided by Cabinet Order; hereinafter the same applies in this Chapter and Article 94, paragraph (1)) stating the relevant invention, excluding cases when, under the provisions of paragraph (4) of the following Article, the person has received a response that it is obvious that making the invention public will not impact the security of the nation and its citizens due to actions taken from the outside. Provided, however, that this is not to apply to the relevant invention stated in the descriptions, etc. pertaining to a patent application, in cases when the patent application has been filed in Japan and when the period provided by Cabinet Order not exceeding ten months has elapsed from the day of the relevant patent application (excluding when a notification under the provisions of Article 70, paragraph (1) has been received, or the relevant patent application has been dismissed, waived, or withdrawn before the relevant period has elapsed), the notification under the provisions of Article 66, paragraph (3) has not been made within the period provided in the main clause of Article 66, paragraph (1) (excluding when the relevant patent application has been dismissed, waived, or withdrawn before the relevant period has elapsed), or the notification under the provisions of Article 66, paragraph (10), Article 71, or paragraph (2) of the preceding Article has been received.
- (2) Regarding application of the provisions of the preceding paragraph to designated patent applicants, the term in the paragraph "invention under the provisions of the main clause of Article 66, paragraph (1)" is deemed to be replaced with "invention under the provisions of the main clause of Article 66, paragraph (1) (for an invention stated in the descriptions, etc. of a patent

application for which a notification has been received under the provisions of Article 70, paragraph (1), invention for security designation)."

- (3) Regarding the application of the provisions of the proviso to paragraph (1) when a patent application under the provisions of the proviso to paragraph (1) is a patent application listed in the left-hand column of the following table, the term "the day of the relevant patent application" in the proviso is deemed to be replaced with the day set forth in the right-hand column of the same table corresponding to the category set forth in the left-hand column of the same table (when the relevant patent application falls under two or more of the categories set forth in the left-hand column of the same table, the latest day among days provided in the right-hand column of the same table pertaining to the relevant category).

<p>Application written in a foreign language under the provisions of Article 36-2, paragraph (2) of the Patent Act</p>	<p>The day on which the translation under the provisions of Article 36-2, paragraph (2) of the Patent Act pertaining to the relevant patent application was submitted (in cases when the relevant translation has been submitted under the provisions of Article 36-2, paragraph (4) or (6) of the Patent Act, the day on which the relevant translation was actually submitted, notwithstanding the provisions of Article 36-2, paragraph (7) of the Patent Act)</p>
<p>Patent application filed using a method provided in Article 38-3, paragraph (1) of the Patent Act</p>	<p>The day on which descriptions, drawings, and a document with regard to the earlier patent application under the provisions of Article 38-3, paragraph (3) of the Patent Act were submitted.</p>
<p>Patent application that has been supplemented under the proviso to Article 38-4, paragraph (2) of the Patent Act in a cases ofunder the proviso to Article 38-4, paragraph (4) of the Patent Act (excluding cases under the provisions of Article 38-4, paragraph (5))</p>	<p>The day on which the written supplement of the descriptions, etc. under the provisions of Article 38-4, paragraph (3) of the Patent Act pertaining to the relevant patent application was submitted</p>
<p>The day of the modification conversion to of the application under the provisions of Article 46, paragraph (1) of the Patent Act pertaining to the relevant patent application</p>	<p>Patent application pertaining to modification conversion of application under the provisions of Article 46, paragraph (1) of the Patent Act</p>

- (4) When the Commissioner of the Japan Patent Office has received an international application deemed to be a patent application under the provisions of Article 184-3, paragraph (1) of the Patent Act, and an invention under the provisions of the main clause of Article 66, paragraph (1) is stated in the descriptions, etc. pertaining to the relevant patent application, the Commissioner of the Japan Patent Office is to notify the Prime Minister to that effect.
- (5) When the Prime Minister determines that a patent applicant whom the Commissioner of the Japan Patent Office has notified under the provisions of Article 66, paragraph (3) (when there has been a transfer of the right to the grant of the patent after the notification, including the successor thereof) has filed a foreign application in violation of the provisions of paragraph (1) or an international application pertaining to the notification under the provisions of the preceding paragraph violates the provisions of paragraph (1), and that it is appropriate for the patent application to be dismissed, the Prime Minister is to notify the Commissioner of the Japan Patent Office and the patent applicant to that effect.
- (6) The provisions of Article 73, paragraph (7) apply mutatis mutandis to the notification under the provisions of the preceding paragraph.
- (7) When the Commissioner of the Japan Patent Office has received the notification under the provisions of paragraph (5), the Commissioner of the Japan Patent Office is to dismiss the patent application; provided, however, that when the patent application has received a security designation, the Commissioner of the Japan Patent Office is to dismiss the patent application after receiving the notification under the provisions of paragraph (2) of the preceding Article.

(Prior Confirmation Regarding Prohibition of Foreign Applications)

- Article 79 (1) A person who intends to file a foreign application stating an invention that could fall under an invention under the provisions of the main clause of Article 66, paragraph (1) may, only in cases when the person has not filed a patent application in Japan that states the relevant invention in the Descriptions, etc., seek confirmation from the Commissioner of the Japan Patent Office as to whether or not the foreign application is prohibited under the provisions of paragraph (1) of the preceding Article, as provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry.
- (2) When the Commissioner of the Japan Patent Office has received a request under the provisions of the preceding paragraph and the invention pertaining to the relevant request does not fall under an invention under the provisions of the main clause of Article 66, paragraph (1), the Commissioner of the Japan

Patent Office is to respond, without delay, to the person who made the relevant request to that effect.

- (3) When the Commissioner of the Japan Patent Office has received a request under the provisions of paragraph (1) and the invention pertaining to the relevant request falls under an invention under the provisions of the main clause of Article 66, paragraph (1), the Commissioner of the Japan Patent Office is to seek, without delay, confirmation from the Prime Minister as to whether it is obvious that making the invention public will not impact the security of the nation and its citizens due to actions taken from the outside. In such cases, the Prime Minister, who has been requested to make the relevant confirmation, is to respond, without delay, to the Commissioner of the Japan Patent Office.
- (4) When the Commissioner of the Japan Patent Office has received the response under the provisions of the preceding paragraph, the Commissioner of the Japan Patent Office is to respond, without delay, to the person who made the request under the provisions of paragraph (1) that the invention pertaining to the relevant request falls under an invention under the provisions of the main clause of Article 66, paragraph (1) and the details of the relevant response.
- (5) A person who intends to seek confirmation under the provisions of paragraph (1) must pay the State a fee provided by Cabinet Order not exceeding 25,000 yen per case.
- (6) The payment of fees under the provisions of the preceding paragraph must be made with revenue stamps, as provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry; provided, however, that when provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry, payment may be made in cash as provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry.
- (7) Regarding whether to apply the provisions of paragraph (1) of the preceding Article, the provisions of Article 7 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) are not to apply.

(Compensation for Losses)

- Article 80 (1) The State compensates for losses that would ordinarily arise for persons having incurred losses due to having not received authorization under the provisions of the proviso to Article 73, paragraph (1), due to having conditions attached to authorization under Article 73, paragraph (4), or otherwise due to having received a security designation with respect to an invention for security designation (including those for which security designation has been cancelled or the security designation period has expired).
- (2) A person who intends to receive the compensation under the provisions of the preceding paragraph must make a request to the Prime Minister as provided

by Cabinet Office Order.

- (3) When there has been a request under the provisions of the previous paragraph, the Prime Minister must decide the amount to be compensated and notify the requesting person thereof.
- (4) The provisions of Article 67, paragraphs (2) through (4) and the first sentence of paragraph (5) (when during a security designation period, beyond these provisions, the provisions of the second sentence of paragraph (5) and paragraph (8)) apply mutatis mutandis to cases when the Prime Minister makes a decision under the provisions of the preceding paragraph. In such cases, the term "invention" in Article 67, paragraphs (4) and (8), and the term "invention stated in the descriptions, etc." in Article 67, paragraph (5) are deemed to be replaced with "invention for security designation under the provisions of Article 70, paragraph (1) (including those for which security designation has been cancelled or the Security Designation period has expired).
- (5) A person who disagrees with a decision under the provisions of paragraph (3) may request an increase in the amount to be compensated by filing an action no later than six months from the day on which the notification was received.
- (6) In the action set forth in the preceding paragraph, the State is the defendant.

(Non-Exclusive Licenses for Later Applicant)

Article 81 (1) A designated patent applicant who is engaged in or is preparing to engage in business in Japan that involves the working of an invention pertaining to the designated patent applicant's own patent application, for which the designated patent applicant does not know it cannot be patented under the provisions of Article 29-2 of the Patent Act because another patent application has received a security designation and the publication of the relevant other application was not made under the provisions of Article 66, paragraph (7), prior to the day of the publication of the relevant other application, has a non-exclusive license under the patent right or the existing exclusive license for the relevant other patent application when the examiner's decision or trial or appeal decision to reject the patent application has become final and binding, but only within the extent of the invention that the person has been working or preparing to work and within the purview of that business purpose.

- (2) A person who has patent rights or an exclusive license pertaining to the other patent application under the provisions of the preceding paragraph has the right to receive reasonable compensation from a person who holds a non-exclusive license under the provisions of the preceding paragraph.

(Special Provisions on the Patent Act, etc.)

Article 82 (1) Regarding patent applications containing a priority claim under

the provisions of Article 41, paragraph (1) of the Patent Act, if the Commissioner of the Japan Patent Office has dismissed a patent application on which the priority claim is based under the provisions of Article 69, paragraph (4), Article 73, paragraph (8) (including as applied mutatis mutandis pursuant to Article 74, paragraph (3)) or Article 78, paragraph (7), the relevant priority claim is to cease to be effective.

- (2) Regarding the application of the provisions of Article 42, paragraph (1) of the Patent Act in cases when a patent application contains a priority claim under the provisions of Article 41, paragraph (1) of the Patent Act based on a patent application that has received a security designation, the term "when the period provided by Order of the Ministry of Economy, Trade and Industry from the filing date of the earlier application has lapsed" in Article 42, paragraph (1) of the Patent Act is deemed to be replaced with "when the period provided by Order of the Ministry of Economy, Trade and Industry from the filing date of the earlier application has lapsed or when a notification under the provisions of Article 77, paragraph (2) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) was received regarding the relevant earlier application, whichever is later."
- (3) Regarding the application of the provisions of Article 48-3, paragraph (1) of the Patent Act in cases where a security designation has been made, the term "within three years from the filing date thereof" in Article 48-3, paragraph (1) of the Patent Act is deemed to be replaced with "within three years from the filing date thereof, or the date on which three months have passed since the date of receipt of a notification under the provisions of Article 77, paragraph (2) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022), whichever is later."
- (4) Regarding the application of the provisions of Article 67, paragraph (3) of the Patent Act when a security designation has been made, the term "the period listed in the following items" in Article 67, paragraph (3) of the Patent Act is deemed to be replaced with "the period listed in the following items and the period from the date of receipt of a notification under the provisions of Article 70, paragraph (1) of the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022) through the date of receipt of a notification under Article 77, paragraph (2) of the said Act."
- (5) When the Commissioner of the Japan Patent Office has received an application for utility model registration under the provisions of Article 5, paragraph (1) of the Utility Model Act and the description, scope of claims for the utility model registration, or drawings pertaining to the relevant

application for utility model registration state an invention for security designation, notwithstanding the provisions of Article 14, paragraph (2) of the Utility Model Act, the Commissioner of the Japan Patent Office must not make a registration of establishment of utility model under the provisions of Article 14, paragraph (2) of the Utility Model Act until the security designation has been cancelled or the security designation period has expired.

(Recommendations and Improvement Orders)

Article 83 (1) When the Prime Minister determines it to be necessary in order to prevent the leakage of information pertaining to an invention for security designation when a designated patent applicant or invention sharing enterprise has violated the provisions of Article 75, the Prime Minister may recommend that the relevant person take measures under the provisions of Article 75, paragraph (1).

(2) When a person who has received a recommendation under the provisions of the preceding paragraph has not taken the measures pertaining to the recommendation without justifiable grounds, the Prime Minister may order the relevant person to take the measures pertaining to the recommendation.

(3) Notwithstanding the provisions of the preceding two paragraphs, when the Prime Minister determines that the likelihood of leakage of an invention for security designation is imminent in a case when a designated patent applicant or invention sharing enterprise has violated the provisions of Article 75, the Prime Minister may order the relevant person to take the measures provided under Article 75, paragraph (1).

(Collection of Reports and On-site Inspections)

Article 84 (1) The Prime Minister may, to the extent necessary for the enforcement of the provisions of this Chapter, seek from designated patent applicants and invention sharing enterprises the submission of necessary reports or materials regarding the handling of inventions for security designation, or have officials thereof enter the relevant person's offices or other necessary places, ask questions regarding the handling of inventions for security designation, or inspect books, documents, or other items.

(2) The officials who conduct the on-site inspection under the provisions of the preceding paragraph must carry an identification card and produce it when requested by the people concerned.

(3) The authority for the on-site inspections under the provisions of paragraph (1) must not be construed as having been granted for criminal investigation.

(Service)

Article 85 (1) The document to be served regarding procedures provided in this

Chapter is provided by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry.

- (2) The provisions of Articles 190 through 192 of the Patent Act apply *mutatis mutandis* to the service under the preceding paragraph.

Chapter VI Miscellaneous Provisions

(Competent Minister, etc.)

Article 86 (1) The competent minister in Chapter 2 is the minister who has jurisdiction over the production, import, or sale of specified critical products; provided, however, that the competent ministers in the provisions of the following items are the ministers provided in the relevant item:

- (i) provisions of Chapter II, Section 3 and Article 48, paragraph (5): the Prime Minister and the Minister of Finance;
 - (ii) provisions of Article 30 and Article 48, paragraph (2): the minister who has jurisdiction over the production, import, or sale of specified critical products, etc.;
 - (iii) provisions of Chapter II, Section 6 (excluding Article 34, paragraph (6)) and Article 48, paragraph (6): the Prime Minister and the ministers who have jurisdiction over the production, import, or sale of specified critical products;
 - (iv) provisions of Chapter II, Section 7: the ministers who have jurisdiction over the incorporated administrative agencies listed in the appended table (limited to the ministers who have jurisdiction over the production, import, or sale of specified critical products); and
 - (v) provisions of Article 46 and Article 48, paragraph 1: the ministers who have jurisdiction over the production, import, or sale of materials.
- (2) The competent minister in Chapter III shall be the minister who has jurisdiction over specified essential infrastructure business.
- (3) Orders of the competent ministries in Chapters II and III shall be orders issued by the competent ministers provided in the preceding two paragraphs.

(Delegation of Authority)

Article 87 (1) The authority of the competent minister, ministers of research and development, and the minister with jurisdiction over the designated funds under the provisions of this Act may, pursuant to Cabinet Order, delegate a portion thereof to the head of a local branch office or other bureau or organ as provided by Cabinet Order.

- (2) The Prime Minister delegates authority under the provisions of this Act to the Commissioner of the Financial Services Agency (limited to matters pertaining to the Financial Services Agency's jurisdiction, excluding where provided by

Cabinet Order).

(3) The Commissioner of the Financial Services Agency may delegate a portion of the authority delegated under the provisions of the preceding paragraph to the head of a local finance bureau or a local finance branch bureau pursuant to Cabinet Order.

(Exclusion from Application of the Administrative Procedure Act)

Article 88 The provisions of Chapters II and III of the Administrative Procedure Act (Act No. 88 of 1993) do not apply to extensions under the provisions of Article 52, paragraph (4), orders under the provisions of Article 52, paragraph (10), security designations, extensions under the provisions of the second sentence of Article 70, paragraph (3), authorizations under the provisions of the proviso to Article 73, paragraph (1), and permissions under the provisions of Article 76, paragraph (1).

(Transitional Measures)

Article 89 When an order is established, revised, or abolished pursuant to the provisions of this Act, the order may provide necessary transitional measures (including transitional measures concerning penal provisions) to the extent that it is judged reasonably necessary for its establishment, revision or abolishment.

(Sincere Implementation of International Agreements)

Article 90 In the enforcement of this Act, care must be taken not to prevent the sincere implementation of treaties and other international agreements which Japan has concluded.

(Delegation to Orders)

Article 91 Beyond what is set forth in this Act, matters necessary to implement this Act shall be provided by order.

Chapter VII Penal Provisions

Article 92 (1) If a person falls under any of the following items, the person who committed the relevant violation is punished by imprisonment for not more than two years, a fine of not more than one million yen, or both.

(i) when a person has failed to make a notification or made a false notification in violation of the provisions of Article 52, paragraph (1) or Article 54, paragraph (1) (including as applied mutatis mutandis pursuant to Article 54, paragraph (5)) and introduced or entrusted critical maintenance and management etc. of specified critical facilities, etc.;

- (ii) when a person has introduced or entrusted critical maintenance and management, etc. of specified critical facilities during the period provided in the main clause of Article 52, paragraph (3) (if extended under the provisions Article 52, paragraph (4) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2)) or shortened under the provisions of the proviso to Article 52, paragraph (3) or Article 52, paragraph (5) (including cases when these provisions are applied mutatis mutandis pursuant to Article 54, paragraph (2)), the relevant extended or shortened period) in violation of the provisions of Article 52, paragraph (3) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2) (including as applied mutatis mutandis pursuant to Article 54, paragraph (5); hereinafter the same applies in this paragraph));
 - (iii) when a person has introduced or entrusted critical maintenance and management, etc. of specified critical facilities in violation of the provisions of Article 52, paragraph (8) (including as applied mutatis mutandis pursuant to Article 54, paragraph (2) and Article 55, paragraph (3));
 - (iv) when a person has violated an order under the provisions of Article 52, paragraph (10) (including cases when applied mutatis mutandis to Article 54, paragraph (2) and Article 55, paragraph (3)) or Article 83, paragraph (2) or (3);
 - (v) when a person has failed to make a notification or made a false notification under the provisions of Article 52, paragraph (11) or Article 54, paragraph (3) (including as applied mutatis mutandis pursuant to Article 54, paragraph (5));
 - (vi) when a person has worked an invention for security designation in violation of the conditions attached to authorization under the provisions of Article 73, paragraph (1) or the provisions of Article 73, Paragraph (4);
 - (vii) when a person has received authorization under the provisions of the proviso to Article 73, paragraph (1) or permission under the provisions of Article 76, paragraph (1) through deception or other wrongful means; and
 - (viii) when a person has disclosed the details of an invention for security designation in violation of the provisions of Article 74, paragraph (1).
- (2) A person who attempts the crimes prescribed in items (vi) and (viii) of the preceding paragraph is subject to punishment.
- (3) The crimes prescribed in paragraph (1), items (vi) and (viii) also apply to persons who have committed the crimes prescribed in these items outside Japan.

Article 93 A person who has divulged or misappropriated without reasonable grounds any secret that the person has come to know in connection with affairs pertaining to seeking reports or the submission of materials under the

provisions of Article 48, paragraph (1) is punished by imprisonment for not more than two years or a fine of not more than one million yen.

Article 94 (1) When a person has made a foreign application in violation of the provisions of Article 78, paragraph (1) (except in cases falling under Article 92, paragraph (1), item (viii)), the person who committed the relevant violation is punished by imprisonment for not more than one year, a fine of not more than five hundred thousand yen, or both.

(2) The crime prescribed in the preceding paragraph also applies to persons who have committed the crime prescribed in the preceding paragraph outside Japan.

Article 95 (1) A person who falls under any of the following items is punished by imprisonment for not more than one year or a fine of not more than five hundred thousand yen.

(i) a person who has divulged or misappropriated secrets in violation of the provisions of Article 37, Article 62, paragraph (7) (including as applied *mutatis mutandis* pursuant to Article 63, paragraph (5)) or Article 64, paragraph (4);

(ii) a person who has divulged or misappropriated secrets in violation of the provisions of Article 67, paragraph (8) (including as applied *mutatis mutandis* pursuant to Article 70, paragraph (4), Article 73, paragraph (5), Article 77, paragraph (3), and Article 80, paragraph (4))(excluding a person who has committed a violation falling under Article 92, paragraph (1), item (vi) or (viii));

(2) The crimes prescribed in the preceding two items also apply to persons who have committed the crimes prescribed in the preceding two items outside Japan.

Article 96 A person who has committed a violation that falls under any of the following items is punished by a fine of not more than three hundred thousand yen.

(i) when a person has failed to keep the books, has failed to make entries in the books, has made false entries in the books, or has failed to retain the books in violation of the provisions of Article 20 or 38;

(ii) when a person has discontinued or abolished operations to promote ensuring supply in whole or in part without making notification or has made a false notification under the provisions of Article 22, paragraph 1;

(iii) when a person has discontinued or abolished operations to support ensuring stable supply in whole or in part without receiving permission under the provision of Article 40, paragraph (1);

(iv) when a person has failed to report or submit materials, has made a false

- report, or has submitted false materials under the provisions of Article 48, paragraph (4) or Article 58, paragraph (1);
- (v) when a person has failed to report or submit materials, has made a false report, has submitted false materials, has failed to answer the questions of the relevant official, has given a false answer, or has refused, obstructed, or avoided an inspection under the provisions of Article 48, paragraphs (5) through (7), Article 58, paragraph (2), or Article 84, paragraph (1);
 - (vi) when a person has modified the name or address without making notification or made a false notification under the provisions of Article 50, paragraph (3); and
 - (vii) when a person has failed to make a report or has made a false report under the provisions of Article 54, paragraph (4) (including as applied *mutatis mutandis* pursuant to Article 54, paragraph (5)).

Article 97 When a representative of a corporation or an agent, employee or other worker of a corporation or individual has committed a violation listed in one of the items in Article 92, paragraph (1), Article 94, paragraph (1), or one of the items in the preceding Article with regard to the operations of the corporation or individual, in addition to the offender being subject to punishment, the corporation or individual is subject to the fine referred to in the relevant Article.

Article 98 If a director or executive officer of JFC falls under any of the following items, the director or executive officer who has committed the relevant violation is punished by a fine of not more than one million yen.

- (i) when a person has provided or modified an implementation policy for operations to facilitate promotion of ensuring supply without obtaining authorization under the provisions of Article 15, paragraph (2);
- (ii) when a person has entered into or modified an agreement provided under Article 19, paragraph (1) without obtaining authorization under Article 19, paragraph (2).

Article 99 When a stable supply support corporation or stable supply support incorporated administrative agency has operated the fund for stable supply support corporations or the fund for stable supply support incorporated administrative agencies in violation of the provisions of Article 34, paragraph (4) or Article 47 of the Act on General Rules for Incorporated Administrative Agencies, as applied *mutatis mutandis* following the deemed replacement of terms in Article 43, paragraph (3), the officer of the stable supply support corporation or stable supply support incorporated administrative agency who has committed that violation is punished by a fine of not more than 200,000

yen.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Act shall take effect as of the date provided by Cabinet Order within a period not exceeding nine months from the date of promulgation; provided, however, that the provisions listed in the following items take effect as of the date provided in the relevant item:

- (i) provisions of Articles 1 and 2 and Supplemental Provisions Articles 3 and 9 through 11: date provided by Cabinet Order within a period not exceeding six months from the date of promulgation;
- (ii) provisions of Articles 49 and 65: date provided by Cabinet Order within a period not exceeding one year from the date of promulgation;
- (iii) provisions of Articles 50, 51, 58, 59, Article 86, paragraphs 2 and 3 (limited to portions pertaining to Chapter III), Article 96, item (iv) (limited to portions pertaining to Article 58, paragraph 1), item (v) (limited to portions pertaining to Article 58, paragraph 2), and item (vi), and Article 97 (limited to portions pertaining to Article 96, item (iv) (limited to portions pertaining to Article 58, paragraph 1), item (v) (limited to portions pertaining to Article 58, paragraph 2), and item (vi)): date provided by Cabinet Order within a period not exceeding one year and six months from the date of promulgation;
- (iv) provisions of Articles 52 through 57, Article 88 (excluding portions pertaining to Chapter V), Article 92 (excluding portions pertaining to paragraph (1), item (iv) (limited to portions pertaining to Article 83, paragraphs (2) and (3)) and items (vi) through (viii) and paragraphs (2) and (3)), Article 96, item (vii), and Article 97 (limited to portions pertaining to Article 92, paragraph (1), items (i) through (iii), item (iv) (excluding portions pertaining to Article 83, paragraphs (2) and (3)), item (v), and Article 96, item (vii)): date provided by Cabinet Order within a period not exceeding one year and nine months from the date of promulgation; and
- (v) provisions of Articles 66 through 85, Article 88 (limited to portions pertaining to Chapter V), Article 92, paragraph (1), item (iv) (limited to portions pertaining to Article 83, paragraphs (2) and (3)) and items (vi) through (viii) and paragraphs (2) and (3), Article 94, Article 95, paragraph (1), item (ii) and paragraph (2), Article 96, item (v) (limited to portions pertaining to Article 84, paragraph (1)), Article 97 (limited to portions pertaining to Article 92, paragraph (1), item (iv) (limited to portions pertaining to Article 83, paragraphs (2) and (3)) and items (vi) through (viii), Article 94, paragraph (1), and Article 96, item (v) (limited to portions pertaining to Article 84, paragraph (1))), and the following Article: date

provided by Cabinet Order within a period not exceeding two years from the date of promulgation.

(Transitional Measures)

Article 2 The provisions of Article 66, paragraph (1) do not apply to patent applications that are pending with the Japan Patent Office at the time of enforcement of provisions set forth in item (v) of the preceding Article.

(Delegation to Cabinet Order)

Article 3 Beyond what is set forth in the provisions of the preceding Article, transitional measures necessary for the enforcement of this Act are provided by Cabinet Order.

(Review)

Article 4 The Government is to review the state of enforcement of this Act after approximately three years after enforcement of this Act and, when determined to be necessary, take necessary measures based on the results.

Appended Table (Related to Articles 42 and 86)

- (i) National Institutes of Biomedical Innovation, Health and Nutrition
- (ii) Japan Organization for Metals and Energy Security
- (iii) New Energy and Industrial Technology Development Organization