

Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness (Tentative translation)

(Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 1 of July 6, 2018)

Based on the provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and the Enforcement Order of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014), and for the purpose of enforcing the Act and Cabinet Order, the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness is hereby established as follows.

Chapter I General Provisions (Article 1 to Article 4)

Chapter II Deleted

Chapter II-2 Facilitation of Business Adaptation

Section 1 Business Adaptation Plans (Article 11-2 to Article 11-6)

Section 2 Special Measures (Article 11-7 to Article 11-21)

Chapter III Facilitation of Corporate Restructuring

Section 1 Corporate Restructuring Plans (Article 12 to Article 21)

Section 2 Special Measures (Article 22 to Article 41)

Chapter IV Support for Start-ups, etc. (Article 42 to Article 46)

Chapter V Miscellaneous Provisions (Article 47 to Article 52)

Supplementary Provisions

Chapter I General Provisions

(Definitions of Terms)

Article 1 The terms used in this Regulation have the same meanings as the terms used in the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "Act") and the Enforcement Order of the Act on Strengthening Industrial Competitiveness (hereinafter referred to as the "Order").

Article 2 Deleted

(Relationships Concerning Related Businesses Specified by Order of the
Competent Ministry)

Article 3 The relationship specified by order of the competent ministry as set forth in Article 2, paragraph (15) of the Act is any of the following relationships:

- (i) a relationship in which a business holds the number or amount of shares or contributions equivalent to 50 percent or more of the total issued shares, total number of units of contribution, or total amount of value of contribution of another business;
- (ii) a relationship that falls under either of (a) or (b) below and in which a business's officers or employees account for one half or more of the total number of another business's officers (or, in case of a relationship that falls under (b) below, a relationship in which the percentage of the business's officers or employees among the total number of that other business's officers is larger than that of any other single business's officers or employees among the total number of that other business's officers, if that business and a third business (meaning a business other than the aforementioned business or the aforementioned other business; hereinafter the same applies in this item) have the whole number of issued shares, whole number of units of contribution, or whole amount of value of contribution in that aforementioned other business which has been established by that aforementioned business together with the third business through their contribution of assets other than money):
 - (a) that business holds a number or amount of shares or contributions that is equivalent to 40 percent or more and less than 50 percent of the total number of issued shares, total number of units of contribution or total amount of value of contribution in that other business; or
 - (b) the business has 20 percent or more and less than 40 percent of the total number of issued shares, total number of units of contribution or total amount of value of contribution in that other business, and has more than that which any other single business has in that other business;
- (iii) a relationship in which either a business's subsidiary company (meaning another business with which that business has a relationship as prescribed in item (i), or has a relationship that falls under (a) or (b) of the preceding item in which that business's officers or employees account for one half or more of the total number of that other business's officers; hereinafter the same applies in this Article and the following Article) by itself or, a subsidiary company and that business jointly, hold the number or amount of shares or contributions equivalent to 50 percent or more of the total issued shares, total number of units of contribution, or total amount of value of

- contribution in another business; or
- (iv) a relationship that falls under either of (a) or (b) below and in which a subsidiary company's officers or employees, or those of a subsidiary company and the business, account for one half or more of the total number of officers of another business:
 - (a) either a subsidiary company by itself or, a subsidiary company and the business jointly, hold a number or amount of shares or contributions that is equivalent to 40 percent or more and less than 50 percent of the total number of issued shares, total number of units of contribution, or total amount of value of contribution in that other business; or
 - (b) either a subsidiary company by itself or, a subsidiary company and the business jointly, have 20 percent or more and less than 40 percent of the total number of issued shares, total number of units of contribution or total amount of value of contribution in the that other business, and has more than that which any other single business has in that other business.

(Relationship Concerning Related Foreign Corporations Specified by Order of the Competent Ministry)

Article 4 The relationship specified by order of the competent ministry as set forth in Article 2, paragraph (16) of the Act is any of the following relationships:

- (i) a relationship in which a business holds the number or amount of issued shares or equity, or their equivalent (hereinafter collectively referred to as "shares, etc." in this Article), which is equivalent to 50 percent or more of the total number or total amount of shares, etc. in a foreign corporation;
- (ii) a relationship that falls under either of (a) or (b) below and in which the officers or employees of a business account for one half or more of the total number of officers or persons equivalent thereto of a foreign corporation (hereinafter collectively referred to as "officers, etc." in this Article);
 - (a) the business holds a number or amount of shares, etc. that is equivalent to 40 percent or more and less than 50 percent of the total number or total amount of shares, etc. in the foreign corporation; or
 - (b) the business has 20 percent or more and less than 40 percent of the total number or total amount of shares, etc. in the foreign corporation, and has more than that which any other single business has in the foreign corporation;
- (iii) a relationship in which a subsidiary company by itself, or a foreign subsidiary company by itself (that foreign subsidiary company means a foreign corporation set forth in the preceding two items in cases in which a business holds the relationship prescribed in those items; that subsidiary company and that foreign subsidiary company are hereinafter collectively

- referred to as a "subsidiary company, etc." in this Article), or a subsidiary company, etc. and the business jointly hold a number or amount of shares, etc. that is equivalent to 50 percent or more of the total number or total amount of shares, etc. in a foreign corporation; or
- (iv) a relationship that falls under either of (a) or (b) below and in which the officers, etc. or employees of a subsidiary company, etc., or those of a subsidiary company, etc. and the business account for one half or more of the total number of officers, etc. of a foreign corporation:
- (a) either a subsidiary company, etc. by itself or, a subsidiary company, etc. and the business jointly, hold a number or amount of shares, etc. that is equivalent to 40 percent or more and less than 50 percent of the total number or total amount of shares, etc. of the foreign corporation; or
- (b) either a subsidiary company, etc. by itself or, a subsidiary company, etc. and the business jointly, hold 20 percent or more and less than 40 percent of the total number or total amount of shares, etc. of the foreign corporation, and has more than that which any other single business has in the foreign corporation.

Chapter II Deleted

Articles 5 through 11 Deleted

Chapter II-2 Facilitation of Business Adaptation

Section 1 Business Adaptation Plans

(Application for Approval for Business Adaptation Plans)

- Article 11-2 (1) A business which intends to obtain approval for a business adaptation plan under Article 21-15, paragraph (1) of the Act (referred to as an "applicant" in paragraphs (1) and (2) of the following Article) must submit a written application for approval in Form 18 (hereinafter referred to as a "written application for approval" in this Article) to the competent minister.
- (2) A written application for approval must be submitted together with the following documents (excluding the document set forth in item (vi) in the case of a plan concerning business adaptation for reducing the environmental load caused by energy use which includes a plan to seek loans for funds necessary for taking approved business adaptation-related measures (hereinafter referred to as a "plan for business adaptation for reducing the environmental load caused by energy use relating to a request for loan of funds")):
- (i) a copy of the articles of incorporation or the equivalent thereof of the business;
- (ii) a copy of the most recent business report, a balance sheet, and a profit and

- loss statement of the business (or, if these documents have not been prepared, their equivalent);
- (iii) a document indicating that the productivity of the business will improve considerably or that considerable new demand will be created by implementing the business adaptation plan;
 - (iv) a document indicating that the soundness of the financial conditions will improve by implementing the business adaptation plan;
 - (v) a document indicating the process of the resolution or decision concerning a management policy relating to the business adaptation and its details;
 - (vi) a document stating the breakdown of the usage and means of procuring funds that are necessary for the implementation of the business adaptation plan;
 - (vii) a document evidencing that the business does not fall under any of the following:
 - (a) a member of an organized crime group as prescribed in Article 2, item (vi) of the Act to Prevent Illegal Activities by Members of Organized Crime Groups (Act No. 77 of 1991) (hereinafter referred to as a "member of an organized crime group") or a person falling under cases in which five years have yet to elapse since the day on which the person ceased to be a member of an organized crime group (that member and that person are hereinafter referred to as a "member of an organized crime group, etc.");
 - (b) a corporation any of whose officers is a member of an organized crime group, etc.; or
 - (c) a person whose business activities are controlled by a member of an organized crime group, etc.; and
 - (viii) a copy of a document certifying that the plan for business adaptation for reducing the environmental load caused by energy use relating to a request for loan of funds is consistent with an international policy concerning reduction of the environmental load or an equivalent thereof (limited to a document indicating that certification has been obtained from an external evaluation organization having a sufficient examination ability regarding the certification).
- (3) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation plan conforms to the requirements set forth in the items of Article 21-15, paragraph (4) of the Act, in addition to a written application for approval and documents set forth in the preceding paragraph.
- (4) If a person submits written applications for approval to two or more competent ministers, the person may submit a written application for approval via any one of those competent ministers to other competent minister(s). In this case, the written application for approval is deemed to have been

submitted to that other competent minister(s) as well, as of the day on which that competent minister receives it.

- (5) The period of implementation of the business adaptation plan for the application for approval set forth in paragraph (1) is not to exceed five years; provided, however, that the period of implementation of a plan for business adaptation for reducing the environmental load caused by energy use relating to a request for loan of funds is to be ten years or more.

(Approval for Business Adaptation Plans)

Article 11-3 (1) If the competent minister receives a submitted business adaptation plan under Article 21-15, paragraph (1) of the Act, examines the content thereof promptly in light of the provisions of paragraph (4) of the same Article, and decides to grant approval with regard to the business adaptation plan based on the provisions of the same paragraph, the minister is to deliver a written approval in Form 18-2 to the applicant, within one month in principle from the day on which that competent minister receives the submitted plan.

(2) If the competent minister does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice of non-approval in Form 18-3 stating that fact and the grounds therefor to the applicant.

(3) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the date of the approval, the name of the approved business implementing business adaptation and the content of the business adaptation plan regarding the approval by using Form 18-4.

(Application for Approval for Changes to Approved Business Adaptation Plans and Approval Thereof)

Article 11-4 (1) An approved business implementing business adaptation that intends to obtain approval for changes to a business adaptation plan regarding the approval referred to in Article 21-15, paragraph (1) of the Act under Article 21-16, paragraph (1) of the Act must submit a written application for approval for changes in Form 18-5 (referred to as a "written application for approval for changes" in the following paragraph) to the competent minister.

(2) A written application for approval for changes must be submitted together with a copy of the approved business adaptation plan before the changes.

(3) The period of implementation of the business adaptation plan for the application for approval for changes set forth in paragraph (1) is not to exceed five years, including the period during which the business has been implementing business adaptation in accordance with the approved business adaptation plan before filing the application for approval for changes; provided, however, that the period of implementation of a plan for business adaptation for reducing the environmental load caused by energy use relating to a request

for loan of funds is to be ten years or more, including the period during which the business has been implementing business adaptation in accordance with the approved business adaptation plan before filing the application for approval for changes.

- (4) If the competent minister receives an application for approval for changes set forth in paragraph (1), examines the content thereof promptly in light of the provisions of Article 21-15, paragraph (4) of the Act as applied mutatis mutandis pursuant to Article 21-16, paragraph (5) of the Act, and decides to grant approval for changes to the business adaptation plan based on the provisions of Article 21-15, paragraph (4) of the Act, the minister is to deliver a written approval for changes in Form 8-6 to the approved business implementing business adaptation, within one month in principle from the day on which that competent minister receives the application.
- (5) If the competent minister does not grant approval with regard to the changes set forth in the preceding paragraph, the minister is to deliver a written notice of non-approval of changes in Form 18-7 stating that fact and the grounds therefor to the approved business implementing business adaptation.
- (6) If the competent minister has granted approval with regard to the changes set forth in paragraph (4), the minister is to publicize the date of the approval for the changes, the name of the approved business implementing business adaptation after the changes, and the content of the approved business adaptation plan after the changes by using Form 18-8.
- (7) Minor changes that do not involve changes to the purpose of an approved business adaptation plan do not require the approval for changes set forth in Article 21-16, paragraph (1) of the Act.

(Directions of Changes to Approved Business Adaptation Plans)

Article 11-5 If the competent minister directs changes to an approved business adaptation plan under Article 21-16, paragraph (3) of the Act, the minister is to deliver a written notice of a direction of changes in Form 18-9 stating that fact and the grounds therefor to the approved business implementing business adaptation subject to the direction of changes.

(Rescission of Approval for Approved Business Adaptation Plans)

- Article 11-6 (1) If the competent minister rescinds approval for an approved business adaptation plan under Article 21-16, paragraph (2) or paragraph (3) of the Act, the minister is to deliver a written notice of rescission of approval in Form 18-10 stating that fact and the grounds therefor to the approved business implementing business adaptation whose approval is to be rescinded.
- (2) If the competent minister has rescinded approval for an approved business adaptation plan, the minister is to publicize the date of the rescission, the

name of the business whose approval has been rescinded, and the grounds for the rescission by using Form 18-11.

Section 2 Special Measures

(Policies for Undertaking Business Operations to Facilitate Business Adaptation Promotion)

Article 11-7 The policies for undertaking business operations to facilitate business adaptation promotion set forth in Article 21-18, paragraph (1) of the Act are to specify the following particulars:

- (i) particulars concerning the implementation framework for undertaking business operations to facilitate business adaptation promotion;
- (ii) the following particulars concerning business operations to facilitate business adaptation promotion:
 - (a) particulars concerning the business operations set forth in Article 21-17, paragraph (1), item (i) of the Act:
 - 1. subject of the loan;
 - 2. method of the loan;
 - 3. interest rate;
 - 4. due date of the loan;
 - 5. grace period;
 - 6. method of repayment; and
 - 7. particulars concerning the loan, beyond those set forth in 1. through 6. above; and
 - (b) particulars concerning the business operations set forth in Article 21-17, paragraph (1), item (ii) of the Act:
 - 1. subject of the provision of interest subsidies;
 - 2. method of the provision of interest subsidies;
 - 3. particulars concerning suspension of the provision of interest subsidies; and
 - 4. particulars concerning the provision of interest subsidies, beyond those set forth in 1. through 3. above;
- (iii) particulars concerning conditions of the loan subject to the loan of funds and the provision of interest subsidies through business operations to facilitate business adaptation promotion; and
- (iv) beyond those set forth in the preceding three items, particulars necessary for undertaking business operations to facilitate business adaptation promotion effectively and efficiently.

(Application for Designation as a Designated Financial Institution)

Article 11-8 (1) A person that intends to receive designation under Article 21-19,

paragraph (2) of the Act (hereinafter referred to as the "applicant for designation") must submit a written application for designation in Form 18-12 to the competent minister, together with the following documents:

- (i) the articles of incorporation and a certificate of registered matters;
 - (ii) a document evidencing the decision of the intention for the application;
 - (iii) a document stating the names and brief biographical outlines of officers;
 - (iv) a document evidencing that the applicant for designation has obtained a license, authorization, approval of the administrative agency as a financial institution set forth in Article 21-19, paragraph (1), item (i) of the Act or their equivalent (hereinafter referred to as a "license, etc." in this item), a document clarifying the state of the application for the license, etc., or a document in lieu of these documents;
 - (v) a document pledging that the applicant for designation does not fall under the items of Article 21-19, paragraph (4) of the Act; and
 - (vi) a document in which the officers pledge that they fall under neither (a) nor (b) of Article 21-19, paragraph (4), item (iii) of the Act.
- (2) When designating a designated financial institution under Article 21-19, paragraph (1) of the Act, the competent minister may have the applicant for designation submit necessary documents beyond the documents set forth in the items of the preceding paragraph.

(Particulars to Be Stated in the Business Regulations)

Article 11-9 The particulars specified by orders of the competent ministries as set forth in Article 21-19, paragraph (3) of the Act are as follows:

- (i) particulars concerning the implementation framework for undertaking business operations to promote business adaptation:
 - (a) particulars concerning the departments supervising business operations to promote business adaptation;
 - (b) particulars concerning the personnel structure for business operations to promote business adaptation;
 - (c) particulars concerning the implementation of audits for business operations to promote business adaptation;
 - (d) particulars concerning the region for undertaking business operations to promote business adaptation; and
 - (e) particulars concerning the establishment of the consultation office for business operations to promote business adaptation;
- (ii) particulars concerning the method for undertaking business operations to promote business adaptation:
 - (a) the person to whom the loan is provided;
 - (b) funds subject to the loan;
 - (c) limit amount of the loan; and

- (d) particulars concerning procedures and audits of the loan;
- (iii) particulars concerning the content of the loan and the provision of interest subsidies through business operations to facilitate business adaptation promotion that are necessary for providing the loan;
- (iv) particulars concerning the management of claims for business operations to promote business adaptation;
- (v) particulars concerning the management of books for business operations to promote business adaptation;
- (vi) particulars concerning the entrustment of business operations to promote business adaptation; and
- (vii) other particulars concerning the undertaking of business operations to promote business adaptation.

(Person Specified by Orders of the Competent Ministries as Set Forth in Article 21-19, Paragraph (4), Item (iii), (a) of the Act)

Article 11-10 The person specified by orders of the competent ministries as set forth in Article 21-19, paragraph (4), item (iii), (a) of the Act is a person that is unable to adequately carry out the reasoning, decision making, and communication necessary for properly performing the duties of an officer due to mental impairment.

(Notification of Changes of Trade Name of a Designated Financial Institution)

Article 11-11 A notification under Article 21-20, paragraph (2) of the Act must be filed by submitting a written notice of changes in Form 18-13.

(Application for Changes to the Business Regulations)

Article 11-12 If a designated financial institution intends to obtain authorization of changes to its business regulations under Article 21-21, paragraph (1) of the Act, it must submit a written application for authorization of changes in Form 18-14 to the competent minister, together with the following documents:

- (i) a comparative table presenting the provisions to be changed;
- (ii) the business regulations after the changes; and
- (iii) a document evidencing the decision of the intention for the changes.

(Particulars to Be Specified in the Agreement)

Article 11-13 The particulars specified by orders of the competent ministries as set forth in Article 21-22, paragraph (1), item (iii) of the Act are as follows:

- (i) particulars concerning the content and methods of business operations to promote business adaptation;
- (ii) particulars concerning the content and methods of business operations to facilitate the promotion of business adaptation;

- (iii) particulars concerning the management of claims for business operations to promote business adaptation; and
- (iv) other particulars concerning the undertaking of business operations to promote business adaptation and concerning the undertaking of business operations to facilitate business adaptation promotion.

(Bookkeeping)

Article 11-14 (1) The matters specified by orders of the competent ministries as set forth in Article 21-23 of the Act are as follows:

- (i) state of the undertaking of business operations to promote business adaptation;
 - (ii) state of claims for business operations to promote business adaptation; and
 - (iii) state of the loan and the provision of interest subsidies through business operations to facilitate the promotion of business adaptation that have been received from the JFC for the purpose of undertaking business operations to promote business adaptation.
- (2) If the matters set forth in the items of the preceding paragraph are recorded in a file or on a magnetic disk stored on a computer and can be clearly displayed on paper as necessary by the relevant designated financial institution through the use of a computer or other device, the record may replace the entry in the book.
- (3) A designated financial institution must keep books (including a recorded file or magnetic disk under the preceding paragraph) for five years from the day on which the claims for business operations to promote business adaptation are extinguished through payment or due to other grounds.

(Notification of Suspension or Discontinuation of Business Operations)

Article 11-15 If a designated financial institution intends to report the suspension or discontinuation of all or part of the business operations to promote business adaptation under Article 21-25, paragraph (1) of the Act, it must submit a written notice of suspension or discontinuation in Form 18-15 to the competent minister, together with the following documents:

- (i) a document evidencing the decision of the intention for the suspension or discontinuation; and
- (ii) in the case of discontinuing all or part of the business operations to promote business adaptation, a document stating the schedule until the discontinuation and a document stating measures after the discontinuation.

(Method of Application Regarding Business Adaptation Plans)

Article 11-16 Submission of a written application for designation, written notice of changes, written application for authorization of changes, written notice of

suspension or discontinuation, and other documents to be submitted to the competent minister under Article 21-19, paragraph (2), Article 21-20, paragraph (2), Article 21-21, paragraph (1), and Article 21-25, paragraph (1) of the Act, and under Article 11-8, Article 11-11, Article 11-12, and the preceding Article may be completed by submitting the original and a copy thereof either to the Minister of Finance or the Minister of Economy, Trade and Industry.

(Route of Notice in the Case of Making Notification to the Prime Minister)

Article 11-17 When the competent minister gives a notice to the Prime Minister under Article 11 of the Order, the competent minister is to do so via the Commissioner of the Financial Services Agency.

(Special Provisions on Taxation Regarding Business Adaptation for Achieving Growth)

- Article 11-18 (1) An approved business implementing business adaptation that intends to obtain confirmation from the competent minister as set forth in Article 21-28, paragraph (1) of the Act must submit to the competent minister a written application for confirmation in Form 18-16 (referred to as a "written application for conformation" in the following paragraph and paragraph (3)), in addition to submission of a written application for approval under Article 11-2, paragraph (1) or submission of a written application for approval for changes under Article 11-4, paragraph (1).
- (2) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation for achieving growth under the business adaptation plan is in conformity with the standards specified by the competent minister as being implemented to respond to significant changes in the economy and social circumstances based on the provisions of Article 21-28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Public Notice of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 7 of 2021; referred to as the "standards for special provisions regarding business adaptation for achieving growth" in the following paragraph) in addition to a written application for confirmation.
- (3) If the competent minister receives a submitted written application for confirmation under paragraph (1), examines the content thereof promptly in light of the standards for special provisions regarding business adaptation for achieving growth, and confirms that the business adaptation plan commences

by the day on which one year elapses from the date of enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 70 of 2021), and that the business adaptation for achieving growth under the business adaptation plan is in conformity with the standards for special provisions regarding business adaptation for achieving growth, the minister is to indicate such fact on the written approval set forth in Article 11-3, paragraph (1) or the written approval for changes set forth in Article 11-4, paragraph (4).

(Special Provisions on Taxation Regarding Business Adaptation Relating to Information Technology)

- Article 11-19 (1) An approved business implementing business adaptation that intends to obtain confirmation from the competent minister as set forth in Article 21-28, paragraph (2) of the Act must submit to the competent minister a written application for confirmation in Form 18-17 (referred to as a "written application for confirmation" in the following paragraph and paragraph (3)), in addition to submission of a written application for approval under Article 11-2, paragraph (1) or submission of a written application for approval for changes under Article 11-4, paragraph (1).
- (2) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation relating to information technology under the business adaptation plan is in conformity with the standards specified by the competent minister as particularly contributing to the improvements in productivity or creation of demand based on the provisions of Article 21-28, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Public Notice of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 8 of 2021; referred to as the "standards for special provisions regarding business adaptation relating to information technology" in the following paragraph) in addition to a written application for confirmation.
- (3) If the competent minister receives a submitted written application for confirmation under paragraph (1), examines the content thereof promptly in light of the standards for special provisions regarding business adaptation relating to information technology, and confirms that the business adaptation relating to information technology under the business adaptation plan is in conformity with the standards for special provisions regarding business adaptation relating to information technology, the minister is to deliver a

written confirmation in Form 18-18 to the approved business implementing business adaptation, within one month in principle from the day of receiving the submitted written application.

(Request for Certification)

Article 11-20 (1) The approved business implementing business adaptation prescribed in Article 21-28 of the Act (referred to as the "approved business implementing business adaptation that has obtained confirmation" in the following paragraph and the following Article) may request certification from the competent minister (meaning the competent minister that has granted the approval for an approved business adaptation plan; the same applies in paragraph (4) and the following Article) that the business adaptation for achieving growth it has implemented was implemented in accordance with the approved business adaptation plan, within one month after the end of each business year until the business year that includes the day of termination of the approved business adaptation plan.

- (2) When an approved business implementing business adaptation that has obtained confirmation requests certification under the provisions of the preceding paragraph, it is to submit a written application for certification of conformity in Form 18-19 (referred to as a "written application for certification of conformity" in the following paragraph and paragraph (4)).
- (3) A copy of the written approval set forth in Article 11-3, paragraph (1) or a copy of the written approval for changes set forth in Article 11-4, paragraph (4) is to be attached to a written application for certification of conformity.
- (4) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation for achieving growth which has been implemented was implemented in accordance with the approved business adaptation plan, in addition to a written application for certification of conformity and documents set forth in the preceding paragraph.

(Delivery of a Conformity Certificate)

Article 11-21 If the competent minister receives a request for certification under paragraph (1) of the preceding Article, examines the content thereof in light of the approved business adaptation plan, and finds that the business adaptation was implemented in conformity with the approved business adaptation plan, the minister is to deliver a conformity certificate in Form 18-20 to the approved business implementing business adaptation that has obtained confirmation.

Chapter III Facilitation of Corporate Restructuring

Section 1 Corporate Restructuring Plans

(Application for Approval for Corporate Restructuring Plans)

- Article 12 (1) A business which intends to obtain approval for a corporate restructuring plan under Article 23, paragraph (1) of the Act (referred to as an "applicant" in paragraph (1) of the following Article) must submit a written application in Form 19 (hereinafter referred to as a "written application" in this Article and the following Article) and a copy thereof to the competent minister.
- (2) A written application and a copy thereof must be submitted together with the following documents:
- (i) a copy of the articles of incorporation or the equivalent thereof of the business (including related businesses or related foreign corporations already engaging in business, if the corporate restructuring plan contains plans for the measures that the related businesses or that related foreign corporations are to take for the purpose of that business's corporate restructuring; hereinafter the same applies in this paragraph), and if that business has been registered, also a certificate of registered matters for the registration;
 - (ii) a copy of the most recent business report, a balance sheet, and a profit and loss statement of the business (or, if these documents have not been prepared, their equivalent);
 - (iii) a document indicating that the productivity of the business will improve considerably by implementing the corporate restructuring plan;
 - (iv) a document indicating that the soundness of the financial conditions will improve by implementing the corporate restructuring plan;
 - (v) a document stating the breakdown of the usage and means of procuring funds that are necessary for the implementation of the corporate restructuring plan;
 - (vi) a document evidencing that the corporate restructuring plan will not cause unreasonable damage to the state of the employees; and
 - (vii) a document evidencing that the business does not fall under any of the following:
 - (a) a member of an organized crime group, etc.;
 - (b) a corporation any of whose officers is a member of an organized crime group, etc.; or
 - (c) a person whose business activities are controlled by a member of an organized crime group, etc.
- (3) A business which intends to obtain approval for a corporate restructuring plan that includes a plan concerning funds that contributes to the smooth and reliable implementation of the corporate restructuring plan and involves a debt waiver (hereinafter referred to as a "financial plan for corporate restructuring" in this paragraph, Article 14, paragraph (3), and Article 48, paragraph (2) and paragraph (4)) must attach the following documents, in addition to the

documents set forth in the items of the preceding paragraph:

- (i) a report on the financial plan for corporate restructuring by a certified public accountant (including a foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in Article 48, paragraph (4)) or an audit corporation;
 - (ii) a document indicating the names of the corporate restructuring creditors (meaning creditors that has agreed to the debt waiver that is stated in the financial plan for corporate restructuring; hereinafter the same applies in this paragraph and Article 48, paragraph (2)), the date of the loan agreement certificate and other causal certificates, and the amount equivalent to the claim;
 - (iii) a document stating the amount of the debt waiver of the individual corporate restructuring creditors and the percentage of the debt waiver among the corporate restructuring creditors;
 - (iv) a document evidencing that there is a clear agreement for the debt waiver with the corporate restructuring creditors;
 - (v) a document indicating the implementation of measures for clarifying the responsibility of shareholders, including capital reduction and other measures; and
 - (vi) an inspection report by an expert (meaning a person that has expert knowledge and experience in laws, taxation, finance, corporate finance, asset evaluation, etc. in the plan which contains continuation and reconstruction of the operations of a business whose debt is to be waived) for the plan which contains the continuation and reconstruction of the operations of the business (referred to as a "reconstruction plan related to corporate restructuring" in Article 48, paragraph (2)).
- (4) The period of implementation of the corporate restructuring plan for the application for approval set forth in paragraph (1) is not to exceed three years (or five years, when the corporate restructuring plan includes a plan to seek loans for funds necessary for taking approved corporate restructuring-related measures).

(Approval for Corporate Restructuring Plans)

Article 13 (1) If the competent minister receives a submitted corporate restructuring plan under Article 23, paragraph (1) of the Act, examines the content thereof promptly in light of the provisions of paragraph (5) of the same Article, and decides to grant approval with regard to the corporate restructuring plan, the minister is to attach a document stating the following to the original of the written application, and to deliver it as a written approval to the applicant, within one month in principle from the day of receiving the

submitted plan (excluding cases in which the competent minister consults with the Fair Trade Commission under Article 25, paragraph (1) of the Act):

"Pursuant to the provisions of Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby approve the applicant as a person that implements corporate restructuring prescribed in Article 2, paragraph (17) of the same Act."

- (2) If the competent minister does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice in Form 20 stating that fact, and the grounds therefor to the applicant.
- (3) If the competent minister has granted approval as set forth in paragraph (1), the minister is to publicize the date of the approval, the name of the approved business implementing corporate restructuring, and the content of the approved corporate restructuring plan by using Form 21.

(Application for Approval for Changes to Approved Corporate Restructuring Plans and Approval Thereof)

Article 14 (1) Minor changes that do not involve changes to the purpose of an approved corporate restructuring plan do not require the approval set forth in Article 24, paragraph (1) of the Act.

- (2) An approved business implementing corporate restructuring which intends to obtain approval for changes to a corporate restructuring plan under Article 24, paragraph (1) of the Act must submit a written application in Form 22 (hereinafter referred to as a "written application" in this Article) and a copy thereof to the competent minister.
- (3) The written application and a copy thereof must be submitted together with a copy of the approved corporate restructuring plan (or, a copy of the approved corporate restructuring plan and the documents set forth in the items of Article 12, paragraph (3), if the corporate restructuring plan after the change newly includes a financial plan for corporate restructuring).
- (4) The period of implementation of the corporate restructuring plan for the application for approval for changes set forth in paragraph (2) is not to exceed three years (or five years, if the corporate restructuring plan includes a plan to seek loans for funds necessary for taking approved corporate restructuring-related measures) including the period during which the business has been implementing corporate restructuring in accordance with the approved corporate restructuring plan before filing the application for approval for changes.
- (5) If the competent minister receives a submitted corporate restructuring plan for the application for approval for changes set forth in paragraph (2), examines the content thereof promptly in light of the provisions of Article 23, paragraph (5) of the Act as applied mutatis mutandis pursuant to Article 24,

paragraph (5) of the Act, and decides to grant approval with regard to the corporate restructuring plan, the minister is to attach a document stating the following to the original of the written application, and deliver it as a written approval to the approved business implementing corporate restructuring, within one month in principle from the day of receiving the submitted plan (excluding the cases in which the competent minister consults with the Fair Trade Commission under Article 25, paragraph (1) of the Act):

"Pursuant to the provisions of Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby grant approval."

- (6) If the competent minister does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice in Form 23 stating that fact and the grounds therefor to the approved business implementing corporate restructuring.
- (7) If the competent minister has granted approval with regard to the changes set forth in paragraph (5), the minister is to publicize the date of the approval, the name of the approved business implementing corporate restructuring, and the content of the approved corporate restructuring plan by using Form 24.

(Directions of Changes to Approved Corporate Restructuring Plans)

Article 15 If the competent minister directs changes to an approved corporate restructuring plan under Article 24, paragraph (3) of the Act, the minister is to deliver a written notice in Form 25 stating that fact and the grounds therefor to the approved business implementing corporate restructuring subject to the direction of changes.

(Rescission of Approval as Approved Corporate Restructuring Plans)

Article 16 (1) If the competent minister rescinds approval as an approved corporate restructuring plan under Article 24, paragraph (2) or paragraph (3) of the Act, the minister is to deliver a written notice in Form 26 stating that fact and the grounds therefor to the approved business implementing corporate restructuring whose approval is to be rescinded.

- (2) If the competent minister has rescinded approval for an approved corporate restructuring plan, the minister is to publicize the date of the rescission, the name of the business whose approval has been rescinded, and the grounds for the rescission by using Form 27.

Articles 17 through 21 Deleted

Section 2 Special Measures

(Application for Approval for Special Provisions Concerning the Business

Transfer, etc. to a Special Controlling Company)

Article 22 (1) A business which intends to obtain approval (including approval for changes) for a corporate restructuring plan to which special measures under Article 28, paragraph (1), paragraph (2), or paragraph (5) of the Act may be applied must attach a document stating particulars concerning the appropriateness of the consideration for the acts set forth in the items of Article 28, paragraph (1) of the Act or the items of paragraph (2) of the same Article or concerning the appropriateness of the consideration for the demand for share cash-out set forth in paragraph (5) of the same Article, in addition to the documents set forth in Article 12, paragraph (2) or Article 14, paragraph (3).

(2) If an approved corporate restructuring plan includes the content concerning the acts set forth in in the items of Article 28, paragraph (1) of the Act or the items of paragraph (2) of the same Article or the demand for share cash-out set forth in paragraph (5) of the same Article, the competent minister is to publicize the documents set forth in the preceding paragraph.

(Matters for Advance Disclosure by Subject Companies)

Article 23 The provisions of Article 33-7 of the Regulation for Enforcement of the Companies Act (Order of Ministry of Justice No. 12 of 2006) apply mutatis mutandis to the matters specified by order of the competent ministry prescribed in Article 179-5, paragraph (1), item (iv) of the Companies Act (Act No. 86 of 2005) as applied pursuant to the provisions of Article 13 of the Order following the deemed replacement of terms; the provisions of Article 33-8 of the same Regulation apply mutatis mutandis to the information specified by order of the competent ministry prescribed in Article 179-10, paragraph (1) of the Companies Act as applied pursuant to the provisions of Article 28, paragraph (5) of the Act and Article 13 of the Order following the deemed replacement of terms; and the provisions of Article 35 of the same Regulation apply mutatis mutandis to the rights specified by order of the competent ministry prescribed in Article 189, paragraph (2), item (vi) of the Companies Act as applied pursuant to the provisions of Article 13 of the Order following the deemed replacement of terms. In this case, the phrase "Special Controlling Shareholder" in Article 33-7, item (iv), (a) of the same Regulation is deemed to be replaced with "specified special controlling shareholder (meaning the specified special controlling shareholder prescribed in Article 151, paragraph (2) of the Act as applied pursuant to the provisions of Article 28, paragraph (5) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms; the same applies hereinafter)"; and the phrase "Special Controlling Shareholder" in item (v) of the same Article, Article 33-8 and Article 35 of the same Regulation is deemed to be replaced

with "specified special controlling shareholder".

(Application for Approval for Special Provisions Concerning the Consolidation of Shares)

Article 24 A business which intends to obtain approval (including approval for changes) of a corporate restructuring plan to which special measures under Article 29, paragraph (1) of the Act may be applied must attach a document indicating that the consolidation of shares undertaken at the same time as the reduction in the amount of stated capital, capital reserves, or retained earnings reserves (referred to as "stated capital, etc." in item (i) of this Act and Article 50, item (ii)) falls under both of the items of Article 29, paragraph (1) of the Act, in addition to the documents set forth in the items of Article 12, paragraph (2) or in Article 14, paragraph (3). In this case, the document must contain the following particulars:

- (i) the content of the consolidation of shares undertaken at the same time as the reduction in the amount of stated capital, etc.; and
- (ii) the content of the reduction or discontinuation of the number of shares for one unit of shares.

(Corporations Specified by Order of the Competent Ministry as Those Equivalent to Stock Companies All of Whose Issued Shares Are Held by the Company)

Article 25 (1) Corporations specified by order of the competent ministry as set forth in Article 30, paragraph (1) of the Act are any of the following:

- (i) a corporation (excluding a stock company) or a foreign corporation all of whose equity is held by a stock company that is an approved business implementing corporate restructuring set forth in Article 30, paragraph (1) of the Act; or
 - (ii) a corporation or a foreign corporation all of whose equity is held by a stock company that is an approved business implementing corporate restructuring set forth in Article 30, paragraph (1) of the Act and a specified wholly owned subsidiary corporation (meaning a stock company all of whose issued shares are held by a stock company that is the approved business implementing corporate restructuring, and the corporation and foreign corporation as set forth in the preceding item; hereinafter the same applies in this item and the following paragraph) or by a specified wholly owned subsidiary corporation.
- (2) With regard to the application of provisions of item (ii) of the preceding paragraph, the corporation or foreign corporation as set forth in the same item is deemed as a specified wholly owned subsidiary corporation.

(Cases Where a Notice of Subscription Requirements Is Not Required)

Article 26 The cases specified by order of the competent ministry as prescribed in Article 147, paragraph (2) of the Act, which is prescribed in Article 201, paragraph (5) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms, are cases in which a stock company that is an approved business implementing corporate restructuring has made a notification of or submission of the following documents (limited to those that contain particulars equivalent to the subscription requirements prescribed in Article 201, paragraph (3) of the Companies Act) by two weeks prior to the date as prescribed in the same paragraph based on the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (including cases in which the particulars to be stated in the documents are provided by electronic or magnetic means based on the provisions of the same Act), and the Prime Minister has been making the documents available for public inspection continuously from the day two weeks prior to that date until that date, based on the provisions of the same Act:

- (i) a written notice set forth in Article 5, paragraph (1) of the Financial Instruments and Exchange Act (including an amendment notice set forth in Article 7, paragraph (1) of the same Act) in case of making a notification as set forth in Article 4, paragraphs (1) through (3) of the same Act;
- (ii) a shelf registration statement set forth in Article 23-3, paragraph (1) of the Financial Instruments and Exchange Act and shelf registration supplements set forth in Article 23-8, paragraph (1) of the same Act (including an amended shelf registration statement set forth in Article 23-4, paragraph (1) of the same Act);
- (iii) an annual securities report set forth in Article 24, paragraph (1) of the Financial Instruments and Exchange Act (including an amendment report set forth in Article 24-2, paragraph (1) of the same Act);
- (iv) a quarterly securities report set forth in Article 24-4-7, paragraph (1) of the Financial Instruments and Exchange Act (including an amendment report set forth in paragraph (4) of the same Article);
- (v) a semiannual securities report set forth in Article 24-5, paragraph (1) of the Financial Instruments and Exchange Act (including an amendment report set forth in paragraph (5) of the same Article); and
- (vi) an extraordinary report set forth in Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act (including an amendment report set forth in paragraph (5) of the same Article).

(Amount of Stated Capital)

Article 27 (1) The amount specified by order of the competent ministry as prescribed in Article 445, paragraph (1) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the

deemed of replacement of terms (hereinafter the amount is referred to as the "newly increased limit of stated capital, etc." in this paragraph) is the amount arrived at if first the amount set forth in item (ii) is deducted from the amount set forth in item (i), and then the remaining amount is multiplied by the share issuance percentage (meaning the percentage arrived at if the number of shares to be issued under Article 30, paragraph (1) of the Act is divided by the sum of the number of shares to be issued under the same paragraph and the number of treasury shares to be disposed of; hereinafter the same applies in this paragraph and the following paragraph), and finally the amount set forth in item (iii) is deducted from the amount thus arrived at (if the final amount is less than zero, the newly increased limit of stated capital, etc. is to be zero):

(i) the value of specified shares, etc. (meaning the specified shares, etc. prescribed in Article 199, paragraph (1), item (ii) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms; the same applies hereinafter) that are delivered at the time of the issuance of shares or the disposition of treasury shares under Article 32, paragraph (1) of the Act, as of the date set forth in Article 199, paragraph (1), item (iv) of the Companies Act as applied pursuant to the provisions of Article 32, paragraph (1) of the Act following the deemed replacement of terms (or, as of the day when specified shares, etc. are delivered under Article 208, paragraph (2) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms, if the period set forth in Article 199, paragraph (1), item (iv) of the Companies Act is specified) (or, in the cases set forth in (a) or (b) below, that value of the specified shares, etc. is to be the value specified therein):

- (a) if the stock company and a person that has delivered the specified shares, etc. are in a relationship under common control (meaning the relationship under common control as prescribed in Article 2, paragraph (3), item (xxxii) of the Regulation of Corporate Accounting (Order of Ministry of Justice No. 13 of 2006)) (excluding cases in which the specified shares, etc. should be market-priced): the book value which the person that has delivered the specified shares, etc. recorded immediately before that delivery; or
- (b) in cases other than those set forth in (a) above and if it is not appropriate to calculate the increased limit of stated capital, etc. based on the value of the delivered specified shares, etc.: the book value specified in (a) above;
- (ii) the amount specified by the stock company that is the approved business implementing corporate restructuring as the amount to be deducted from the increased limit of stated capital, etc. out of the amount of costs for the delivery of shares for subscription as matters set forth in Article 199,

- paragraph (1), item (v) of the Companies Act;
- (iii) the amount arrived at if the amount set forth in (b) below is deducted from the amount set forth in (a) below, if the amount thus arrived is zero or more:
 - (a) the book value of treasury shares to be disposed of under Article 30, paragraph (1) of the Act;
 - (b) the amount arrived at if first the amount set forth in the preceding item is deducted from the amount set forth in item (i) (or zero, if the remaining amount is less than zero), and then the remaining amount is multiplied by the treasury share disposition percentage (meaning the percentage arrived at if the share issuance percentage is deducted from 100; hereinafter the same applies in this Article).
- (2) In the case set forth in the preceding paragraph, the amount set forth in the following items after the issuance of shares or the disposition of treasury shares under Article 30, paragraph (1) of the Act is the amount arrived at if the amount specified in those items is added to the amount immediately before the issuance of shares or the disposition of treasury shares under the same paragraph:
- (i) the amount of other capital surplus: the amount arrived at if the amount set forth in (c) below is deducted from the sum of the amounts set forth in (a) and (b) below:
 - (a) the amount arrived at if first the amount set forth in item (ii) of the preceding paragraph is deducted from the amount set forth in item (i) of the same paragraph, and then the remaining amount is multiplied by the treasury shares disposition percentage;
 - (b) whichever is the smaller of the following amounts:
 1. the amount set forth in item (iii) of the preceding paragraph; or
 2. the amount arrived at if first the amount set forth in item (ii) of the preceding paragraph is deducted from the amount set forth in item (i) of the same paragraph, and then the remaining amount is multiplied by the share issuance percentage (or, zero if the final amount thus arrived at is less than zero);
 - (c) the book value of treasury shares to be disposed of under Article 30, paragraph (1) of the Act; and
 - (ii) the amount of other accumulated profit: the amount arrived at if first the amount set forth in item (ii) of the preceding paragraph is deducted from the amount set forth in item (i) of the same paragraph, and then the remaining amount is multiplied by the share issuance percentage, if that remaining amount is not less than zero.
- (3) In the case set forth in paragraph (1), the amount of consideration for treasury shares (meaning the amount of the consideration received in exchange for those treasury shares prescribed in Article 150, paragraph (2), item (viii)

and Article 158, item (viii), (b) of the Regulation of Corporate Accounting and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act; the same applies in the following paragraph) is the amount arrived at if first the amount set forth in paragraph (1), item (ii) is deducted from the value set forth in item (i) of the same paragraph, and then the remaining amount is multiplied by the treasury share disposition ratio.

- (4) With regard to the application of the provisions of Article 150, paragraph (2), item (viii) and Article 158, item (viii), (b) of the Regulation of Corporate Accounting and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act, the amount set forth in paragraph (2), item (i), (b) is also deemed to be included in the amount of consideration for treasury shares.
- (5) The generally accepted corporate accounting and other corporate accounting practices must be taken into consideration for the interpretation of the terms as used in this Article and the application of the provisions of this Article.

(Amount of Net Assets per Share)

Article 28 The amount of net assets per share prescribed in Article 796, paragraph (2), item (i) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms is as prescribed in Article 25 of the Regulation for Enforcement of the Companies Act. In this case, the phrase "the date prescribed in the following items in the case where the amount of net assets per share provided for in the provisions listed in each said item is calculated" in Article 25, paragraph (6) of the same Regulation is deemed to be replaced with "the day on which the subscription requirements (meaning the subscription requirements prescribed in Article 199, paragraph (2) of the Act) for issuance of shares or disposition of treasury shares prescribed in Article 32, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) are determined".

(The Amount of Net Assets)

Article 29 The method specified by order of the competent minister prescribed in Article 147, paragraph (2) of the Act, which is prescribed in Article 796, paragraph (2), item (ii) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, is the method in which the amount of the net assets of a stock company that is an approved business implementing corporate restructuring is to be the amount arrived at if the amount set forth in item (vii) is deducted from the sum of the amounts set forth in items (i) through (vi) as of the calculation date (meaning the day on which the subscription requirements

(meaning the subscription requirements prescribed in Article 199, paragraph (2) of the Companies Act) for issuance of shares, or disposition of treasury shares prescribed in Article 32, paragraph (1) of the Act are determined) (if the amount thus arrived at is less than five million yen, the amount of those net assets is to be five million yen):

- (i) the amount of stated capital;
- (ii) the amount of capital reserves;
- (iii) the amount of retained earnings reserves;
- (iv) the amount of surplus prescribed in Article 446 of the Companies Act;
- (v) the amount for the value/conversion difference as of the last day of the most recent business year (or, of the period set forth in Article 441, paragraph (1), item (ii) of the Companies Act, in the case set forth in Article 461, paragraph (2), item (ii) of the same Act (or, of whichever period has its last day come the later among the periods set forth in Article 441, paragraph (1), item (ii) of the Companies Act, if there are two or more of those periods)) (or, as of the day when the stock company that is the approved business implementing corporate restructuring is established, if there is no most recent business year);
- (vi) the book value of share options;
- (vii) the sum of book values of treasury shares and own share options.

(The Number of Shares)

Article 30 The number specified by order of the competent ministry as prescribed in Article 796, paragraph (3) of the Companies Act as applied *mutatis mutandis* pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms is whichever is the smaller of the following numbers:

- (i) one plus the number arrived at if first the total number of specified shares (meaning shares for which a voting right may be executed in the shareholders meeting for the act set forth in Article 796, paragraph (3) of the Companies Act as applied *mutatis mutandis* by replacing the phrases pursuant to Article 30, paragraph (3) of the Act; hereinafter the same applies in this Article) is multiplied by one half (or, by a certain percentage, if the articles of incorporation provide that shareholders that hold voting rights at that certain percentage or more of total number of voting rights of the specified shares must attend the shareholders meeting as a requirement for adopting resolutions at the shareholders meeting), and then the product of that multiplication is again multiplied by one third (or, by the percentage arrived at if a certain percentage is deducted from 100, if the articles of incorporation provide that that certain percentage or more of total number of voting rights held by the specified shareholders (meaning shareholders of

- specified shares; hereinafter the same applies in this Article) that attended the shareholders meeting must be exercised affirmatively as a requirement for adopting resolutions at the shareholders meeting);
- (ii) the number of specified shares held by specified shareholders that stated their disagreement to the stock company with the act set forth in Article 796, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, if the articles of incorporation provide that a certain number or more of specified shareholders' agreements is needed as a requirement for adopting resolutions for the act, and, if the number of those specified shareholders stating their disagreement with the act is deducted from the total number of specified shareholders, the remainder of that deduction is less than the aforementioned certain number;
 - (iii) the number of specified shares held by specified shareholders that stated their disagreement with the act set forth in Article 796, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, if the articles of incorporation contain provisions other than those set forth in the preceding two items as a requirement for adopting resolutions for the act, and the resolution will not be adopted if all of the specified shareholders stating their disagreement with the act disagree in the shareholders meeting as prescribed in Article 796, paragraph (4) of the Companies Act; or
 - (iv) the number specified in the articles of incorporation.

(Application for Approval for Special Provisions Concerning the Issuance of Shares or the Disposal of Treasury Shares upon Acquisition of Shares, etc. of Another Stock Company in Exchange for Shares)

Article 31 (1) A business which intends to obtain approval (including approval for changes) for a corporate restructuring plan to which special measures under Article 30, paragraph (1) of the Act may be applied must attach a document stating the following particulars concerning the appropriateness of the consideration for the acquisition of specified shares, etc. (meaning the acquisition of specified shares, etc. through transfer in which shares to be issued or treasury shares to be disposed of under Article 30, paragraph (1) of the Act are delivered as consideration for the transfer; the same applies hereinafter), in addition to the documents set forth in the items of Article 12, paragraph (2) or Article 14, paragraph (3):

- (i) particulars concerning the appropriateness of the total number or total amount of consideration or its calculation method;
- (ii) particulars concerning the appropriateness of the number of shares to be issued or treasury shares to be disposed of or its calculation method;

- (iii) particulars concerning the appropriateness of the content and the number or amount of the consideration (excluding that set forth in the preceding item) or their calculation method; and
 - (iv) particulars concerning the appropriateness of allotment of the consideration.
- (2) If an approved corporate restructuring plan includes the content concerning the issuance of shares or the disposition of treasury shares as set forth in Article 30, paragraph (1) of the Act, the competent minister is to publicize the documents set forth in the preceding paragraph.

(Application for Approval for Special Provisions Concerning Dividends of Surplus)

Article 31-2 A business which intends to obtain approval (including approval for changes) for a corporate restructuring plan to which special measures regarding application of the provisions of Article 465, paragraph (1) of the Companies Act under Article 31, paragraph (1) of the Act may be applied must attach a document stating that the sum of the amounts set forth in Article 461, paragraph (2), items (iii), (iv), and (vi) of the Companies Act is expected to be unlikely to exceed the amount set forth in item (i) of the same paragraph at the time when approval is obtained with respect to the financial statements (meaning the financial statements prescribed in Article 435, paragraph (2) of the Companies Act) for the business year that contains the day on which specified dividends of surplus are distributed (or, if the business year immediately preceding that business year is not the most recent business year, the business year immediately preceding that business year), in addition to the documents set forth in the items of Article 12, paragraph (2) or Article 14, paragraph (3).

(Policies for Undertaking Business Operations to Facilitate the Promotion of Corporate Restructuring)

Article 32 The policies for undertaking business operations to facilitate the promotion of corporate restructuring set forth in Article 36, paragraph (1) of the Act are to specify the following particulars:

- (i) particulars concerning the implementation framework for undertaking business operations to facilitate the promotion of corporate restructuring;
- (ii) the following particulars concerning business operations to facilitate the promotion of corporate restructuring:
 - (a) subject of the loan;
 - (b) method of the loan;
 - (c) interest rate;
 - (d) due date of the loan;

- (e) grace period;
- (f) method of repayment; and
- (g) particulars concerning the loan, beyond those set forth in (a) through (f) above;
- (iii) particulars concerning conditions of the loan subject to the provision of credit through business operations to facilitate the promotion of corporate restructuring; and
- (iv) beyond those set forth in the preceding three items, particulars necessary for undertaking business operations to facilitate the promotion of corporate restructuring effectively and efficiently.

(Application for Designation as a Designated Financial Institution)

Article 33 (1) A person that intends to receive designation under Article 37, paragraph (2) of the Act (hereinafter referred to as the "applicant for designation") must submit a written application in Form 37 to the competent minister, together with the following documents:

- (i) the articles of incorporation and a certificate of registered matters;
 - (ii) a document evidencing the decision of the intention for the application;
 - (iii) a document stating the names and brief biographical outlines of officers;
 - (iv) a document evidencing that the applicant for designation has obtained a license, authorization, approval of the administrative agency as a financial institution set forth in Article 37, paragraph (1), item (i) of the Act or their equivalent (hereinafter referred to as a "license, etc." in this item), a document clarifying the state of the application for the license, etc., or a document in lieu of these documents;
 - (v) a document pledging that the applicant for designation does not fall under the items of Article 37, paragraph (4) of the Act; and
 - (vi) a document in which the officers pledge that they fall under neither (a) nor (b) of Article 37, paragraph (4), item (iii) of the Act.
- (2) When designating a designated financial institution under Article 37, paragraph (1) of the Act, the competent minister may have the applicant for designation submit necessary documents beyond the documents set forth in the items of the preceding paragraph.

(Particulars to Be Stated in the Business Regulations)

Article 34 The particulars specified by order of the competent ministry as set forth in Article 37, paragraph (3) of the Act are as follows:

- (i) particulars concerning the implementation framework for undertaking business operations to promote corporate restructuring:
 - (a) particulars concerning the departments supervising business operations to promote corporate restructuring;

- (b) particulars concerning the personnel structure for business operations to promote corporate restructuring;
- (c) particulars concerning the implementation of audits for business operations to promote corporate restructuring;
- (d) particulars concerning the region for undertaking business operations to promote corporate restructuring; and
- (e) particulars concerning the establishment of the consultation office for business operations to promote corporate restructuring;
- (ii) particulars concerning the method for undertaking business operations to promote corporate restructuring:
 - (a) the person to whom the loan is provided;
 - (b) funds subject to the loan;
 - (c) limit amount of the loan; and
 - (d) particulars concerning procedures and audits of the loan;
- (iii) particulars concerning the content of the provision of credit through business operations to facilitate the promotion of corporate restructuring that is necessary for providing the loan;
- (iv) particulars concerning the management of claims for business operations to promote corporate restructuring;
- (v) particulars concerning the management of books for business operations to promote corporate restructuring;
- (vi) particulars concerning the entrustment of business operations to promote corporate restructuring; and
- (vii) other particulars concerning the undertaking of business operations to promote corporate restructuring.

(Person Specified by Orders of the Competent Ministries as Set Forth in Article 37, Paragraph (4), Item (iii), (a) of the Act)

Article 34-2 The person specified by orders of the competent ministries as set forth in Article 37, paragraph (4), item (iii), (a) of the Act is a person that is unable to adequately carry out the reasoning, decision making, and communication necessary for properly performing the duties of an officer due to mental impairment.

(Notification of Changes of Trade Name of a Designated Financial Institution)

Article 35 A notification under Article 38, paragraph (2) of the Act must be filed by submitting a written notice in Form 38.

(Application for Changes to the Business Regulations)

Article 36 If a designated financial institution intends to obtain authorization of changes to its business regulations under Article 39, paragraph (1) of the Act,

it must submit a written application in Form 39 to the competent minister, together with the following documents:

- (i) a comparative table presenting the provisions to be changed;
- (ii) the business regulations after the changes; and
- (iii) a document evidencing the decision of the intention for the changes.

(Particulars to Be Specified in the Agreement)

Article 37 The particulars specified by order of the competent ministry as set forth in Article 40, paragraph (1), item (iii) of the Act are as follows:

- (i) particulars concerning the content and methods of business operations to promote corporate restructuring;
- (ii) particulars concerning the content and methods of business operations to facilitate the promotion of corporate restructuring;
- (iii) particulars concerning the management of claims for business operations to promote corporate restructuring; and
- (iv) other particulars concerning the undertaking of business operations to promote corporate restructuring and concerning the undertaking of business operations to facilitate the promotion of corporate restructuring.

(Bookkeeping)

Article 38 (1) The matters specified by order of the competent ministry as set forth in Article 41 of the Act are as follows:

- (i) state of the undertaking of business operations to promote corporate restructuring;
 - (ii) state of claims for business operations to promote corporate restructuring; and
 - (iii) state of the provision of credit through business operations to facilitate the promotion of corporate restructuring that has been received from the JFC for the purpose of undertaking business operations to promote corporate restructuring.
- (2) If the matters set forth in the items of the preceding paragraph are recorded in a file or on a magnetic disk stored on a computer and can be clearly displayed on paper as necessary by the relevant designated financial institution through the use of a computer or other device, the record may replace the entry in the book.
- (3) A designated financial institution must keep books (including a recorded file or magnetic disk under the preceding paragraph) for five years from the day on which the claims for business operations to promote corporate restructuring are extinguished through payment or due to other grounds.

(Notification of Suspension or Discontinuation of Business Operations)

Article 39 If a designated financial institution intends to report the suspension or discontinuation of all or part of the business operations to promote corporate restructuring under Article 43, paragraph (1) of the Act, it must submit a written notice in Form 40 to the competent minister, together with the following documents:

- (i) a document evidencing the decision of the intention for the suspension or discontinuation; and
- (ii) in the case of discontinuing all or part of the business operations to promote corporate restructuring, a document stating the schedule until the discontinuation and a document stating measures after the discontinuation.

(Method of Application Regarding Corporate Restructuring Plans)

Article 40 Submission of a written application for designation, written application for authorization, written notice and other documents to be submitted to the competent minister under Article 37, paragraph (2), Article 38, paragraph (2), Article 39, paragraph (1), and Article 43, paragraph (1) of the Act, and under Article 33, Article 35, Article 36, and the preceding Article may be completed by submitting the original and a copy thereof either to the Minister of Finance or the Minister of Economy, Trade and Industry.

(Route of Notice in the Case of Making Notification to the Prime Minister)

Article 41 When the competent minister gives a notice to the Prime Minister under Article 20 of the Order, the competent minister is to do so via the Commissioner of the Financial Services Agency.

Chapter IV Support for Start-ups, etc.

(Application for Approval for Plans for Programs for Supporting Start-ups, etc.)

Article 42 (1) A municipality that intends to obtain approval for a plan for a program for supporting start-ups, etc. under Article 127, paragraph (1) of the Act must submit a written application in Form 41 (hereinafter referred to as a "written application" in this Article and the following Article) and a copy thereof to the competent minister via the Minister of Economy, Trade and Industry.

(2) If a general incorporated association or general incorporated foundation (hereinafter referred to as a "general incorporated association, etc." in this paragraph) implements any program for supporting start-ups, etc. in collaboration with a municipality's program for supporting start-ups, etc., the written application and a copy thereof must be submitted together with the following documents:

- (i) in case of a general incorporated association, the articles of incorporation, a

- list of directors, and a list of members, and in case of a general incorporated foundation, the articles of incorporation and a list of directors:
- (ii) business reports, balance sheets, and profit and loss statements for the latest three business terms (or, for a general incorporated association, etc. falling under cases in which three years have yet to elapse after its incorporation, these documents for each business year after its incorporation);
 - (iii) a certificate of registered matters; and
 - (iv) a document evidencing the decision of the intention for the implementation of the program for supporting start-ups, etc..
- (3) If a specified nonprofit corporation prescribed in Article 2, paragraph (2) of the Act to Promote Specified Non-profit Activities (Act No. 7 of 1998) (hereinafter referred to as a "specified nonprofit corporation") implements any program for supporting start-ups, etc. in collaboration with a municipality's program for supporting start-ups, etc., the written application and a copy thereof must be submitted together with the following documents:
- (i) the articles of incorporation, a list of directors, and a list of members;
 - (ii) business reports, balance sheets, and profit and loss statements for the latest three business terms (or, for a specified nonprofit corporation falling under cases in which three years have yet to elapse after its incorporation, these documents for each business year after its incorporation), and, the most recent inventory of property, and the business plan and the budget statement for the business year that includes the date of the application;
 - (iii) a certificate of registered matters; and
 - (iv) a document evidencing the decision of the intention for the implementation of the program for supporting start-ups, etc.

(Approval for Plans for Programs for Supporting Start-ups, etc.)

Article 43 (1) If the competent minister receives a submitted plan for a program for supporting start-ups, etc. under Article 127, paragraph (1) of the Act, examines the content thereof promptly in light of the provisions of paragraph (4) of the same Article, and decides to grant approval with regard to the plan for a program for supporting start-ups, etc., the minister is to state as follows in the original of the written application, to sign and seal it, and to deliver it as a written approval to the relevant municipality, within one month in principle from the day of receiving the submitted plan:

"Pursuant to the provisions of Article 127, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby grant approval."

(2) When the competent minister does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice in Form 42 stating that fact and the grounds therefor to the municipality.

(Application for Approval for Changes to Approved Plans for a Program for Supporting Start-ups, etc. and Approval Thereof)

Article 44 (1) An approved municipality that intends to obtain approval for changes to a plan for a program for supporting start-ups, etc. under Article 128, paragraph (1) of the Act must submit a written application in Form 43 (hereinafter referred to as a "written application" in this Article) and a copy thereof to the competent minister via the Minister of Economy, Trade and Industry.

(2) The written application and a copy thereof must be submitted together with a copy of the approved plan for a program for supporting start-ups, etc.

(3) If the competent minister receives a submitted plan for a program for supporting start-ups, etc. for the application for approval for changes set forth in paragraph (1), examines the content thereof promptly in light of the provisions of Article 127, paragraph (4) of the Act, and decides to grant approval with regard to the changes to the plan for a program for supporting start-ups, etc., the minister is to state as follows in the original of the written application, to sign and seal it, and to deliver it as a written approval to the approved municipality, within one month in principle from the day of receiving the submitted plan:

"Pursuant to the provisions of Article 128, paragraph (1) of the Act on Strengthening Industrial Competitiveness, we hereby grant approval."

(4) If the competent minister does not grant approval as set forth in the preceding paragraph, the minister is to deliver a written notice in Form 44 stating that fact and the grounds therefor to the approved municipality.

(Direction of Changes to Approved Plans for Programs for Supporting Start-ups, etc.)

Article 45 When the competent minister directs changes to an approved plan for a program for supporting start-ups, etc. under Article 128, paragraph (3) of the Act, the minister is to deliver a written notice in Form 45 stating that fact and the grounds therefor to the approved municipality subject to the direction of changes.

(Rescission of Approval for Approved Plans for Program for Supporting Start-ups, etc.)

Article 46 If the competent minister rescinds approval for an approved plan for a program for supporting start-ups, etc. under Article 128, paragraph (2) or paragraph (3) of the Act, the minister is to deliver a written notice in Form 46 stating that fact and the grounds therefor to the approved municipality whose approval is to be rescinded.

Chapter V Miscellaneous Provisions

(Delegation of Authority Concerning Plans for Programs for Supporting Start-ups, etc.)

- Article 47 (1) The authority of the Minister of Finance with regard to a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Local Finance Bureau who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (or, to the director of the Fukuoka Local Finance Branch Bureau, if the relevant district is in the jurisdictional district of the Fukuoka Local Finance Branch Bureau) or to the director of the relevant regional taxation bureau (including the director of the Okinawa Regional Taxation Office); provided, however, that this does not preclude the Minister of Finance from exercising the authority.
- (2) The authority of the Minister of Health, Labour and Welfare concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Regional Bureau of Health and Welfare who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (or, to the director of the Shikoku Regional Bureau of Health and Welfare, if the relevant district is in the jurisdictional district of the Shikoku Regional Bureau of Health and Welfare); provided, however, that this does not preclude the Minister of Health, Labour and Welfare from exercising the authority.
- (3) The authority of the Minister of Agriculture, Forestry and Fisheries concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Regional Agricultural Administration Office who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (including the director of the Hokkaido District Agriculture Office); provided, however, that this does not preclude the Minister of Agriculture, Forestry and Fisheries from exercising the authority.
- (4) The authority of the Minister of Economy, Trade and Industry concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Regional Bureau of Economy who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of Economy, Trade and Industry from exercising the authority.
- (5) The authority of the Minister of Land, Infrastructure, Transport and Tourism concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Regional Development Bureau, the director of

the Hokkaido Regional Development Bureau, the director of the relevant District Transport Bureau (including the director of the Kobe District Transport Bureau, with regard to the authority for the affairs set forth in Article 4, paragraph (1), item (xv), item (xviii), item (lxxxvi), item (lxxxvii), item (xcii), item (xciii) and item (cxxviii) of the Act for Establishment of the Ministry of Land, Infrastructure, Transport and Tourism (Act No. 100 of 1999) and affairs set forth in item (xix) and item (xxii) of the same paragraph for the affairs set forth in item (lxxxvi) of the same paragraph), or the director of the relevant Regional Civil Aviation Bureaus who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of Land, Infrastructure, Transport and Tourism from exercising the authority.

- (6) The authority of the Minister of the Environment concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director of the relevant Regional Environment Office who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of the Environment from exercising the authority.

(Report on the Status of Implementation)

Article 48 (1) An approved business implementing business adaptation must report on the state of implementation of an approved business adaptation plan in each business year during its period of implementation to the competent minister, within three months after the end of the relevant business year in principle, by using Form 47, or, an approved business implementing corporate restructuring must report on the state of implementation of an approved corporate restructuring plan in each business year during its period of implementation to the competent minister, within three months after the end of the relevant business year in principle, by using Form 48.

- (2) A business implementing corporate restructuring whose financial plan was approved (limited to a person that has obtained approval for a corporate restructuring plan that includes a financial plan for corporate restructuring; the same applies in the following paragraph and the items of the following Article) must submit to the competent minister an inventory of assets and a balance sheet as of a specific day within one month after the day of agreement to the debt waiver for the financial plan with the corporate restructuring creditors (hereinafter the day of the agreement is referred to as the "day of the claim waiver agreement" in this paragraph), and a profit and loss statement from the first day of the business year that includes the specific day until the specific day (limited to a profit and loss statement that reflects the inclusion of a valuation loss that is deemed to be necessary in accordance with generally

- accepted accounting procedures and other appropriate accounting procedures along with the decision on the reconstruction plan related to corporate restructuring), within four months after the day of the claim waiver agreement.
- (3) A business implementing corporate restructuring whose financial plan was approved must submit a report in Form 49 to the competent minister promptly with regard to the state of implementation of the approved corporate restructuring plan for every quarterly period of each business year during the period of implementation thereof.
- (4) The report under the provisions of paragraph (1) must be submitted together with a balance sheet and a profit and loss statement (limited to those audited by a certified public accountant or an audit corporation, in the case of a corporate restructuring plan that includes a financial plan for corporate restructuring).
- (5) If any of the following facts occurs during the period of implementation of an approved corporate restructuring plan, the relevant approved business implementing corporate restructuring must report that fact by using Form 50 to the competent minister promptly:
- (i) a person other than the approved business implementing corporate restructuring makes an application for or a notification of the starting of bankruptcy proceedings, starting of rehabilitation proceedings, starting of reorganization or exercise of an enterprise mortgage;
 - (ii) a negotiable instrument or check is bounced (limited to those due to shortage of funds for payment) or a decision to suspend transactions is granted by a clearinghouse; or
 - (iii) transactions are suspended by a major trading partner (meaning a trading partner with whom the sales and purchase amount in the preceding business year accounts for 10% or more of the total amount of sales or purchase).
- (6) If the competent minister receives a report under paragraph (1), the minister is to publicize an outline of the state of implementation of the approved business adaptation plan relating to the report by using Form 50-2 or an outline of the state of implementation of the approved corporate restructuring plan relating to the report by using Form 50-3.

(Matters to Be Included in a Quarterly State of Implementation Report)

Article 49 The following documents must be attached to a state of implementation report for every quarterly period of each business year set forth in paragraph (3) of the preceding Article:

- (i) a document indicating changes in sales of the business implementing corporate restructuring whose financial plan was approved; and
- (ii) a document indicating changes in outstanding interest-bearing liabilities of the business implementing corporate restructuring whose financial plan was

approved.

(Matters to Be Reported Concerning Special Provisions for the Companies Act or the Civil Code)

Article 50 An approved business implementing corporate restructuring that has performed any of the acts set forth in the following items must attach documents stating the matters set forth therein to the report set forth in Article 48, paragraph (1):

- (i) contributions in kind or acceptance of property under Article 26 and Article 27 of the Act (hereinafter referred to as "contributions in kind, etc." in this item): the content and value of the property for the contributions in kind, etc.;
- (ii) consolidation of shares undertaken at the same time as a reduction in the amount of stated capital, etc. under Article 29 of the Act: the content of the consolidation of shares undertaken at the same time as the reduction in the amount of stated capital, etc.;
- (iii) issuance of shares or disposition of treasury shares under Article 30, paragraph (1) of the Act: the content of the issuance of shares or disposition of treasury shares, results of the acquisition of specified shares, etc., and progress of procedures under Article 797 of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 32, paragraph (3) of the Act following the deemed replacement of terms;
- (iv) specified dividends of surplus under Article 31, paragraph (1) of the Act (excluding those distributed solely as a special measure regarding application of the provisions of Article 465, paragraph (1) of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 31, paragraph (1) of the Act following the deemed replacement of terms): the date on which the shares, etc. for the specified dividends of surplus (meaning shares of related businesses or shares, equity, or the equivalent in related foreign corporations for specified dividends of surplus; hereinafter the same applies in this item) were listed on a financial instruments exchange (meaning the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act and including the equivalent established based on laws and regulations of a foreign country; hereinafter the same applies in this item), and the name of the relevant financial instruments exchange (or, the fact that the shares, etc. for the specified dividends of surplus have not been listed on a financial instruments exchange, and the grounds therefor, if that is the case); or
- (v) a demand to creditors in case of business transfer under Article 32, paragraph (1) of the Act: the content of the business transfer.

(Matters to Be Reported Concerning Special Provisions for Taxation)

- Article 51 (1) An approved business implementing business adaptation to whom special measures were applied regarding the carryover of losses pertaining to corporation tax set forth in Article 66-11-4, paragraph (1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) must also report on the amount included in deductible expenses through the special measures, in addition to the report under the provisions of Article 48, paragraph (1).
- (2) An approved business implementing business adaptation to whom special measures on taxation concerning income tax or corporation tax were applied as set forth in Article 10-5-6, paragraph (1), (3), (7), or (8) or Article 42-12-7, paragraph (1), (2), (4), or (5) of the Act on Special Measures Concerning Taxation must also report on the amount to be depreciated beyond the ordinary maximum amount of depreciation within the extent of the maximum amount of depreciation in the case of receiving application of the special measures or the amount to be deducted from income tax or corporation tax as a result of receiving application of the special measures, in addition to the report under the provisions of Article 48, paragraph (1).
- (3) An approved business implementing business adaptation to whom special measures on taxation concerning income tax or corporation tax were applied as set forth in Article 10-5-6, paragraph (5) or (9) or Article 42-12-7, paragraph (3) or (6) of the Act on Special Measures Concerning Taxation must also report on the amount to be depreciated beyond the ordinary maximum amount of depreciation within the extent of the maximum amount of depreciation in the case of receiving application of the special measure or the amount to be deducted from income tax or corporation tax as a result of receiving application of the special measure, in addition to the report under the provisions of Article 48, paragraph (1).
- (4) An approved business implementing corporate restructuring to whom special measures on taxation concerning registration tax were applied as set forth in Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation must attach documents stating the matters set forth in the following items to the report under the provisions of Article 48, paragraph (1):
- (i) the content of the registration;
 - (ii) the amount of registration tax paid; and
 - (iii) the reduction and exemption amount by the special measures.

(Certificate for On-Site Inspections)

Article 52 A certificate of identification for officials conducting on-site inspections under Article 145, paragraph (1) of the Act is to be in Form 51.

Supplementary Provisions [Extract]

(Effective Date)

Article 1 This Regulation comes into effect as of the date on which the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) comes into effect (January 20, 2014).

(Transitional Measures Concerning the JFC's Business Operations to Facilitate Business Reconstruction Promotion)

Article 3 The provisions of Article 37-2 and Article 37-7 of the Regulation for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities prior to the repeal under the preceding Article (hereinafter referred to as the "Former Regulation for Enforcement of the Industrial Revitalization Act" in this Article and the following Article) remain in force even after the enforcement of this Regulation, with respect to the JFC's business operations to facilitate business reconstruction promotion prescribed in Article 24-3, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act (referred to as the "Former Industrial Revitalization Act" in the following Article), which is to remain in force under Article 13 of the Supplementary Provisions of the Act. In this case, the phrase "the Act" in Article 37-2 of the Former Regulation for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter referred to as the "Former Industrial Revitalization Act"), which are to remain in force under Article 13 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness"; and the phrase "the Act" in Article 37-7 is deemed to be replaced with "the Former Industrial Revitalization Act".

(Transitional Measures Concerning Business Operations to Promote Business Reconstruction Which Are Undertaken by Designated Financial Institutions Prescribed in Article 24-5, Paragraph (1) of the Former Industrial Revitalization Act)

Article 4 The provisions of Articles 37-3 through 37-11 of the Former Regulation for Enforcement of the Industrial Revitalization Act remain in force even after the enforcement of this Regulation, with respect to the business operations to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act, which is to remain in force under

Article 14 of the Supplementary Provisions of the Act, to be undertaken by designated financial institutions prescribed in the same paragraph. In this case, the phrase "Article 24-5, paragraph (2) of the Act" in Article 37-3 of the Former Regulation for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "Article 24-5, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter the former Act is referred to as the "Former Industrial Revitalization Act"), whose provisions are to remain in force under Article 14 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness"; the phrase "the Act" in the items of paragraph (1) of the same Article, and in Article 37-4 to Article 37-10 is deemed to be replaced with "the Former Industrial Revitalization Act"; and the phrase "the Order" in Article 37-11 is deemed to be replaced with "the Enforcement Order of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Cabinet Order No. 258 of 1999) prior to the repeal under Article 2 of the Supplementary Provisions of the Enforcement Order of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014), whose provisions are to remain in force under Article 5 of the Supplementary Provisions of the same Order".

Supplementary Provisions

(Effective Date)

Article 1 This Regulation comes into effect as of the date on which the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness (Act No. 26 of 2018; hereinafter referred to as the "Amendment Act") comes into effect (July 9, 2018).

(Repeal of the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness)

Article 2 The Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness (Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 1 of 2014) is to be repealed.

(Transitional Measures Concerning Business Operations to Promote Business

Reconstruction Which Are Undertaken by Designated Financial Institutions Prescribed in Article 24-5, Paragraph (1) of the Former Industrial Revitalization Act)

Article 3 The provisions of Articles 37-3 through 37-11 of the Regulation for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 1 of 2009) prior to the repeal under Article 2 of the Supplementary Provisions of the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness prior to the repeal under the provisions of the preceding Article (such Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness is hereinafter referred to as the "Former Regulation for Enforcement of the Industrial Competitiveness Act"; and such Regulation for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities is hereinafter referred to as the "Former Regulation for Enforcement of the Industrial Revitalization Act" in this Article) remain in force even after the enforcement of this Regulation, with respect to the business operations to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act (hereinafter referred to as the "Former Industrial Revitalization Act" in this Article and the following Article), which is to remain in force pursuant to Article 14 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness prior to amendment (hereinafter referred to as the "Former Industrial Competitiveness Act"), which is to remain in force pursuant to Article 4 of the Supplementary Provisions of the Former Regulation for Enforcement of the Industrial Competitiveness Act, to be undertaken by designated financial institutions prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act. In this case, the phrase "Article 24-5, paragraph (2) of the Act" in Article 37-3 of the Former Regulation for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "Article 24-5, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) prior to the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (hereinafter the former Act is referred to as the "Former Industrial

Revitalization Act"), whose provisions are to remain in force under Article 14 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness"; the phrase "the Act" in the items of paragraph (1) of the same Article, and in Article 37-4 to Article 37-10 is deemed to be replaced with "the Former Industrial Revitalization Act"; and the phrase "the Order" in Article 37-11 is deemed to be replaced with "the Enforcement Order of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Cabinet Order No. 258 of 1999) prior to the repeal under Article 2 of the Supplementary Provisions of the Enforcement Order of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014), whose provisions are to remain in force under Article 5 of the Supplementary Provisions of the same Order".

(Transitional Measures Concerning Procedures for Request for New Special Measures on Regulations)

Article 4 Prior provisions continue to govern forms of the written notice prescribed in Article 5, paragraph (3), paragraph (4), paragraph (6), and paragraph (8) of the Former Regulation for Enforcement of the Industrial Competitiveness Act delivered to a person that has already made a request set forth in Article 8, paragraph (1) of the Former Industrial Competitiveness Act at the time of the enforcement of this Regulation.

(Transitional Measures Concerning the JFC's Business Operations to Facilitate Corporate Restructuring)

Article 5 The provisions of Article 31 and Article 36 of the Former Regulation for Enforcement of the Industrial Competitiveness Act remain in force even after the enforcement of this Regulation, with respect to the JFC's business operations to facilitate the promotion of corporate restructuring prescribed in Article 39 of the Former Industrial Competitiveness Act, which is to remain in force under Article 7 of the Supplementary Provisions of the Amendment Act. In this case, the phrase "the Act" in Article 31 of the Former Regulation for Enforcement of the Industrial Competitiveness Act is deemed to be replaced with "the Act on Strengthening Industrial Competitiveness prior to the amendment under Article 1 of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 26 of 2018), which is to remain in force under Article 7 of the Supplementary Provisions of the same Act (hereinafter referred to as the "Former Industrial Competitiveness Act")" and the phrase "the Act" in Article 36 of the Former Regulation for Enforcement of the Industrial Competitiveness Act is deemed to be replaced with "the Former Industrial Competitiveness Act".

(Transitional Measures Concerning Business Operations to Promote Corporate Restructuring, Which Are Undertaken by Designated Financial Institutions)

Article 6 The provisions of Articles 32 through 40 of the Former Regulation for Enforcement of the Industrial Competitiveness Act remain in force even after the enforcement of this Regulation, with respect to business operations to facilitate the promotion of corporate restructuring, which are undertaken by designated financial institutions prescribed in Article 41 of the Former Industrial Competitiveness Act, which is to remain in force under Article 8 of the Supplementary Provisions of the Amendment Act. In this case, the phrase "the Act" in Articles 32 through 39 of the Former Regulation for Enforcement of the Industrial Competitiveness Act is deemed to be replaced with "the Former Industrial Competitiveness Act" and the phrase "the Order" in Article 40 of the Former Regulation for Enforcement of the Industrial Competitiveness Act is deemed to be replaced with "the Order for Enforcement of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014) prior to the amendment under Article 1 of the Cabinet Order on the Development of Related Cabinet Orders and Transitional Measures Accompanying the Enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Cabinet Order No. 199 of 2018), whose provisions are to remain in force under Article 11 of the same Cabinet Order".

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 2 of September 25, 2018]

This Order comes into effect as of the date specified in Article 1, item (ii) of the Supplementary Provisions of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 26 of 2018) (September 25, 2018).

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 3 of July 1, 2019]

This Order comes into effect as of the date of enforcement of the Act for Partial Amendment of the Unfair Competition Prevention Act (July 1, 2019).

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 4 of July 19, 2019]

This Order comes into effect as of the date of promulgation.

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 6 of December 13, 2019]

This Order comes into effect as of the date of enforcement of the provisions set forth in Article 1, item (ii) of the Supplementary Provisions of the Act on the Establishment of Relevant Acts for the Purpose of Appropriateness of Measures relating to Restrictions on the Rights of Adult Wards (December 14, 2019).

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 8 of December 28, 2020]

(Effective Date)

Article 1 This Order comes into effect as of the date of promulgation.

(Transitional Measures)

Article 2 (1) Documents which are being used based on the forms prior to amendment by this Order (referred to as the "Former Forms" in the following

paragraph) and which exist at the time this Order comes into effect are deemed to be those based on the forms amended by this Order.

- (2) Blank forms prepared based on the Former Forms which exist at the time this Order comes into effect may, by making amendments thereto, continue to be used until otherwise provided for by law.

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 1 of June 16, 2021]

(Effective Date)

Article 1 This Order comes into effect as of the date of promulgation.

(Transitional Measures)

Article 2 (1) Documents which are being used based on the forms prior to amendment by this Order (referred to as the "Former Forms" in the following paragraph) and which exist at the time this Order comes into effect are deemed to be those based on the forms amended by this Order.

- (2) Blank forms prepared based on the Former Forms which exist at the time this Order comes into effect may, by making amendments thereto, continue to be used until otherwise provided for by law.

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 2 of July 30, 2021]

(Effective Date)

Article 1 This Order comes into effect as of the date of enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (referred to as the "Amendment Act" in Article 3 of the Supplementary Provisions) (August 2, 2021).

(Transitional Measures)

Article 2 (1) Documents which are being used based on the forms prior to amendment by this Order (referred to as the "Former Forms" in the following paragraph) and which exist at the time this Order comes into effect are deemed to be those based on the forms amended by this Order.

(2) Blank forms prepared based on the Former Forms which exist at the time this Order comes into effect may, by making amendments thereto, continue to be used until otherwise provided for by law.

Article 3 The provisions of Article 48, paragraph (6) of the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness amended by this Order do not apply if a report under Article 48, paragraph (1) of the same Order regarding a corporate restructuring plan for which the approval set forth in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness prior to amendment by the Amendment Act is received prior to the date of enforcement of this Order.

Supplementary Provisions [Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 2 of March 31, 2022]

(1) This Act comes into effect as of April 1, 2022.

(2) Prior laws continue to govern a report under the provisions of Article 48, paragraph (1) of the Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness prior to amendment by this Order made by the approved business implementing business adaptation prescribed in Article 21-16, paragraph (1) of the Act on Strengthening Industrial Competitiveness to whom special measures on taxation regarding corporation tax set forth in Article 68-15-7, paragraphs (1) through (6) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) prior to amendment by the provisions of Article 16 of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 8 of 2020) (hereinafter referred to as the "Former Act on Special Measures Concerning Taxation" in this paragraph) or special measures regarding the carryover of losses pertaining to corporation tax set forth in Article 68-96-2, paragraph (1) of the Former Act on Special Measures Concerning Taxation were applied.