

Act on Special Measures Concerning Land and Building Leases in Areas Affected by Large-Scale Disasters

(Act No. 61 of June 26, 2013)

(Purpose)

Article 1 This Act provides for special measures concerning land and building leases designed to protect land leasehold right holders when buildings on the leased land in areas affected by large-scale disasters are lost due to the disasters.

(Designation of Specified Large-Scale Disasters and Measures Required to Be Applied)

Article 2 (1) If a large-scale fire, earthquake, or any other disaster for which consideration for the protection of land leasehold right holders (meaning land leasehold right holders as defined in Article 2, item (ii) of the Act on Land and Building Leases (Act No. 90 of 1991); the same applies hereinafter) and other matters concerning land and building leases in the disaster-affected area is found to be particularly necessary occurs, the disaster is to be designated by Cabinet Order as a specified large-scale disaster.

(2) In the Cabinet Order referred to in the preceding paragraph, among the measures prescribed in the following Article through Article 5, Article 7, and Article 8, the measures required to be applied to the specified large-scale disaster and the districts to which the measures are applied must be designated. If it becomes necessary to newly apply the measures prescribed in the following Article through Article 5, Article 7, and Article 8 after the designation is made, the measures required to be applied and districts to which those measures are applied are to be added and designated by Cabinet Order.

(Special Provisions on Cancellation of Land Lease Contracts)

Article 3 (1) If the building on the land that is the object of a land leasehold right (meaning the land leasehold right as defined in Article 2, item (i) of the Act on Land and Building Leases; the same applies hereinafter) has been lost due to a specified large-scale disaster (excluding the cases referred to in Article 8, paragraph (1) of that Act), the land leasehold right holder may request the waiver of the superficies or the termination of the land lease in the period of one year that commences on the date on which the Cabinet Order referred to in paragraph (1) of the preceding Article comes into effect.

(2) In the case referred to in the preceding paragraph, the land leasehold right is

extinguished when three months have passed from the day the waiver of the superficies or the notice of termination of the land lease was made.

(Special Provisions on the Perfection of the Land Leasehold Right)

Article 4 (1) In the case referred to in Article 10, paragraph (1) of the Act on Land and Building Leases, even if the building has been lost, if the loss was due to a specified large-scale disaster, the land leasehold right continues to have the effect referred to in Article 10, paragraph (1) of that Act in the period of six months have passed from the date on which the Cabinet Order referred to in Article 2, paragraph (1) comes into effect.

(2) In the case prescribed in the preceding paragraph, when the land leasehold right holder posts a notice at an easily visible place on the land which states the necessary matters for identifying the building and the fact that a building is be newly constructed, the land leasehold right continues to have the effect referred to in Article 10, paragraph (1) of the Act on Land and Building Leases; provided, however, that after three years have elapsed from the date on which the Cabinet Order referred to in Article 2, paragraph (1) comes into effect, this is limited to the cases in which a building was newly constructed and the registration of the building was made before that date.

(Special Provisions for Permission to Transfer or Sublease the Right to Lease Land)

Article 5 (1) If a building on the land that is the object of the land leasehold right has been lost due to a specified large-scale disaster and the land leasehold right holder seeks to transfer the leasehold right in that land to a third party or sublease that land to a third party, and the lessor does not consent to the transfer or sublease of the leasehold right despite the fact that even if that third party acquires the leasehold interest or subleases the land, it is unlikely to be disadvantageous to the lessor (meaning the lessor as defined in Article 2, item (iii) of the Act on Land and Building Leases; hereinafter the same applies in this paragraph and paragraph (4)), the court may grant permission in lieu of the consent of the lessor, pursuant to the petition of the land leasehold right holder. In such a case, when it is necessary for facilitating equitable benefit between the parties, the court may order changes to the land lease terms in which the transfer or sublease of the right to lease is the condition for the order, or may require the payment of monetary consideration for the permission.

(2) The provisions of Article 19, paragraphs (2) through (6) of the Act on Land and Building Leases apply mutatis mutandis to cases in which the petition referred to in the preceding paragraph has been filed, and the provisions of Chapter IV of that Act apply mutatis mutandis to the judicial proceedings of

the cases prescribed in that paragraph and the cases prescribed in paragraph (3) of that Article as applied mutatis mutandis pursuant to this paragraph. In such a case, the phrase "the transfer of the building and the building lease" in Article 19, paragraph (3) of that Act is deemed to be replaced with "the right of lease", and the term "the transfer of the buildings" in Article 62 of that Act is deemed to be replaced with "the transfer or sublease of the right of lease".

- (3) The petition referred to in paragraph (1) may be filed only in the period of one year that commences on the date on which the Cabinet Order referred to in Article 2, paragraph (1) comes into effect.
- (4) The provisions of the preceding three paragraphs apply mutatis mutandis to the relationship between the land sublease right holder (meaning the land sublease right holder as defined in Article 2, item (v) of the Act on Land and Building Leases; the same applies in the following Article) and the lessor if a land sublease right (meaning the land sublease right as defined in item (iv) of that Article) has been established; provided, however, that when the lessor files the petition referred to in Article 19, paragraph (3) of that Act as applied mutatis mutandis pursuant to paragraph (2), the consent of the land leasehold right holder must be obtained.

(Mandatory Provisions)

Article 6 The special provisions that run counter to the provisions of the preceding three Articles and that are disadvantageous to the land leasehold right holder or the land sublease right holder are void.

(Short-Term Land Leasehold Rights in Disaster-Affected Areas)

Article 7 (1) Notwithstanding the provisions of Article 9 of the Act on Land and Building Leases, if a land leasehold right is to be established for land located in a district designated pursuant to the provisions of Article 2, paragraph (2) in the period of two years that commences on the date Cabinet Order referred to in paragraph (1) of that Article comes into effect, it may be specified that the duration of the land leasehold right is to be five years or less and that there is to be no extension of the duration due to renewal of the contract (including renewal pursuant to a request for renewal or due to continued use of land) or construction of a building.

- (2) In the case prescribed in the preceding paragraph, when establishing a land leasehold right subject to the provisions referred to in that paragraph, the provisions of Article 13, Article 17, and Article 25 of the Act on Land and Building Leases do not apply.
- (3) A contract for the purpose of establishing a land leasehold right subject to the provisions referred to in paragraph (1) must be concluded in writing by a notarial deed or other such documents.

(4) If a contract for the purpose of establishing a land leasehold right that is subject to the provisions referred to in paragraph (1) is concluded by means of an electronic or magnetic record in which the content of the contract is recorded (meaning a record created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses which is used in information processing by computers), the contract is deemed to have been concluded in writing, and the provisions of the preceding paragraph apply.

(Notice to Previous Lessees)

Article 8 If a building that is the object of the right of lease (hereinafter referred to as the "former building" in this Article) has been lost due to a specified large-scale disaster, and the lessor of the former building at the time of the loss of the former building (hereinafter referred to as the "previous lessor" in this Article) constructs or seeks to construct a new building on the land that was the site of the former building to be used for the same purpose as the purpose immediately prior to the loss, when the previous lessor intends to solicit conclusion of a lease contract for the building in the period of three years that commences on the date on which the Cabinet Order referred to in Article 2, paragraph (1) comes into effect, the previous lessor must notify the known lessees (including sublessees, and excluding the persons who have leased the former building for temporary use) who had used the former building at the time of the loss of that fact without delay.