

Act on Strengthening Industrial Competitiveness

(Act No. 98 of December 11, 2013)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to establish the basic principles and responsibilities of the State and business entities, regarding strengthening of industrial competitiveness, and preparation of special measures for regulations and facilitate regulatory reform through those efforts, as well as taking measures to revitalize regenerating industrial activities, measures to have the Japan Investment Corporation engage in duties concerning support, etc. for specified business activities, and measures to facilitate the revitalization of small and medium-sized enterprises, thereby contributing to enhancing the lives of the public and the sound development of the national economy, in view of the importance of strengthening industrial competitiveness in response to changes in the economy and social circumstances, for reconstructing the Japanese economy by leading Japanese industries out of prolonged stagnation and setting them on a sustainable growth track.

(Definitions)

Article 2 (1) The term "industrial competitiveness" as used in this Act means the capacity to achieve high profitability in industrial activities, by ensuring high productivity and sufficient demand.

(2) The term "special measures for regulations" as used in this Act means measures for special provisions of Acts concerning regulations prescribed in Acts, as prescribed in this Act or other Acts, or the measures for special provisions of Cabinet Orders or order of the competent ministry (referred to below as "Cabinet Orders, etc." in this paragraph) concerning regulations prescribed in Cabinet Orders, etc., as prescribed by Cabinet Orders, etc., which apply to the demonstration of new technology, etc. implemented in accordance with the approved plan to demonstrate new technology, etc. prescribed in Article 8-4, paragraph (2) or to new business activities implemented in accordance with the approved plan for new business activities prescribed in Article 10, paragraph (2).

(3) The term "demonstration of new technology, etc." as used in this Act means what falls under both of the following items:

(i) the study is to conduct demonstration on the possibility of putting new technology, etc. (meaning an innovative technology or method to be used in a business activity that belongs to a field of business where industrial competitiveness should be particularly strengthened in Japan, which is strikingly novel in that field of business and which also has a possibility of creating high added value by being utilized in that business activity; the same applies below) into practical use, which is conducted by specifying the implementation period and the scope of persons that participate in the

- demonstration (if there is any person whose rights and interests are likely to be harmed by the demonstration, referred to below as "participants, etc." in this item, Article 8-2, paragraph (3), item (iv), and Article 8-3, paragraph (3)), and consent of the participants, etc., is to be obtained and other measures necessary for appropriate implementation of the demonstration are to be taken; and
- (ii) in the case of analyzing regulations concerning the new technology, etc. in the practical implementation of the new technology, etc., analysis is to be made on issues, and the results is to be examined, including the state of regulations for practical implementation of the new technology, etc.
- (4) The term "new business activities" as used in this Act means the development or production of new goods, development or provision of new services, introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities that are specified by order of the competent ministry, as business activities that contribute to strengthening industrial competitiveness.
- (5) The term "regenerating industrial activities" as used in this Act means industrial activities that involve the development of new business, business adaptation, starting new business or withdrawal from an unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, or other business activities for improving productivity or expanding demand.
- (6) The term "new business developing business entity", as used in this Act, means a business entity (including a corporation to be newly incorporated; the same applies in paragraph (15)) that is developing new business through the development or production of new goods, development or provision of new services, the introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities, such as a business that needs investment from the outside to achieve growth in the future; or other business activities specified by Order of the Ministry of Economy, Trade and Industry.
- (7) The term "specified investment business for developing new business" as used in this Act means an investment business by a limited liability investment partnership (a limited investment partnership prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998); the same applies below) which targets a new business developing business entity (limited to an investment business in a new business developing business entity, that primarily seeks to expand the scale of its business and meets other requirements specified by Order of the Ministry of Economy, Trade and Industry investment), and is specified by Order of the Ministry of Economy, Trade and Industry, as an investment business which is expected with confidence to involve giving proactive management or technical

guidance to the new business developing business entity.

- (8) In this Act, "management resources" means knowledge and skills, as well as technology, equipment, information systems, and other resources utilized in business activities.
- (9) The term "investment business for promoting utilization of external management resources" as used in this Act means an investment business by a limited investment partnership which targets a business entity, which is specified by Order of the Ministry of Economy, Trade and Industry as an investment business which contributes to promoting business activities conducted by the business entity, by utilizing its own management resources with the aim of improving productivity of its business, or creating new demand for the goods it produces or sells, or services it provides.
- (10) The term "program for supporting the utilization of specified research results " as used in this Act means a program to provide advice, funds, or other necessary support for the utilization of the results of research on technology, conducted by a national university corporation (meaning the national university corporation prescribed in Article 2, paragraph (5) of the National University Corporation Act in their business activities (Act No. 112 of 2003); the same applies in Article 21), which contributes to the advancement of research at that national university corporation.
- (11) The term "business activities utilizing innovative technology research results" means business activities conducted by a new business developing business entity by utilizing the results of research on innovative technology it has conducted, which are specified by Order of the Ministry of Economy, Trade and Industry as being especially necessary to borrow funds from external sources for the implementation of the activities.
- (12) The term "business adaptation" as used in this Act means a change in all or part of a business which a business entity makes (limited to a change with a resolution or decision of the board of directors or any other equivalent organization, concerning management policy) with the aim of responding to changes in the economy and social circumstances, such as changes in industrial structure or global competitive conditions, and achieving considerable improvements in productivity in business or creating considerable new demand for the goods produced, sold, or the services provided, where that change falls under any of the following items:
- (i) a change which a business entity, whose performance of business has been seriously affected by unforeseeable changes in the economy and social circumstances, makes for achieving growth of its business;
 - (ii) a change that responds to changes in the business environment, caused by progress in information technology; and
 - (iii) a change that responds to changes in global competitive conditions

concerning reduction of energy consumption due to reduction of the environmental impact of energy consumption, utilization of non-fossil energy sources, and use of other energy.

- (13) The term "production process efficiency improvement equipment" as used in this Act means equipment specified by order of the competent ministry, as equipment that contributes to business adaptation (limited to that falling under item (iii) of the preceding paragraph), such as equipment that particularly contributes to reducing the burden on the environment caused by energy use, through streamlining of production processes.
- (14) The term "demand development product production equipment" as used in this Act means equipment solely used for producing goods specified by order of the competent ministry, as goods for which new demand is expected to be created by a business entity carrying out business adaptation (limited to that falling under paragraph (12), item (iii)), such as goods that particularly contribute to reduction of the environmental impact caused by energy use.
- (15) The term "related business entity" as used in this Act means a business entity that has a relationship specified by order of the competent ministry, as a relationship in which other business entity is deemed to substantially control the management of the business.
- (16) The term "foreign affiliated corporation" as used in this Act means a foreign corporation (including a newly incorporated corporation) that has a relationship specified by order of the competent ministry, as one in which that foreign corporation is considered to be under the practical control of a business with a head office or principal office in Japan.
- (17) The term "corporate restructuring" as used in this Act means business activities that are carried out by a business entity with the aim of achieving considerable improvements in productivity in all or part of its related business and that fall under both of the following items:
- (i) business activities for making changes to the structure of all or part of the business (including changes to the business structure by a related business entity or a foreign affiliated corporation of the business entity) through any of the following measures:
 - (a) merger;
 - (b) company split;
 - (c) share exchange;
 - (d) share transfer;
 - (e) share delivery;
 - (f) acquisition or transfer of a business or assets (including the equivalent in a foreign country);
 - (g) receipt of contributions;
 - (h) acquisition of shares or equity in another company (limited to cases in

- which the relevant other company is a related business entity, or the relevant other company is to become a related business entity through that acquisition);
- (i) transfer of shares or equity in a related business entity (including distribution of dividends of surplus using those shares, or equity as dividend property and limited to cases in which it ceases to be a related business entity of the relevant business entity through the transfer);
 - (j) acquisition of shares, equity, or the equivalent in a foreign corporation (limited to cases in which the foreign corporation is a foreign affiliated corporation, or the foreign corporation is to become a foreign affiliated corporation through that acquisition);
 - (k) transfer of shares, equity, or the equivalent in a foreign affiliated corporation (including distribution of dividends of surplus using those shares, equity, or the equivalent as dividend property, and limited to cases in which it ceases to be a foreign affiliated corporation of the business entity through the transfer);
 - (l) establishment or liquidation of a company or foreign corporation;
 - (m) contributions to a limited liability business partnership (meaning the limited liability business partnership prescribed in Article 2 of the Limited Liability Partnership Act (Act No. 40 of 2005); the same applies in paragraph (26)); or
 - (n) dismantling a considerable portion of the facilities held by a business entity, or the disposal of its equipment to a considerable extent; and
 - (ii) a change to all or part of the business field or format that a business entity conducts by utilizing its management resources, in which any of the following is carried out:
 - (a) a considerable change to the composition of goods produced or sold, or to the composition of services provided, through the development and production of new goods or the development and provision of new services;
 - (b) significantly streamlining in the production of goods; through the introduction of new methods for producing goods, or through the improvement of the efficiency of equipment;
 - (c) significant streamlining in the sale of goods or providing services through the introduction of a new method for selling goods or through the introduction of a new method for providing services; and
 - (d) considerable reduction of expenses regarding the production of goods, through the use of new raw materials, parts or semi-finished goods, or through the introduction of a new method for purchasing raw materials, parts, or semi-finished goods.
- (18) The term "productivity improving equipment, etc." as used in this Act means facilities, equipment, apparatus, devices, or programs (meaning the programs

- prescribed in Article 2, paragraph (2) of the Act on Facilitation of Information Processing (Act No. 90 of 1970)) to be used for the production or sale of goods or provision of services, specified by Order of the Ministry of Economy, Trade and Industry, as particularly contributing to improvement of business productivity.
- (19) The term "corporate rehabilitation" as used in this Act means that a business entity with extensive obligations tries to rehabilitate its business by gaining the cooperation of all or part of its creditors (excluding cases in which the rehabilitation of the business is to be implemented through rehabilitation proceedings, reorganization proceedings, or other proceedings specified by Cabinet Order).
- (20) The term "specified certified dispute resolution business entity" as used in this Act means a certified dispute resolution business operator (meaning the person prescribed in Article 2, item (iv) of the Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 2004); the same applies in Article 47) that has obtained approval as stated in Article 49, paragraph (1).
- (21) The term "specified certified dispute resolution procedures" as used in this Act means certified dispute resolution procedures (meaning the procedures prescribed in Article 2, item (iii) of the Act on Promotion of Use of Alternative Dispute Resolution; the same applies in Article 47, paragraph (1), item (ii)) which are conducted by a specified certified dispute resolution business entity, with regarding disputes concerning corporate rehabilitation.
- (22) The term "small or medium-sized enterprise or individual" as used in this Act means a person falling under any of the following:
- (i) a company whose amount of stated capital or total amount of contributions is not more than 300,000,000 yen, or, a company or individual that regularly employs 300 employees or fewer, whose principal business is in the manufacturing industry, construction industry, transportation industry, or any other business type (excluding the business types stated in the following item through item (iv) and the business types specified by Cabinet Order stated in item (v));
 - (ii) a company whose amount of stated capital or total amount of contributions is not more than 100,000,000 yen, or, a company or individual that regularly employs 100 employees or fewer, whose principal business is in the wholesale industry (excluding the business types specified by Cabinet Order in item (v));
 - (iii) a company whose amount of stated capital or total amount of contributions is not more than 50,000,000 yen, or, a company or individual that regularly employs 100 employees or fewer, whose principal business is in the service industry (excluding the business types specified by Cabinet Order in item (v));
 - (iv) a company whose amount of stated capital or total amount of contributions

- is not more than 50,000,000 yen, or, a company or individual that regularly employs 50 employees or fewer, whose principal business is in the retail industry (excluding the business types specified by Cabinet Order in the following item);
- (v) a company whose amount of stated capital or total amount of contributions is not more than an amount specified by Cabinet Order for each business type, or a company or individual that regularly employs a number of employees, not more than a number specified by Cabinet Order for each business type, whose principal business is in a type specified by Cabinet Order;
 - (vi) enterprise cooperative;
 - (vii) cooperative partnership; or
 - (viii) business cooperative, federation of cooperatives, or other partnership and their federation established pursuant to a special Act, which are specified by Cabinet Order.
- (23) The term "measures to prevent leakage of technology and other information" as used in this Act means measures implemented by a business entity to prevent leakage of technology, results of related research and development activities on it, production methods, or other information useful for business activities.
- (24) The term "duties to certify measures to prevent leakage of technology and other information" as used in this Act means the following duties:
- (i) to certify that another business entity's measures implemented to prevent leakage of technology and other information, conform to the standards specified by the competent minister to that effect, as being necessary to prevent leakage of technology, results of related research and development activities, production methods, and other information useful for business activities. ;
 - (ii) to provide guidance and advice necessary for properly implementing measures to prevent leakage of technology and other information, duties incidental to the duties stated in the preceding item.
- (25) The term "specified business activities" as used in this Act means business activities aimed towards undertaking business expected to have high productivity, and developing a new business by utilizing management resources other than one's own management resources.
- (26) The term "specified investment business entity" as used in this Act means a partnership established under a partnership agreement prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), a silent partnership established under a silent partnership agreement prescribed in Article 535 of the Commercial Code (Act No. 48 of 1899), a limited investment partnership, or a limited liability partnership, or an organization similar to that partnership

that is located overseas, or a stock company, a limited liability company, a specified purpose company prescribed in Article 2, paragraph (3) of the Act on the Securitization of Assets (Act No. 105 of 1998), or an investment corporation prescribed in Article 2, paragraph (12) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), which provides funds or other support for specified business activities, or provides funds or other support for business activities to provide funds, or other support for business activities.

(27) The term "specified government-funded company" as used in this Act means a stock company in which the government holds more than half of its issued shares, whose main business is to make capital contributions, which is specified by Cabinet Order, as a stock company in which it is necessary for the Japan Investment Corporation to support the business of the stock company in which it holds shares, to the extent that it does not hinder the performance of its business, in order to more effectively implement business related to the investment made by the stock company.

(28) The term "start-up" as used in this Act means the acts stated as follows:

- (i) an individual who is not operating a business starts a new business duties (excluding one stated in the following item); or
- (ii) an individual who is not operating a business establishes a new company, and that newly established company starts a business;
- (iii) the establishment of a new company while the company continues all or part of its existing business, and starting a business by the newly established company (limited to an act by a small or medium-sized enterprise or individual);

(29) The term "founder" as used in this Act means the person stated as follows:

- (i) an individual intending to establish a start-up as stated in item (i) of the preceding paragraph who has a concrete plan to do so within one month (or within six months for a person intending to establish a start-up by receiving support pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry under a specified program for supporting start-ups, etc. recorded in an approved plan for a program for supporting start-ups, etc. (meaning the approved plan for a program for supporting start-ups, etc. prescribed in Article 128, paragraph (2)) (referred to as an "approved specified program for supporting start-ups, etc." in item (iii)));
- (ii) an individual who has established a start-up as stated in item (i) of the preceding paragraph, for whom five years have not yet elapsed since the date of the start of the business;
- (iii) an individual intending to establish a start-up as stated in item (ii) of the preceding paragraph, and has a concrete plan to do so within two months (or within six months for a person intending to establish a start-up by receiving support pursuant to the provisions of Order of the Ministry of Economy,

- Trade and Industry under an approved specified program for supporting start-ups, etc.);
- (iv) a company established by establishment of a start-up as stated in item (ii) of the preceding paragraph, and five years have not yet elapsed since the date of establishment;
 - (v) a company intending to establish a start-up as stated in item (iii) of the preceding paragraph, and has a concrete plan to establish the start-up; or
 - (vi) a company established by establishment of a start-up as stated in item (iii) of the preceding paragraph, and five years have not yet elapsed since the date of its establishment.
- (30) The term "program for supporting start-ups, etc." as used in this Act means a program falling under any of the following:
- (i) a program to support a start-up by providing important information, giving training, guidance or advice, developing factories, workplaces, stores or other facilities to be used for the business that the founder intends to start, and leasing and managing those facilities; or
 - (ii) a program to hold lectures to provide individuals not currently engaged in business with opportunities to learn about the significance of start-ups, provide vocational experience opportunities at factories, workplaces, stores or other facilities to be used for founders' businesses (limited to those stated in item (ii) and item (iv) of the preceding paragraph), or otherwise carry out dissemination, and awareness-raising activities concerning start-ups.
- (31) The term "specified program for supporting start-ups, etc." as used in this Act means a program for supporting start-ups, etc. (limited to that concerning item (i) of the preceding paragraph) specified by Order of the Ministry of Economy, Trade and Industry as that which will particularly contribute to facilitating start-ups.
- (32) The term "specified letter of credit" as used in this Act means a letter of credit issued by a bank, shinkin bank, credit cooperative, or other financial institution specified by Cabinet Order (referred to simply as a "financial institution" in the following paragraph) at the request of a business entity with its head office or principal office in Japan, which states that the financial institution will fulfill its debts to that effect, if a default of loan debts (including discounts received on negotiable instruments) from a foreign bank, etc. (meaning a foreign bank, etc. as prescribed in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of a foreign affiliated corporation of the business entity has arisen.
- (33) The term "specified letter of credit issuance contract" as used in this Act means a contract concluded between a business entity and a financial institution, in which the financial institution pledges to issue a specified letter of credit, and the business entity pledges that if the financial institution has

performed its obligations based on the specified letter of credit, the business entity will pay to the financial institution an amount equivalent to the amount by which it has performed the obligations or an amount specified by Order of the Ministry of Economy, Trade and Industry.

(34) The term "specified small or medium-sized enterprise or individual" as used in this Act means a small or medium-sized enterprise or individual that is having difficulty in continuing its business, due to the deterioration of its state of finances resulting from extensive obligations it has or other circumstances.

(35) The term "SME business rehabilitation through succession" as used in this Act means the promotion of rehabilitation of business, through the succession to all or part of the business of a specified small or medium-sized enterprise or individual by another business entity, through a company split or transfer of business, together with improvements in the balance of payments or other improvements, regarding the business succeeded to by the relevant other business entity.

(Basic Principles)

Article 3 The strengthening of industrial competitiveness must be achieved in principle through the proactive activities of business entities, such as the development of a new business, business adaptation, starting a new business or withdrawal from unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc. with the aim of higher productivity and expanding demand, while promoting management reforms in response to fluctuations in the state of the economy, with the State's support measures to that effect for business entities, and initiatives to review regulations and develop necessary business environment in order to promote these efforts.

(Responsibilities of the State)

Article 4 The State is responsible for reviewing regulations or otherwise developing necessary business environments and taking support measures for business entities so as to ensure proactive business activities, such as the development of new business by a business entity, business adaptation, starting a new business or withdrawal from unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc., pursuant to the basic principles prescribed in the preceding Article.

(Responsibilities of Business Entities)

Article 5 A business entity must make efforts, pursuant to the basic principles prescribed in Article 3, to actively carry out business activities, such as the development of a new business, business adaptation, starting a new business

or withdrawal from an unprofitable business through corporate restructuring, corporate rehabilitation, capital investment, etc. with the aim of improving productivity and expanding demand, while promoting management reforms in light of the supply and demand trends of goods or services, or the state of competition among business entities in the business field to which the business entity belongs, and be active in other business environments.

**Chapter II Preparation of Special Measures on Regulations for
Demonstration of New Technology and on New Business Activities and
the Facilitation of Regulatory Reforms
Section 1 Promotion of Demonstration of New Technology and New
Business Activities**

(Basic Policy)

Article 5-2 (1) The government is to establish a basic policy for comprehensively and effectively promoting the demonstration of new technology, etc. and new business activities (that policy is referred to below as the "basic policy" in this Article, Article 8-2, paragraph (4), item (i), and Article 9, paragraph (4), item (i)).

(2) The basic policy is to specify the following:

- (i) matters concerning the significance of the demonstration of new technology, etc. and new business activities;
- (ii) basic policy concerning initiatives to be implemented by the government, for promoting the demonstration of new technology, etc. and new business activities;
- (iii) basic matters concerning the approval of a plan to prove new technology, etc. prescribed in Article 8-2, paragraph (1) and plans for new business activities prescribed in Article 9, paragraph (1); and
- (iv) other important matters concerning the demonstration of new technology, etc. and new business activities.

(3) The Prime Minister is to prepare a draft of the basic policy and seek a cabinet decision.

(4) The government must publicize the basic policy without delay when a cabinet decision is made under the preceding paragraph.

(5) The government is to revise the basic policy if need arises, due to changes in circumstances, such as fluctuations in the state of the economy.

(6) The provisions of paragraphs (3) and (4) apply mutatis mutandis to changes in basic policy under the preceding paragraph.

(Request for Special Measures for New Regulations)

Article 6 (1) A person that intends to start implementing the demonstration of

new technology, etc. or new business activities, by receiving the application of special measures for new regulations may request the competent minister to prepare new special measures for new regulations, as prescribed by order of the competent ministry.

- (2) If the competent minister who has received a request under the preceding paragraph finds it necessary and appropriate to take new special measures for regulations based on the request, that minister is to notify the person who made that request to that effect, and give the details of the new special measures for regulations to be taken, and is to publicize without delay the details of the new special measures for regulations to be taken.
- (3) If the competent minister has received a request under paragraph (1) and finds it unnecessary or inappropriate to take new special measures for regulations based on the request, that minister is to notify the person making the request to that effect and give the reason for the notice, without delay.
- (4) If the competent minister has received a request under paragraph (1) and determines whether or not to take new special measures for regulations (limited to those regarding the demonstration of new technology, etc.) based on the request, the competent minister is to hear the opinion of the New Technology Effects Evaluation Committee (meaning the New Technology Effects Evaluation Committee referred to in Article 14-2; the same applies below in this Section).
- (5) The competent minister may hear the opinion of the New Technology Effects Evaluation Committee if the minister has received a request under paragraph (1) and finds it necessary to do so in determining whether or not to take any new special measures for regulations (limited to those regarding new business activities) based on the request.

(Confirmation Regarding Interpretation and Application)

- Article 7 (1) A person that intends to start implementing the demonstration of new technology, etc. or new business activities may ask for confirmation from the competent minister regarding the interpretation of provisions of Acts and orders based on Acts (including public notices; the same applies below in this Article and Article 147, paragraph (1)) that provide for regulations on the demonstration of new technology, etc. or the new business activities and business activities related to them (referred to below as the "new business activities, etc." in this paragraph and Article 14) and the applicability of those provisions to the demonstration of new technology, etc. or the new business activities, etc., as prescribed by order of the competent ministry.
- (2) If the competent minister has been asked for confirmation under the preceding paragraph, the minister is to give a response without delay to the person making the request with the reason for the reply, and publicize the

details of the response.

(Providing Information)

Article 8 The competent minister is to provide necessary information and advice, in response to consultation from a person that intends to make a request under Article 6, paragraph (1) or paragraph (1) of the preceding Article.

(Approval of Plans to Demonstrate New Technology)

Article 8-2 (1) A person that intends to start implementing the demonstration of new technology, etc. may prepare a plan for that demonstration of new technology, etc. (referred to below as a "plan to demonstrate new technology, etc."), and submit it to the competent minister to receive its approval, as prescribed by order of the competent ministry.

- (2) If two or more persons intend to coordinate in starting implementing the demonstration of new technology, etc., those two or more persons may coordinate in preparing a plan to demonstrate new technology, etc. to receive the approval as referred to in the preceding paragraph.
- (3) A plan to demonstrate new technology, etc. must contain the following:
- (i) the goal of demonstration of new technology, etc.;
 - (ii) the following details of the demonstration of new technology, etc.:
 - (a) the details of the new technology, etc. and the business activities to be implemented by using the new technology, etc.;
 - (b) the details and the method of implementation of the demonstration prescribed in Article 2, paragraph (3), item (i); and
 - (c) the details and method of implementation of the analysis prescribed in Article 2, paragraph (3), item (ii);
 - (iii) the period and place of implementation of the demonstration of new technology, etc.;
 - (iv) the concrete scope of participants, etc. and the method of obtaining the consent of the participants, etc.;
 - (v) the amount of funds necessary for carrying out the demonstration of new technology, etc. and how to procure them;
 - (vi) the provisions of Acts and orders based on Acts, that provide for the regulations prescribed in Article 2, paragraph (3), item (ii);
 - (vii) if a person intends to receive the application for special measures for regulations (limited to those regarding the demonstration of new technology, etc.) prescribed by Cabinet Order or order of the competent ministry under Article 12, the details of the special measures on those regulations; and
 - (viii) other matters necessary for carrying out the demonstration of new technology, etc.
- (4) If the competent minister has received an application for approval as stated

in paragraph (1) and finds that the plan to demonstrate new technology, etc. conforms to all of the following items, the minister is to approve the plan; and in this case, the competent minister is to hear the opinion of the New Technology Effects Evaluation Committee.:

- (i) the relevant plan is appropriate in light of the basic policy;
 - (ii) demonstration new technology, etc. (including obtaining the consent prescribed in item (iv) of the preceding paragraph) under the relevant plan, is expected to be carried out smoothly and reliably; and
 - (iii) the details of the relevant plan do not violate this Act, orders based on this Act, or other relevant laws and regulations.
- (5) If the competent minister has granted the approval as stated in paragraph (1), the minister is to publicize the details of the plan to demonstrate new technology, etc. related to the approval, as prescribed by order of the competent ministry.

(Issuance of Certificate of Approval)

Article 8-3 (1) If the competent minister has granted the approval as stated in paragraph (1) of the preceding Article, the minister is to promptly issue a certificate of approval to the person that has obtained the approval referred to in the paragraph (referred to below as the "approved implementer to demonstrate new technology, etc."), as prescribed by order of the competent ministry.

- (2) The certificate of approval referred to in the preceding paragraph must contain the following:
- (i) the date of the approval;
 - (ii) the name and address of the approved implementer to demonstrate new technology, etc., and in the case of a corporation, the name of its representative;
 - (iii) the details and the implementation period of the plan to demonstrate new technology, etc. regarding the approval; and
 - (iv) the fact that the plan to demonstrate new technology, etc. regarding the approval, conforms to all of the items of paragraph (4) of the preceding Article;
- (3) When an approved implementer to demonstrate new technology, etc. seeks the consent of the participants, etc., the implementer must present the certificate of approval referred to in paragraph (1).
- (4) When an approved implementer to demonstrate new technology, etc. obtains the consent prescribed in paragraph (3), item (iv) of the preceding Article, the implementer must report to the competent minister to that effect.

(Changes to Plan to Demonstrate New Technology)

Article 8-4 (1) When an approved implementer to demonstrate new technology, etc. intends to make changes to the plan to demonstrate new technology, etc. regarding that approval, the implementer must submit the certificate concerning the approval and receive the approval of the competent minister, as prescribed by Orders of the competent ministries.

(2) The competent minister may rescind the approval if the minister finds that an approved implementer to demonstrate new technology, etc. is not carrying out the demonstration of new technology, etc. in accordance with the plan to demonstrate new technology, etc. regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; referred to below as an "approved plan for the demonstration of new technology, etc.")..

(3) If the competent minister finds that an approved plan to demonstrate new technology, etc. no longer conforms to any of the items of Article 8-2, paragraph (4), the minister may direct the approved implementer to demonstrate new technology, etc. to make changes to the approved plan for the demonstration of new technology, etc. or may rescind the approval. In such a case, the competent minister is to hear the opinion of the New Technology Effects Evaluation Committee.

(4) If the competent minister has rescinded the approval referred to in Article 8-2, paragraph (1) pursuant to the provisions of the preceding two paragraphs, the minister is to notify the approved implementer to demonstrate new technology, etc. to that effect, and publicize it. .

(5) If the approval stated in Article 8-2, paragraph (1) has been rescinded pursuant to the provisions of paragraph (2) or (3), the approved implementer to demonstrate new technology, etc. must promptly return the certificate of approval to the competent minister.

(6) The provisions of Article 8-2, paragraphs (4) and (5) and the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(Approval of Plans for New Business Activities)

Article 9 (1) A person that intends to start new business activities may prepare a plan for those activities (referred to below as a "plan for new business activities"), and submit it to the competent minister to seek their approval, as prescribed by order of the competent ministry.

(2) If two or more persons intend to coordinate in implementing new business activities, those two or more persons may coordinate in preparing a plan for new business activities, and receive the approval for them referred to in the preceding paragraph.

(3) A plan for new business activities must contain the following matters:

(i) the goal of the new business activities;

- (ii) the details of the new business activities and their implementation period;
 - (iii) the amount of funds necessary for carrying out the new business activities and how to procure them;
 - (iv) if a person intends to receive the application of the special measures for regulations prescribed in this Act, or other Acts, or the special measures for regulations prescribed by Cabinet Order or order of the competent ministry under Article 12 (limited to those regarding new business activities), the details of the special measures for those regulations; and
 - (v) other matters necessary for implementing the new business activities.
- (4) If the competent minister has received an application for approval as stated in paragraph (1) and finds that the plan for new business activities conforms to all of the following items, the minister is to approve the plan; in this case, the minister may hear the opinion of the New Technology Effects Evaluation Committee if the minister finds it necessary:
- (i) the relevant plan is appropriate in light of the basic policy;
 - (ii) the new business activities under the relevant plan are expected to be carried out smoothly and reliably; and
 - (iii) the details of the relevant plan do not violate this Act, orders based on this Act, or other relevant laws and regulations.
- (5) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the details of the plan for new business activities subject to the approval, as prescribed by order of the competent ministry.

(Changes to Plans for New Business Activities)

- Article 10 (1) If a person that has obtained approval as stated in paragraph (1) of the preceding Article (referred to below as an "approved implementer of new business activities") intends to make changes to the plan for new business activities regarding that approval, the person must receive approval from the competent minister, as prescribed by order of the competent ministry.
- (2) The competent minister may rescind the approval if the minister finds that an approved implementer of new business activities is not implementing new business activities in accordance with the plan for new business activities regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; referred to below as an "approved plan for new business activities").
- (3) If the competent minister finds that an approved plan for new business activities no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the approved implementer of new business activities to make changes to the approved plan for new business activities, or may rescind the approval. In this case, if the competent minister finds it necessary, the minister may hear the opinion of the New Technology

Effects Evaluation Committee.

- (4) If the competent minister has rescinded the approval referred to in paragraph (1) of the preceding Article pursuant to the provisions of the preceding two paragraphs, the minister is to notify the approved implementer of new business activities to that effect and publicize it.
- (5) The provisions of paragraphs (4) and (5) of the preceding Article apply *mutatis mutandis* to the approval stated in paragraph (1).

(Providing Information)

Article 11 While an approved implementer to demonstrate new technology, etc. is implementing demonstration of new technology, etc. or an approved implementer of new business activities is implementing new business activities, the competent minister is to provide necessary information and advice to the approved implementer to demonstrate new technology, etc. or the or approved implementer of new business activities as needed.

(Special Provisions Concerning Notice of Assignment of Claims)

Article 11-2 (1) If a notice of or consent to the assignment of a claim (including the assignment of a claim that has not yet arisen) (referred to below as a "notice of the assignment of a claim, etc." in this paragraph) is given by using an information system (limited to that falling under both of the following items) provided by an approved implementer of new business activities, in accordance with an approved plan for new business activities (limited to that regarding the public notice under paragraph (1) or (3) of the following Article), the notice, etc. of the assignment of a claim is deemed to be the notice or consent through an instrument with a certified date, prescribed in Article 467, paragraph (2) of the Civil Code; in this case, the date on which the notice of the assignment of a claim, etc. was given is the certified date:

- (i) a person that has given a notice of the assignment of a claim, etc. and the person who has received it are able to easily check the time, date, and details of the notice of that assignment of a claim, etc.; and
 - (ii) the time and date when a notice of an assignment of a claim, etc. was given, and details have been kept and the measures specified by order of the competent ministry as those necessary for preventing alteration of the claim's records have been taken.
- (2) The provisions of the preceding paragraph apply *mutatis mutandis* to a notice of or consent to creation of a pledge over a claim (including a pledge over a claim which has not yet arisen).
 - (3) The provisions of paragraph (1) apply *mutatis mutandis* to the notice of or consent to the subrogation by performance referred to in Article 467, paragraph (1) of the Civil Code as applied *mutatis mutandis* pursuant to

Article 500 of the Code. In this case, the phrase "Article 467, paragraph (2) of the Civil Code" in paragraph (1) is to be deemed replaced with "Article 467, paragraph (2) of the Civil Code as applied mutatis mutandis pursuant to Article 500 of the Code".

- (4) The provisions of paragraph (1) apply mutatis mutandis to a notice of or consent to transfer of the beneficial interest prescribed in Article 2, paragraph (7) of the Trust Act (Act No. 108 of 2006). In this case, the phrase "Article 467, paragraph (2) of the Civil Code" in paragraph (1) is to be deemed replaced with "Article 94, paragraph (2) of the Trust Act (Act No. 108 of 2006)".

Article 11-3 (1) If the competent minister has granted approval as stated in Article 9, paragraph (1) for a plan for new business activities, describing the special measures for regulations prescribed in the preceding Article, as the matters stated in Article 9, paragraph (3), item (iv), the minister is to issue a public notice concerning the name, trade name, and address of the person that has obtained that approval.

- (2) If an approved implementer of new business activities concerning a public notice under the preceding paragraph intends to change their name, trade name, and address, they must notify the competent minister to that effect in advance, as prescribed by order of the competent ministry.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.
- (4) If an approved implementer of new business activities concerning the public notice under paragraph (1) or the preceding paragraph intends to discontinue the new business activities implemented in accordance with the approved plan for new business activities concerning that public notice, they must notify the competent minister to that effect in advance, as prescribed by order of the competent ministry.
- (5) If the competent minister is to issue a public notice to that effect if the minister has rescinded the approval of an approved plan for new business activities concerning the public notice under paragraph (1) or (3), pursuant to the provisions of Article 10, paragraph (2) or (3), or has received a notification under the preceding paragraph .

(Special Measures for Regulations Prescribed by Cabinet Order or Ministerial Order)

Article 12 Special measures for regulations apply as prescribed respectively to the demonstration of new technology, etc. carried out by approved implementers to demonstrate new technology, etc. in accordance with approved plans to demonstrate new technology, etc. or new business activities carried out by approved implementers of new business activities in accordance with

approved plans for new business activities, as prescribed by Cabinet Order for the regulations prescribed by Cabinet Order, and as prescribed by order of the competent ministry for the regulations prescribed by order of the competent ministry.

(Review of Special Measures for Regulations)

Article 13 Based on the report stated in Article 144, paragraph (1), the competent minister (limited to the minister that has jurisdiction over Acts and orders based on Acts related to new special measures for regulations concerning the request under Article 6, paragraph (1)) is to review the special measures for regulations regarding that report or otherwise take necessary measures if they find it necessary to do so.

(Promotion of Regulatory Reforms)

Article 14 The competent minister (limited to the minister that has jurisdiction over Acts, and orders based on Acts related to new special measures for regulations concerning a request made under Article 6, paragraph (1) or related to a request made under Article 7, paragraph (1), or the Acts and orders based on Acts prescribed in Article 8-2, paragraph (3), item (vi)) is to discuss ideal regulations based on provisions of Acts, and those of orders based on Acts that provide for regulations on new technology, etc. or new business activities, etc., taking into consideration the state of the development and application of special measures for regulations, the state of regulations in foreign countries, the advancement of technology, and other factors, and are to take legal or other measures necessary for the removal or relaxation of regulations, based on the results of that discussion.

Section 2 New Technology Effects Evaluation Committee

(New Technology Effects Evaluation Committee)

Article 14-2 The New Technology Effects Evaluation Committee (referred to below as the "committee" in this Section) is established in the Cabinet Office to carry out the following:

- (i) evaluation of the effects on the overall economy of new special measures for regulations relating to the demonstration of new technology, etc. and new business activities;
- (ii) evaluation of the effects on the overall economy of plans to demonstrate new technology, etc. and plans for new business activities;
- (iii) matters specified by Cabinet Order, such as an investigation necessary for making the evaluation stated in the preceding two items.

(Affairs Under Jurisdiction)

Article 14-3 (1) The committee is to process matters that have been placed under its authority pursuant to the provisions of this Act.

(2) The committee may make necessary recommendations to the competent minister through the Prime Minister, concerning the matters placed under its authority pursuant to the provisions of the preceding paragraph.

(3) When the committee has made recommendations under the preceding paragraph, it must publicize the details of the recommendations without delay.

(4) The competent minister must notify the committee of the measures taken, based on the recommendations under paragraph (2).

(Committee Members)

Article 14-4 Members of the committee are appointed by the Prime Minister from among persons with distinguished insight into the trends of social and economic circumstances and business activities conducted by using new technology, etc. in and outside Japan.

(Collection of Reports)

Article 14-5 The committee may request the competent minister or a person that has submitted a plan to demonstrate new technology, etc. or a plan for new business activities to submit reports or materials, within the limit necessary for performance of the affairs under its jurisdiction.

(Delegation to Cabinet Order)

Article 14-6 In addition to what is provided for in this Act, necessary matters concerning the committee are prescribed by Cabinet Order.

Chapter III Revitalization of Regenerating Industrial Activities

Section 1 Developing New Business

Subsection 1 Promotion of Specified Investment Business for Developing New Business, Investment Business for Promoting Utilization of External Management Resources, and Programs for Supporting the Utilization of Specified Research Results

(Guidelines for the Implementation of Specified Investment business for
Developing New Business, Investment business for Promoting Utilization of
External Management Resources, and Programs for Supporting the
Utilization of Specified Research Results)

Article 15 (1) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to establish guidelines for the implementation of specified investment business for developing new

business, investment business for promoting utilization of external management resources, and programs for supporting the utilization of specified research results (referred to below as the "implementation guidelines" in this Subsection) (for the Minister of Education, Culture, Sports, Science and Technology, those guidelines are limited to the matters stated in item (iii) of the following paragraph).

- (2) The implementation guidelines are to specify the following matters:
 - (i) matters concerning the methods for implementing the specified investment business for developing new business, and other important matters relating to the specified investment business for developing new business;
 - (ii) matters concerning the methods for implementing an investment business for promoting utilization of external management resources, and other important matters relating to the investment business for promoting the utilization of external management resources; and
 - (iii) matters concerning the methods for implementing programs for supporting the utilization of specified research results, and other important matters relating to programs for supporting the utilization of specified research results.
- (3) The Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology are to make changes to the implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology intend to establish the implementation guidelines or make changes to them, they are to consult with the head of the relevant administrative organ (or, consult with the relevant administrative organ, if the relevant administrative organ is a council; the same applies below) in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology have established or made changes to the implementation guidelines, they are to publicize to that effect without delay.

(Approval of Plans for Specified Investment Business for Developing New Business)

Article 16 (1) A limited investment partnership that intends to start a specified investment business for developing new business may prepare a plan for the specified investment business for developing new business (referred to below as a "plan for specified investment business for developing new business" in this Article, the following Article, and Article 149), and submit it to the Minister of Economy, Trade and Industry to receive approval for it, as prescribed by Order

of the Ministry of Economy, Trade and Industry.

- (2) A plan for specified investment business for developing new business must contain the following matters:
 - (i) matters concerning the limited investment partnership that will implement the specified investment business for developing new business;
 - (ii) the details of the specified investment business for developing new business and its implementation period; and
 - (iii) the amount of funds necessary for implementing the specified investment business for developing new business, and the method of procuring them.
- (3) when the Minister of Economy, Trade and Industry has received an application for approval, as stated in paragraph (1) and finds that the plan for a specified investment business for developing new business conforms to both of the following items, the minister is to approve the plan:
 - (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the specified investment business for developing new business under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the Minister of Economy, Trade and Industry has granted approval as stated in paragraph (1), the minister is to publicize the details of the plan for a specified investment business for developing new business regarding that approval, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Changes to Plans for Specified Investment Business for Developing New Business)

- Article 17 (1) If a limited investment partnership that has obtained approval as stated in paragraph (1) of the preceding Article (referred to below as an "approved partnership implementing specified investment business for developing new business") intends to make changes to the plan for a specified investment business for developing new business regarding the approval, the partnership must receive the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry finds that an approved partnership implementing specified investment business for developing new business is not implementing the specified investment business for developing new business in accordance with the plan for the specified investment business for developing new business regarding the approval (or, the plan after changes under the preceding paragraph, if approval has been granted for those changes; referred to below as an "approved plan for the specified investment business for developing new business"), the minister may rescind the approval.

- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for specified investment business for developing new business no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved partnership implementing specified investment business for developing new business to make changes to the relevant approved plan, or may rescind the approval.
- (4) If the Minister of Economy, Trade and Industry has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(Approval of Plans for Investment Business for Promoting Utilization of External Management Resources)

- Article 17-2 (1) A person that intends to start an investment business for promoting utilization of external management resources (including a limited investment partnership) may prepare a plan for that investment business for promoting utilization of external management resources (referred to below as a "plan for an investment business for promoting utilization of external management resources" in this Article, the following Article, and Article 149), and submit it to the Minister of Economy, Trade and Industry to receive their approval as prescribed by Order of the Ministry of Economy, Trade and Industry of the competent ministry.
- (2) A plan for an investment business for promoting utilization of external management resources must contain the following matters:
 - (i) matters concerning the limited investment partnership to be established by the person that intends to start an investment business for promoting utilization of external management resources under the limited partnership agreement for investment referred to in Article 3, paragraph (1) of the Limited Partnership Act for Investment (referred to below as a "partnership agreement") (or, if that person is a limited investment partnership, matters concerning that limited investment partnership);
 - (ii) the details and period of implementation of the investment business for promoting utilization of external management resources; and
 - (iii) the amount of funds necessary for carrying out the investment business for promoting utilization of external management resources and how to procure them.
 - (3) If the Minister of Economy, Trade and Industry has received an application for approval as stated in paragraph (1) and finds that the plan for an investment business for promoting utilization of external management resources conforms to both of the following items, the minister is to grant approval:

- (i) the relevant plan is appropriate in light of the implementation guidelines;
and
 - (ii) the investment business for promoting utilization of external management resources under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the Minister of Economy, Trade and Industry has granted approval as stated in paragraph (1), the minister is to publicize the details of the plan for an investment business for promoting utilization of external management resources regarding the approval, as prescribed by Order of the Ministry of Economy, Trade and Industry.

(Changes to Plans for Investment Business for Promoting Utilization of External Management Resources)

- Article 17-3 (1) When a person that has obtained approval as stated in paragraph (1) of the preceding Article (or, if that person has established a limited investment partnership (limited to that described in the plan for an investment business for promoting utilization of external management resources regarding that approval) under a partnership agreement, that limited investment partnership; referred to below as an "approved investment business entity promoting utilization of external management resources") intends to make changes to the plan for an investment business for promoting utilization of external management resources regarding the approval, the person must receive the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) The Minister of Economy, Trade and Industry may rescind an approval if the minister finds that the approved investment business entity promoting utilization of external management resources is not carrying out the investment business for promoting utilization of external management resources in accordance with the plan for an investment business for promoting utilization of external management resources regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; referred to below as an "approved plan for investment business for promoting utilization of external management resources").
- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for an investment business for promoting utilization of external management resources, no longer conforms to any of the items of paragraph (3) of the preceding Article, the minister may direct the approved investment business entity promoting utilization of external management resources, to make changes to the approved plan for investment business for promoting utilization

of external management resources, or may rescind the approval.

- (4) If the Minister of Economy, Trade and Industry has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraphs (3) and (4) of the preceding Article apply *mutatis mutandis* to the approval stated in paragraph (1).

(Special Provisions for the Limited Partnership Act for Investment)

Article 17-4 (1) An approved investment business entity promoting utilization of external management resources (or, if the approved investment business promoting utilization of external management resources is a limited investment partnership, its partners) may pledge under the terms of a partnership agreement to operate a coordinated business to acquire and hold shares, share options, or designated securities (meaning the designated securities prescribed in Article 3, paragraph (1), item (iii) of the Limited Partnership Act for Investment; the same applies in Article 33, paragraph (1)) issued by, or equity in, a foreign corporation (including a corporation to be newly incorporated; the same applies below in this paragraph), or their equivalent in a foreign corporation (limited to those businesses for which confirmation has been obtained from the Minister of Economy, Trade and Industry indicating that it will be conducted in accordance with a plan for an investment business for promoting utilization of external management resources), in addition to the business activities stated in the items of Article 3, paragraph (1) of the Act.

- (2) In applying the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment, regarding partners of a limited investment partnership established by pledging to operate the business prescribed in the preceding paragraph (or, if the approved investment business entity promoting utilization of external management resources is a limited investment partnership, its partners that have pledged to operate the business prescribed in the paragraph), the phrase "acts other than the business activities listed in Article 3, paragraph (1)" in Article 7, paragraph (4) of the Act is deemed to be replaced with "acts other than the business activities stated in Article 3, paragraph (1) or the business activities prescribed in Article 17-4, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and the phrase "acts other than the business stated in the paragraph" in Article 7, paragraph (4) of the Limited Partnership Act for Investment is deemed to be replaced with "acts other than the business activities stated in Article 3, paragraph (1) or the business activities prescribed in Article 17-4, paragraph (1) of the Act".

(Duties to Facilitate Specified Investment Business for Developing New

Business and Investment Business for Promoting Utilization of External Management Resources Conducted by Organization for Small & Medium Enterprises and Regional Innovation)

Article 18 For facilitating specified investment business for developing new business and investment business for promoting utilization of external management resources, the Organization for Small & Medium Enterprises and Regional Innovation undertakes duties to guarantee debt obligations regarding the borrowing of funds necessary for approved partnerships, implementing specified investment business for developing new business, to implement specified investment business for developing new business in accordance with approved plans for specified investment business for developing new business, and the funds necessary for approved investment business entities promoting utilization of external management resources, to implement investment business for promoting utilization of external management resources, in accordance with approved plans for investment business for promoting utilization of external management resources.

(Approval of Plans for Programs for Supporting Utilization of Specified Research Results)

Article 19 (1) A person that intends to start a program for supporting the utilization of specified research results (including a person that intends to establish a corporation implementing a program for supporting the utilization of specified research results, a limited investment partnership that intends to start a program for supporting the utilization of specified research results, and a person that intends to incorporate a limited investment partnership, implementing a program for supporting the utilization of specified research results, under a partnership agreement) may prepare a plan for the program for supporting the utilization of specified research results (referred to below as a "plan for a program for supporting the utilization of specified research results" in this Article, the following Article, and Article 147, paragraph (1), item (v)), and submit the plan to the competent minister to receive approval for it as prescribed by order of the competent ministry.

(2) Plans for a program for supporting the utilization of specified research results must contain the following matters:

- (i) matters concerning the person that implements the program for supporting the utilization of specified research results;
- (ii) the details of the program for supporting the utilization of specified research results, and its implementation period; and
- (iii) the amount of funds necessary for implementing the program for supporting the utilization of specified research results, and how to procure them.

- (3) If the competent minister has received an application for approval as stated in paragraph (1) and finds that a plan for a program for supporting the utilization of specified research results conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the program for supporting the utilization of specified research results under the relevant plan is expected to be implemented smoothly and reliably.
- (4) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the details of the plan for a program for supporting the utilization of specified research results regarding that approval, as prescribed by order of the competent ministry.

(Changes to Plans for Programs for Supporting Utilization of Specified Research Results)

- Article 20 (1) If a person that has obtained approval as stated in paragraph (1) of the preceding Article (including a corporation stated in the paragraph established by the person, or an limited investment partnership stated in the paragraph incorporated by the person; referred to below as an "approved business supporting the utilization of specified research results") intends to make changes to the plan for a program for supporting the utilization of specified research results regarding the approval, the person must receive the approval of the competent minister, as prescribed by order of the competent ministry.
- (2) If the competent minister finds that an approved business entity supporting the utilization of specified research results is not implementing the program for supporting the utilization of specified research results in accordance with the plan for a program for supporting the utilization of specified research results regarding the approval (or the plan after changes under the preceding paragraph, if approval has been granted for the changes; referred to below as an "approved plan for a program for supporting the utilization of specified research results"), the minister may rescind the approval.
- (3) If the competent minister finds that an approved plan for a program for supporting the utilization of specified research results no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved business supporting the utilization of specified research results to make changes to the relevant plan, or may rescind the approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraph (3) and paragraph (4) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(Contributions and Other Duties by National University Corporation)

Article 21 For facilitating the utilization of the results of research on technology conducted by a national university corporation, the national university corporation, etc. undertakes duties to make capital contributions for necessary funds and provides the personnel and technical assistance necessary for approved businesses supporting the utilization of specified research results, to implement programs for supporting the utilization of specified research results, in accordance with the approved plan for a program for supporting the utilization of specified research results.

Subsection 2 Promotion of Business Activities Utilizing Innovative Technology Research Results

(Guidelines for Implementation of Business Activities Utilizing Innovative Technology Research Results)

Article 21-2 (1) The Minister of Economy, Trade and Industry is to establish guidelines for the implementation of business activities utilizing innovative technology research results (referred to below as the "implementation guidelines" in this Subsection).

- (2) The implementation guidelines are to specify the following matters:
- (i) matters concerning the methods for implementing business activities utilizing innovative technology research results;
 - (ii) matters concerning roles to be fulfilled by the Organization for Small & Medium Enterprises and Regional Innovation and a designated financial institution, etc. (meaning the designated financial institution, etc. designated under Article 21-6, paragraph (1); the same applies in paragraph (2), item (ii) of the following Article and Article 21-5) for facilitating procuring funds necessary for implementing business activities utilizing the results of innovative technology research; and
 - (iii) other important matters relating to business activities utilizing innovative technology research results.
- (3) The Minister of Economy, Trade and Industry is to make changes to the implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) When the Minister of Economy, Trade and Industry intends to establish or make changes to the implementation guidelines, the minister is to consult with the head of the relevant administrative organ in advance.
- (5) If the Minister of Economy, Trade and Industry has established the implementation guidelines or has made changes to them, the minister is to publicize to that effect without delay.

(Approval of Plans for Business Activities Utilizing Innovative Technology Research Results)

- Article 21-3 (1) A new business developing business entity that intends to start business activities utilizing innovative technology research results may prepare a plan for the business activities which are utilizing innovative technology research results (referred to below as a "plan for business activities utilizing innovative technology research results" in this Article, the following Article, and Article 149), and submit it to the Minister of Economy, Trade and Industry to receive approval for it, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) A plan for business activities utilizing innovative technology research results must contain the following matters:
- (i) the details of the business activities utilizing innovative technology research results, and their implementation period; and
 - (ii) the amount of funds necessary for implementing business activities utilizing innovative technology research results and how to procure them (including the name of the designated financial institution, etc. involved in the raising of the funds).
- (3) If the Minister of Economy, Trade and Industry has received an application for approval as stated in paragraph (1) and finds that the plan for business activities utilizing innovative technology research results conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the business activities utilizing innovative technology research results under the relevant plan are expected to be implemented smoothly and reliably.

(Changes to Plans for Business Activities Utilizing Innovative Technology Research Results)

- Article 21-4 (1) When a person that has obtained approval as stated in paragraph (1) of the preceding Article (referred to below as an "approved implementer of business activities utilizing innovative technology research results") intends to make changes to the plan for business activities utilizing innovative technology research results regarding the approval, the person must seek the approval of the Minister of Economy, Trade and Industry, as prescribed by Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry finds that an approved implementer of business activities utilizing innovative technology research results is not carrying out the business activities utilizing innovative

technology research results, in accordance with the plan for business activities utilizing innovative technology research results regarding the approval (or, the plan after changes under the preceding paragraph, if an approval has been granted for those changes; referred to below as an "approved plan for business activities utilizing innovative technology research results"), the minister may rescind the approval.

- (3) If the Minister of Economy, Trade and Industry finds that an approved plan for business activities utilizing innovative technology research results no longer conforms to either of the items of paragraph (3) of the preceding Article, the minister may direct the approved implementer of business activities utilizing innovative technology research results, to make changes to the approved plan for business activities utilizing innovative technology research results, or may rescind the approval.
- (4) The provisions of paragraph (3) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(Duties to Facilitate Business Activities Utilizing Innovative Technology Research Results Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 21-5 For facilitating business activities utilizing innovative technology research results, the Organization for Small & Medium Enterprises and Regional Innovation undertakes duties to guarantee bonds (excluding short term corporate bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares (Act No. 75 of 2001) and limited to bonds subscribed by designated financial institutions, etc.) issued for the approved implementer of business activities utilizing innovative technology research results, to procure funds necessary for implementing business activities utilizing innovative technology research results, in accordance with the approved plan for business activities utilizing innovative technology research results, and to guarantee debt obligations regarding the borrowing of those funds (limited to borrowing from designated financial institutions, etc.).

(Designation of Designated Financial Institutions)

Article 21-6 (1) Regarding business of lending funds necessary to implement business activities utilizing the results of innovative technology research duties (referred to below as "business operations to support business activities utilizing innovative technology research results"), the Minister of Economy, Trade and Industry may designate a business entity that is found to conform to all of the following items (including limited investment partnerships) as a designated financial institution, etc., upon application, as prescribed by Order of the Ministry of Economy, Trade and Industry;

- (i) a person that undertakes the lending of money and other business operations relating to finance, as specified by Cabinet Order;
 - (ii) the operational rules prescribed in the following paragraph conform to laws and regulations and the implementation guidelines, and are sufficient for undertaking business operations to support business activities utilizing innovative technology research results properly and reliably; and
 - (iii) an organization that has the knowledge and experience for undertaking business operations to support business activities utilizing innovative technology research results properly and reliably in light of the personnel structure,
- (2) A person intending to receive designation under the preceding paragraph must specify the rules concerning business operations to support business activities utilizing innovative technology research results (referred to as "operational rules" in the following paragraph and Article 21-8), in line with the implementation guidelines, and submit them to the Minister of Economy, Trade and Industry, together with a written application for designation, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.
- (3) The operational rules must specify matters concerning the implementation framework, and methods for business operations to support business activities utilizing innovative technology research results, and other matters specified by Order of the Ministry of Economy, Trade and Industry.
- (4) A person falling under any of the following items may not receive designation under paragraph (1):
- (i) a person that violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these, and was sentenced to a punishment of a fine or heavier, and five years have not yet elapsed since the day when execution of the sentence was completed, or the day when the person ceased to be subject to the sentence;
 - (ii) a person whose designation has been rescinded pursuant to the provisions of Article 21-10, paragraph (1) or paragraph (2), and five years have not yet elapsed since the day of the rescission; or
 - (iii) a person, any of whose officers, etc. (meaning, in the case of a corporation, an officer in charge of its business, and in the case of a limited investment partnership, one in charge of decision and performance of its business; the same applies in (b)) falls under either of the following:
 - (a) a person specified by Order of the Ministry of Economy, Trade and Industry as being unable to properly perform duties due to a mental or physical disorder, or a person who has become subject to an order for bankruptcy proceedings, and whose civil rights have not been restored; or
 - (b) when a designated financial institution, etc. has had its designation

rescinded pursuant to the provisions of Article 21-10, paragraph (1) or paragraph (2), any person who has been an officer, etc. of the designated financial institution, etc. within 60 days before the day on which a public notice was issued, concerning the date and place of the hearing regarding the rescission of the designation, and five years have not yet elapsed since the day of that rescission.

(Public Notice of Designation)

- Article 21-7 (1) If the Minister of Economy, Trade and Industry has made a designation under paragraph (1) of the preceding Article, the minister is to issue a public notice regarding the trade name or name, address of the designated financial institution, etc., and the location of its business office or office where it undertakes business operations to support business activities utilizing innovative technology research results.
- (2) If a designated financial institution, etc. intends to change its trade name or name, its address, or the location of its business office or office where it undertakes business operations to support business activities utilizing innovative technology research results, it must notify the Minister of Economy, Trade and Industry to that effect in advance.
- (3) If the Minister of Economy, Trade and Industry has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.

(Authorization for Changes to Operational Rules)

- Article 21-8 (1) If a designated financial institution, etc. intends to change its operational rules, it must obtain the authorization of the Minister of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry finds that the operational rules of a designated financial institution, etc. have become inappropriate for the proper and reliable implementation of business operations to support business activities utilizing innovative technology research results, the minister may order the institution, etc. to change its operational rules.

(Suspension or Discontinuation of Business Operations)

- Article 21-9 (1) If a designated financial institution, etc. intends to suspend or discontinue all or part of its business operations to support business activities utilizing innovative technology research results, it must notify the competent minister to that effect in advance, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry has received a notification under the preceding paragraph, the minister is to issue a public notice to that

effect.

- (3) If a designated financial institution, etc. has discontinued all of the business operations to support business activities utilizing innovative technology research results, the designation of that designated financial institution, etc. becomes invalid.

(Rescission of Designations)

Article 21-10 (1) If a designated financial institution, etc. has fallen under any of the items (excluding item (ii)) of Article 21-6, paragraph (4), the Minister of Economy, Trade and Industry is to rescind the designation of that institution.

- (2) If a designated financial institution, etc. has fallen under any of the following items, the Minister of Economy, Trade and Industry may rescind the designation of that institution:

- (i) if the designated financial institution, etc. is found to be incapable of undertaking business operations to support business activities utilizing innovative technology research results properly and reliably;
- (ii) if there has been wrongful conduct relating to the designation; or
- (iii) if the designated financial institution, etc. has violated this Act or an order or disposition based on this Act.

- (3) When the Minister of Economy, Trade and Industry has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice to that effect.

(Completion of Business Operations due to Rescission of Designation)

Article 21-11 If designation as a designated financial institution, etc. has ceased to be effective pursuant to the provisions of Article 21-9, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, the person that was the designated financial institution, etc. or its general successor, is deemed to be the designated financial institution, etc. within the context of the purpose of completing transactions based on an agreement for business operations supporting business activities utilizing innovative technology research results undertaken by the designated financial institution, etc.

Subsection 3 Utilization of Research and Development Facilities

Article 21-12 The National Institute of Advanced Industrial Science and Technology may undertake duties to provide its facilities (including land) and equipment related to research and development, which are specified by Order of the Ministry of Economy, Trade and Industry as those that contribute to the development of new business by business entities, for use (limited to research

and development relating to science and technology of mining or industry or utilization of the results of that) by persons that carry out the development or production of new goods, development or provision of new services, introduction of a new method for producing or selling goods, introduction of a new method for providing services, or other new business activities.

Section 1-2 Facilitation of Business Adaptation

(Implementation Guidelines)

Article 21-13 (1) The Minister of Economy, Trade and Industry and the Minister of Finance are to establish guidelines concerning the implementation of business adaptation (referred to below as the "implementation guidelines" in this Section) (for the Minister of Finance, limited to the matters stated in item (i), (c), item (ii), (c), and item (iii), (c) of the following paragraph; the same applies below in this Article).

(2) The implementation guidelines are to specify the following matters:

- (i) the following matters apply in the case of business adaptation for achieving growth (meaning business adaptation that falls under Article 2, paragraph (12), item (i); the same applies below in this item and Article 21-28, paragraph (1));
 - (a) basic matters concerning business adaptation for achieving growth, such as the significance of promoting business adaptation for achieving growth and its goal;
 - (b) matters concerning details of business adaptation for achieving growth, such as the research and development and capital investment necessary for implementing business adaptation for achieving growth;
 - (c) matters concerning the roles to be fulfilled by Japan Finance Corporation (referred to below as the "JFC") and designated financial institutions (meaning the designated financial institutions designated under Article 21-19, paragraph (1); the same applies below in this paragraph and Article 21-17, paragraph (1), items (i) and (ii)) for facilitating the procurement of funds necessary for taking measures for business adaptation for achieving growth; and
 - (d) other important matters concerning business adaptation for achieving growth;
- (ii) the following matters apply in the case of business adaptation relating to information technology (meaning business adaptation that falls under Article 2, paragraph (12), item (ii); the same applies below in this item and Article 21-28, paragraph (2));
 - (a) basic matters concerning business adaptation relating to information technology, such as the significance of promoting business adaptation

- relating to information technology and its goal; and
- (b) matters concerning the details of the business adaptation relating to information technology, such as the investment necessary for utilizing the information technology, including information processing technology, and information communications technology, required for implementing business adaptation relating to information technology; and
- (c) matters concerning the roles to be fulfilled by the JFC and designated financial institutions, for facilitating procuring the funds necessary for taking measures for business adaptation relating to information technology; and
- (d) other important matters concerning business adaptation relating to information technology; and
- (iii) the following matters apply in the case of business adaptation for reducing the environmental burden caused by energy use (meaning business adaptation that falls under Article 2, paragraph (12), item (iii); the same applies below in this item and Article 21-17, paragraph (1), item (ii));
 - (a) basic matters concerning business adaptation for reducing the environmental burden caused by energy use, such as the significance of promoting the goal of business adaptation for reducing the environmental burden caused by energy use;
 - (b) matters concerning the details of business adaptation for reducing the environmental burden caused by energy use, such as introduction of production process efficiency improvement equipment, etc. and demand development and product production equipment necessary for carrying out the business adaptation for reducing the environmental burden caused by energy use;
 - (c) matters concerning roles to be fulfilled by the JFC and designated financial institutions, for facilitating the procurement of funds necessary for taking measures for business adaptation for reducing environmental burden caused by energy use; and
 - (d) other important matters concerning business adaptation for reducing environmental burden caused by energy use.
- (3) The Minister of Economy, Trade and Industry and the Minister of Finance are to make changes to the implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Finance intend to establish or make changes to the implementation guidelines, they are to consult with the head of the relevant administrative organ in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Finance have established or made changes to the implementation guidelines, they are to publicize the guidelines without delay.

(Business Field-Specific Implementation Guidelines)

- Article 21-14 (1) Based on implementation guidelines, the competent minister may designate a business field from those under the minister's jurisdiction, for which the minister finds it appropriate to achieve business adaptation that corresponds to the characteristics of that business field, and establish guidelines for the implementation of business adaptation regarding the business field concerned (referred to below as "business field-specific implementation guidelines" in this Article and paragraph (4), item (i) of the following Article).
- (2) The business field-specific implementation guidelines are to specify necessary matters concerning the method of implementation of business adaptation regarding the business field designated pursuant to the provisions of the preceding paragraph.
- (3) The competent minister is to make changes to the business field-specific implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the competent minister intends to establish the business field-specific implementation guidelines or make changes to them, the minister is to consult with the Minister of Economy, Trade and Industry and the head of the relevant administrative organ in advance.
- (5) If the competent minister has established the business field-specific implementation guidelines or has made changes to them, the minister is to publicize to the effect without delay.

(Approval of Business Adaptation Plans)

- Article 21-15 (1) A business entity may prepare a plan for business adaptation that it intends to conduct (including business adaptation that a corporation established by the business entity intends to start; the same applies below) (the relevant plan is referred to below as a "business adaptation plan"), and submit it to the competent minister to receive its approval, pursuant to the provisions of order of the competent ministry.
- (2) If two or more business entities intend to jointly conduct business adaptation, those two or more business entities may jointly prepare a business adaptation plan to receive the approval referred to in the preceding paragraph.
- (3) A business adaptation plan must contain the following matters:
- (i) the goal of the business adaptation;
 - (ii) the details of the business adaptation and its implementation period; and
 - (iii) the process of resolution or any decision concerning the management policy relating to the business adaptation.
- (4) If the competent minister has received an application for approval as stated

in paragraph (1) and finds that the business adaptation plan conforms to all of the following items, the minister is to approve the plan:

- (i) the relevant plan is appropriate in light of the implementation guidelines (if business field-specific implementation guidelines have been established pursuant to the provisions of paragraph (1) of the preceding Article for the field to which the business subject to the relevant plan belongs, the implementation guidelines and the stated business field-specific implementation guidelines);
 - (ii) the business adaptation under the relevant plan is expected to be carried out smoothly and reliably; and
 - (iii) the improvements in productivity or creation of demand through business adaptation under the business adaptation plan are expected to be sustainable in light of the market structures in the relevant field of business.
- (5) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the details of the business adaptation plan regarding that approval, pursuant to the provisions of order of the competent ministry.

(Changes to Business Adaptation Plans)

Article 21-16 (1) If a person that has obtained approval as stated in paragraph (1) of the preceding Article (including a corporation established in accordance with the business adaptation plan regarding that approval; referred to below as an "approved business entity for business adaptation") intends to make changes to the business adaptation plan regarding that approval, the person must receive the approval of the competent minister, pursuant to the provisions of order of the competent ministry.

- (2) The competent minister may rescind an approval if the minister finds that the approved business entity for business adaptation is not taking measures for business adaptation in accordance with the business adaptation plan regarding the approval (if a change has been approved under the preceding paragraph, the plan after the changes; referred to below as the "approved business adaptation plan"), the minister may rescind the approval.
- (3) If the competent minister finds that an approved business adaptation plan no longer conforms to any of the items of paragraph (4) of the preceding Article, the minister may direct the approved business entity for business adaptation to make changes to the relevant plan, or rescind the approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraphs (5) and (6) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(The JFC's Duties to Facilitate Business Adaptation Promotion)

Article 21-17 (1) Notwithstanding the provisions of Articles 1 and 11 of the Japan Finance Corporation Act apply (Act No. 57 of 2007; referred to as the "Japan Finance Corporation Act" in the following paragraph and Article 35), the JFC may undertake the following duties (referred to below as "duties to facilitate business adaptation promotion"):

- (i) the duties offering a designated financial institution loans of funds for the funds necessary for measures for business adaptation, which an approved business entity for business adaptation undertakes, such as investment necessary for research and development, investment necessary for utilizing information technology, introduction of production process efficiency improvement equipment, etc. or equipment for production of demand development product production equipment or other measures specified by Cabinet Order, in accordance with an approved business adaptation plan (the measures undertaken are referred to as "approved business adaptation-related measures" in the following item and Article 21-19, paragraph (1)), and other duties incidental to those measures; and
 - (ii) the duties to provide interest subsidies to a designated financial institution within the limits of the budget regarding loans offered by a designated financial institution for funds that an approved business entity for business adaptation (limited to one implementing business adaptation for reducing the environmental burden caused by energy use) needs for taking approved business adaptation-related measures, and duties incidental to them.
- (2) If duties to facilitate business adaptation promotion are undertaken, those operations are deemed to be duties to facilitate specified business promotion as prescribed in Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (Act No. 38 of 2010); and the phrases stated in the middle column of the table of Article 17 of that Act, used in the provisions of the Japan Finance Corporation Act, stated in the left-hand column of the that table (excluding the phrases stated in the middle column of the following table that are used in the provisions of the Japan Finance Corporation Act stated in the left-hand column of that table) are deemed to be replaced with the phrases stated in the right-hand column of the table in the Article, and the phrases stated in the middle column of the following table which are used in the provisions of the Japan Finance Corporation Act, stated in the left-hand column of that table, are deemed to be replaced with the phrases stated in the right-hand column of the table. In this case, Cabinet Order prescribes any necessary technical replacement of terms.

Article 58, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 58, paragraph (2) and Article 59, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness
Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 73, item (i)	this Act	this Act (including as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 73, item (iii)	Article 11	Article 11 of this Act and Article 21-17, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) (including as applied pursuant to Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)

(Policies for Implementing Duties to Facilitate Business Adaptation Promotion)

Article 21-18 (1) In accordance with the implementation guidelines (limited to the matters stated in Article 21-13, paragraph (2), item (i), (c), item (ii), (c), and item (iii), (c); the same applies in paragraph (1), item (ii) and paragraph (2) of the following Article), the JFC must specify the methods and conditions for duties to facilitate business adaptation promotion and other policies for implementing those operations (referred to below as "policies for implementing duties for facilitating business adaptation promotion" in this Article and paragraph (1), item (ii) and paragraph (2) of the following Article), pursuant to the provisions of order of the competent ministry.

(2) If the JFC intends to specify policies for implementing duties to facilitate business adaptation promotion, it must obtain the authorization of the

competent minister. This also applies if the JFC intends to make changes to those policies.

- (3) If the JFC has obtained the authorization of the competent minister referred to in the preceding paragraph, it must publicize the policies for implementing duties to facilitate business adaptation promotion without delay.
- (4) The JFC must undertake duties to facilitate business adaptation promotion in accordance with the policies for implementing duties to facilitate business adaptation promotion.

(Designation as Designated Financial Institutions)

Article 21-19 (1) Pursuant to the provisions of order of the competent ministry, the competent minister may designate a person that is found to conform to all of the following items as a designated financial institution, offering loans for funds necessary regarding duties for approved business adaptation-related measures, taken by an approved business entity for business adaptation, which are undertaken by way of borrowing funds necessary for offering those loans from the JFC or receiving provision of interest subsidies (referred to below as "duties to promote business adaptation").

- (i) the person falls under the category of a bank or other financial institutions specified by Cabinet Order;
 - (ii) the operational rules prescribed in the following paragraph conform to laws and regulations, the implementation guidelines, and the policies for implementing duties policies for implementing duties to facilitate business adaptation promotion, and are sufficient for implementing duties to promote business adaptation properly and reliably; and
 - (iii) in light of the personnel structure, the person has the knowledge and experience for implementing duties to promote business adaptation properly and reliably.
- (2) A person intending to receive designation under the preceding paragraph must specify the rules concerning policies for implementing duties to facilitate business adaptation promotion (referred to as the "operational rules" in the following paragraph and Article 21-21), in line with the implementation guidelines, and the policies for undertaking duties to facilitate business adaptation promotion, in accordance with the procedures specified by order of the competent ministry, and submit them to the competent minister together with a written application.
 - (3) The operational rules must specify matters concerning the implementation framework and methods for duties to promote business adaptation and other matters specified by order of the competent ministry.
 - (4) Those falling under any of the following items may not receive designation under paragraph (1):

- (i) a person that violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these, and was sentenced to a fine or a heavier punishment, and five years have not yet elapsed since the day on which execution of that sentence was completed, or since the day on which the person ceased to be subject to the sentence;
- (ii) a person whose designation has been rescinded pursuant to the provisions of Article 21-26, paragraph (1) or paragraph (2), and five years have not yet elapsed since the day of the rescission; or
- (iii) a corporation, any of whose officers in charge of its business fall under any of the following:
 - (a) a person specified by order of the competent ministry as being unable to properly perform their duties due to a mental or physical disorder, or a person who has become subject to an order for bankruptcy proceedings and whose civil rights have not been restored;
 - (b) when a designated financial institution has had its designation rescinded pursuant to the provisions of Article 21-26, paragraph (1) or paragraph (2), a person who had been an officer of the designated financial institution within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing, and five years have not yet elapsed since the day of the rescission regarding that designation.

(Public Notice of Designations)

- Article 21-20 (1) If the competent minister has made a designation under paragraph (1) of the preceding Article, the minister is to issue a public notice concerning the trade name or name, and the address of the designated financial institution, as well as the location of its business office or office where it implements duties to promote business adaptation.
- (2) If a designated financial institution intends to change its trade name or name, its address, or the location of its business office or office where it implements duties to promote business adaptation, it must notify the competent minister to that effect in advance.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.

(Authorization for Changes to Operational Rules)

- Article 21-21 (1) If a designated financial institution intends to change its operational rules, it must obtain the authorization of the competent minister.
- (2) The competent minister may order the institution to change its operational rules if the minister finds that the operational rules of a designated financial institution are no longer appropriate for the proper and reliable

implementation of duties to promote business adaptation, the minister.

(Agreement)

Article 21-22 (1) The JFC is to conclude an agreement containing the following matters with a designated financial institution, regarding duties to facilitate business adaptation promotion, and undertake the duties in accordance with the agreement:

- (i) matters concerning the standards for conditions for loans concerning the designated financial institution's duties to promote business adaptation (limited to those to be undertaken with loans from the JFC);
 - (ii) a requirement is for the designated financial institution to prepare a report on its financial situation and on the state of implementing its duties to promote business adaptation, and to submit it to the JFC; and
 - (iii) in addition to what is provided for in the preceding two items, the details and methods for the designated financial institution's duties to promote business adaptation and the JFC's duties to facilitate business adaptation promotion, and other matters specified by order of the competent ministry.
- (2) If the JFC intends to conclude an agreement as referred to in the preceding paragraph, it must obtain the authorization of the competent minister. This also applies if the JFC intends to make changes to the agreement.

(Bookkeeping)

Article 21-23 A designated financial institution must keep books regarding duties to promote business adaptation, record the matters specified by order of the competent ministry, and preserve them, pursuant to the provisions of order of the competent ministry.

(Supervision Orders)

Article 21-24 The competent minister may issue an order necessary for supervision regarding duties to promote business adaptation to a designated financial institution if the minister finds it necessary to do so for the enforcement of this Act.

(Suspension or Discontinuation of Duties)

- Article 21-25 (1) If a designated financial institution intends to suspend or discontinue all or part of its duties to promote business adaptation, it must notify the competent minister to that effect in advance, pursuant to the provisions of order of the competent ministry.
- (2) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.
 - (3) If a designated financial institution has discontinued all of the duties to

promote business adaptation, the designation of that designated financial institution ceases to be effective.

(Rescission of Designations)

- Article 21-26 (1) If a designated financial institution has come to fall under any of the items (excluding item (ii)) of Article 21-19, paragraph (4), the competent minister is to rescind the designation of that institution.
- (2) If a designated financial institution falls under any of the following items, the competent minister may rescind the designation of that institution:
- (i) if the designated financial institution is found to be incapable of undertaking duties to promote business adaptation properly and reliably;
 - (ii) if there has been a wrongful act relating to the designation; or
 - (iii) if the designated financial institution has violated this Act or an order or disposition based on this Act.
- (3) If the competent minister has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice to that effect.

(Completion of Duties due to Rescission of Designation)

Article 21-27 If designation as a designated financial institution has ceased to be effective pursuant to the provisions of Article 21-25, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a person that was the designated financial institution or its general successor is deemed to be the designated financial institution to the extent of completing transactions based on the agreement on the designated financial institution's duties to promote business adaptation undertaken.

(Special Provisions on Taxation)

- Article 21-28 (1) Pursuant to the provisions of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957), special measures are to be taken regarding the carryover of losses relating to corporation tax, if losses arise in an approved business entity for business adaptation that undertakes business adaptation for achieving growth (limited to a business confirmed by the competent minister to conform to the standards specified by the competent minister as being implemented in response to significant changes in economic and social circumstances), in accordance with an approved business adaptation plan.
- (2) Pursuant to the provisions of the Act on Special Measures Concerning Taxation, special provisions on taxation are to apply to machinery, devices, tools, fixtures, and software an approved business entity that undertakes information technology business adaptation (limited to the business adaptation

confirmed by the competent minister to be in conformity with the standards specified by the competent minister as particularly contributing to the improvements in productivity or creation of demand) implemented in accordance with an approved business adaptation plan has acquired or manufactured for the information technology adaptation, or software used for implementing the information technology business adaptation.

Section 2 Facilitation of Corporate Restructuring

(Guidelines for Implementation of Corporate Restructuring)

- Article 22 (1) The Minister of Economy, Trade and Industry and the Minister of Finance are to establish the guidelines for the implementation of corporate restructuring (referred to below as the "implementation guidelines" in this Section) (for the Minister of Finance, limited to the matters stated in item (iii) of the following paragraph; the same applies below in this Article).
- (2) The implementation guidelines are to specify the following matters:
- (i) matters concerning the setting up of goals for improving productivity and the soundness of financial conditions through corporate restructuring;
 - (ii) matters concerning the methods for implementing corporate restructuring;
 - (iii) matters concerning roles to be fulfilled by the JFC and a designated financial institution (meaning a designated financial institution designated under Article 37, paragraph (1); the same applies in Article 35, paragraph (1)) for facilitating the procurement of funds necessary for conducting a merger, dismantling facilities held or disposing of equipment held, or installing equipment for improving productivity, etc. among measures for corporate restructuring; and
 - (iv) other important matters relating to corporate restructuring.
- (3) The Minister of Economy, Trade and Industry and the Minister of Finance are to make changes to the implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Finance intend to establish or make changes to the implementation guidelines, they are to consult with the head of the relevant administrative organ in advance.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Finance have established or made changes to the implementation guidelines, they are to publicize the guidelines without delay.

(Approval of Corporate Restructuring Plans)

- Article 23 (1) A business entity may prepare a plan for corporate restructuring that it intends to implement (including corporate restructuring that a corporation established by the business entity intends to implement; the

relevant plan is referred to below as a "corporate restructuring plan"), and submit the plan to the competent minister to receive its approval , pursuant to the provisions of order of the competent ministry.

- (2) If two or more business entities intend to coordinate in starting measures for corporate restructuring, those two or more business entities may coordinate in preparing a corporate restructuring plan to receive the approval referred to in the preceding paragraph.
- (3) A corporate restructuring plan must contain the following matters:
 - (i) the goal of corporate restructuring;
 - (ii) indicators to show the level of improvements in productivity and the soundness of financial conditions through corporate restructuring;
 - (iii) the details of corporate restructuring and its implementation period;
 - (iv) the amount of funds necessary for implementing corporate restructuring and how to procure them; and
 - (v) matters concerning labor associated with corporate restructuring.
- (4) A corporate restructuring plan may contain plans for the measures to be taken by a related business entity and a foreign affiliated corporation for corporate restructuring by the business entity.
- (5) If the competent minister has received an application for approval as stated in paragraph (1) and finds that the corporate restructuring plan conforms to all of the following items, the minister is to approve the plan:
 - (i) the relevant plan is appropriate in light of the implementation guidelines;
 - (ii) corporate restructuring under the relevant plan is expected to be implemented smoothly and reliably;
 - (iii) the improvement in productivity through corporate restructuring under the corporate restructuring plan is expected to be sustainable in light of the market structures in the relevant field of business;
 - (iv) if the business subject to the corporate restructuring plan belongs to a field which has an excessive supply structure (meaning a state in which the capacity to supply clearly and significantly exceeds demand, and it is expected that this state will continue for a lengthy period; the same applies in Article 46, item (i)), corporate restructuring under the corporate restructuring plan will contribute to the dissolution of excessive supply structure in that field;
 - (v) the corporate restructuring plan will not cause unreasonable damage to the status of employees; and
 - (vi) the corporate restructuring plan conforms to (a) and (b) below:
 - (a) fair competition between the business entity filing the application and other business entities engaging in the business that belongs to the same field as the former will be maintained, in light of domestic and international market conditions; and

- (b) there is no risk of causing unreasonable damage to the interests of general consumers and related business entities.
- (6) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the details of the corporate restructuring plan regarding that approval, pursuant to the provisions of order of the competent ministry.

(Changes to Corporate Restructuring Plans)

- Article 24 (1) If a person that has obtained approval as stated in paragraph (1) of the preceding Article (including a corporation established in accordance with the corporate restructuring plan regarding that approval; the relevant person is referred to below as an "approved business entity for corporate restructuring") intends to make changes to the corporate restructuring plan regarding that approval, the person must seek the approval of the competent minister pursuant to the provisions of order of the competent ministry.
- (2) The competent minister may rescind an approval if the minister finds that an approved business entity for corporate restructuring, or its related business entity or foreign affiliated corporation is not taking measures for corporate restructuring in accordance with the corporate restructuring plan regarding the approval (the plan after changes under the preceding paragraph if approval has been granted for those changes; referred to below as an "approved corporate restructuring plan").
- (3) If the competent minister finds that an approved corporate restructuring plan no longer conforms to any of the items of paragraph (5) of the preceding Article, the minister may direct the approved business entity for corporate restructuring to make changes to the relevant plan or rescind the approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraph (5) and paragraph (6) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

(Relations with Japan Fair Trade Commission)

- Article 25 (1) If the competent minister intends to grant approval as stated in Article 23, paragraph (1) (including the approval of changes stated in paragraph (1) of the preceding Article; the same applies in paragraph (3)) regarding a corporate restructuring plan and the measures for corporate restructuring to be implemented in accordance with the corporate restructuring plan (referred to below as "corporate restructuring-related measures" in this paragraph) fall under the cases specified by Cabinet Order as cases in which fair competition might not be ensured within the field in which the business entity filing the application engages in their own business, the

competent minister is to forward a copy of the application form regarding the approval to the Japan Fair Trade Commission and consult with the Japan Fair Trade Commission in advance. In such a case, the competent minister is to present the opinion regarding matters concerning the effect that will be exerted by the corporate restructuring-related measures on competition within the field in which the business entity filing the application engage in its own business, as well as other necessary matters, and is to indicate the situation in domestic and foreign markets within that field, the level of improvement in productivity through taking the corporate restructuring-related measures, and any other supporting grounds for that opinion.

- (2) Upon having a consultation as referred to in the preceding paragraph, the competent minister and the Japan Fair Trade Commission are to keep in close contact with each other so as to carry out necessary procedures promptly and appropriately, in consideration of the necessity of strengthening industrial competitiveness.
- (3) Regarding acts taken in accordance with a corporate restructuring plan for which a copy of the application form has been forwarded under paragraph (1) and to which the competent minister has granted approval as stated in Article 23, paragraph (1), the competent minister and the Japan Fair Trade Commission are to maintain close contact with each other so as to not hinder fair competitive relations among business entities, as well or unfairly harm the interests of general consumers and related business entities, due to fluctuations in the state of the economy after the approval.

(Special Provisions Concerning Investigation of Contributions in Kind and Acceptance of Property)

- Article 26 (1) If a business entity establishes a new stock company through the contribution or transfer of all or part of its assets in accordance with an approved corporate restructuring plan, to establish a new stock company for the purpose of the application of the provisions of Article 33, paragraph (10), item (i) of the Companies Act (Act No. 86 of 2005) regarding the incorporators of the newly established stock company, the phrase "does not exceed" in the item is replaced with "does not exceed, and in the cases prescribed in Article 26, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".
- (2) In applying the provisions of Article 47, paragraph (2) of the Commercial Registration Act (Act No. 125 of 1963) to the cases referred to in that preceding paragraph, the phrase "the following documents" in the paragraph is deemed to be replaced with "the following documents (excluding the documents stated in item (iv)) and a document certifying that the contribution or transfer of assets was in accordance with the approved corporate restructuring plan prescribed in

Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning Investigation of Contributions in Kind Relating to Issuance of Shares)

Article 27 (1) If a business entity contributes all or part of its assets to another stock company in accordance with an approved corporate restructuring plan (including cases in which share options are exercised), the provisions of Article 207, paragraph (1) through paragraph (8), and Article 284, paragraph (1) through paragraph (8) of the Companies Act do not apply to that other stock company.

(2) In applying the provisions of Article 56 and Article 57 of the Commercial Registration Act to the cases referred to in the preceding paragraph, the phrase "the following documents" in these provisions is deemed to be replaced with "the following documents (excluding the documents stated in item (iii), (a) and item (iv)) and a document certifying that the contribution of assets was in accordance with the approved plan prescribed in Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning Business Transfer to Special Controlling Companies)

Article 28 (1) In applying the provisions of Article 468, paragraph (1), Article 469, paragraph (2), item (ii) and paragraph (3), Article 784, paragraph (1), Article 785, paragraph (2), item (ii) and paragraph (3), Article 796, paragraph (1), and Article 797, paragraph (2), item (ii) and paragraph (3) of the Companies Act regarding a stock company that is a specified related business entity of an approved business entity for corporate restructuring (meaning a related business entity in which two-thirds or more of the voting rights of all shareholders are held by the approved business entity for corporate restructuring, and a stock company in cases in which all of its issued shares are held by the approved business entity for corporate restructuring, as well as another approved business entity for corporate restructuring regarding an approved corporate restructuring plan, and a stock company in which all of its issued shares are held by the other relevant approved business entity for corporate restructuring; the same applies below in this Article) and which performs any of the following acts (for acts stated in item (iv) through item (vii), limited to an act performed in cooperation with another stock company) in accordance with an approved corporate restructuring plan, the phrase "special controlling company (when nine tenths (9/10) (or, when any proportion higher than that is provided for in the articles of incorporation, the proportion) or more of the voting rights of all shareholders of a stock company are held by

another company, and by stock companies in cases in which all of its issued shares are held by the relevant other company, and other corporations prescribed by the Ministry of Justice Order as entities equivalent to the above, referring to the relevant other company; the same applies below)" in Article 468, paragraph (1) of the Act is deemed to be replaced with "specified special controlling company (when a stock company is a specified related business entity (meaning the specified related business entity prescribed in Article 28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies below in this Article) in an approved corporate restructuring plan as prescribed in Article 24, paragraph (2) of the Act, a specified special controlling company means an approved business entity for corporate restructuring prescribed in Article 24, paragraph (1) of the Act regarding the specified related business entity, another specified related business entity of the approved business entity for corporate restructuring, another approved business entity for corporate restructuring regarding the approved corporate restructuring plan, or a specified related business entity of the relevant other approved business entity for corporate restructuring; the same applies below)"; and the phrase "special controlling company" in Article 469, paragraph (2), item (ii) and paragraph (3), Article 784, paragraph (1), Article 785, paragraph (2), item (ii) and paragraph (3), Article 796, paragraph (1), and Article 797, paragraph (2), item (ii) and paragraph (3) of the Companies Act is deemed replaced with the term "specified special controlling company":

- (i) transfer of business;
 - (ii) transfer of shares or equity in a subsidiary (meaning the subsidiary prescribed in Article 2, item (iii) of the Companies Act);
 - (iii) acquiring of all of the business;
 - (iv) absorption-type merger;
 - (v) absorption-type company split;
 - (vi) succession to all or part of the rights and obligations held by the other company concerning its business through an absorption-type company split;
 - (vii) share exchange; or
 - (viii) acquisition of all issued shares of the other stock company through a share exchange.
- (2) If a specified related business entity of an approved business entity for corporate restructuring that is a stock company performs any of the following acts in accordance with an approved corporate restructuring plan, the provisions of Article 804, paragraph (1) of the Companies Act do not apply to the specified related business entity:
- (i) consolidation-type merger (limited to a consolidation-type merger when a consolidation-type merger is executed with the approved business

- implementing corporate restructuring, other specified related business of the approved business implementing corporate restructuring, another approved business implementing corporate restructuring regarding the approved corporate restructuring plan, or a specified related business of that other approved business implementing corporate restructuring, and the company established through the consolidation-type merger is a stock company); or
- (ii) incorporation-type company split (excluding cases in which the company established through an incorporation-type company split is a membership company, and the cases prescribed in Article 805 of the Companies Act).
- (3) In applying the provisions of Article 806, paragraph (3) and Article 808, paragraph (3) of the Companies Act to the cases referred to in the preceding paragraph, the phrase "the day of resolution at the shareholders meeting set forth in Article 804, paragraph (1)" in Article 806, paragraph (3) of the Act is deemed to be replaced with "the day of the resolution at the shareholders meeting stated in Article 804, paragraph (1) (in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)"; and the phrase "and in the cases prescribed in Article 805, the day of the preparation of the incorporation-type company split plan" in Article 808, paragraph (3) of the Act is deemed to be replaced with "in the cases prescribed in Article 805, the day of the preparation of the incorporation-type company split plan, and in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, the day of the conclusion of the consolidation-type merger agreement or the day of the preparation of the incorporation-type company split plan)".
- (4) In applying the provisions of Article 80, Article 81, Article 85, Article 86, and Article 89 of the Commercial Registration Act to the cases stated in paragraph (1) and paragraph (2), the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be the phrases stated in the right-hand column of the table.

Article 80	the following documents	the following documents, a document evidencing that the approval stated in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval of changes stated in Article 24, paragraph (1) of the same Act; hereinafter simply referred to as the "approval") has been obtained, and a document evidencing that the absorption-type merger was in accordance with the approved plan
Article 81	the following documents	the following document, a document evidencing that the approval has been obtained, and a document evidencing that the consolidation-type merger was in accordance with the approved plan
Article 81, item (vi)	of the Companies Act	of the Companies Act (in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that it falls under those cases, and a document or the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained)
Article 85	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the absorption-type company split was in accordance with the approved plan or that the succession through the absorption-type company split to all or part of the rights and obligations that another company had in its business was in accordance with the approved plan
Article 86	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the incorporation-type company split was in accordance with the approved plan
Article 86, item (vi)	the relevant case	the relevant case

	the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained	the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained; and in the cases prescribed in Article 28, paragraph (2) of the Act on Strengthening Industrial Competitiveness, a document evidencing that it falls under those cases, and a document or the minutes of board of directors evidencing that the consent of the majority of the directors has been obtained
Article 89	the following documents	the following documents, a document evidencing that the approval has been obtained, and a document evidencing that the share exchange was in accordance with the approved plan or that the acquisition of all issued shares of another stock company through the share exchange was in accordance with the approved plan

- (5) If an approved business entity for corporate restructuring demands that all shareholders of its specified related business entity that is a stock company sell back all of the shares of the specified related business entity that they hold, in accordance with an approved corporate restructuring plan, (excluding cases in which a specified related business entity and an approved corporate business entity are implementing corporate restructuring (including cases where pursuant to the provisions of this paragraph a claim will not be made to a stock company, in which the approved corporate restructuring business entity holds all of its shares, or to another approved business entity for corporate restructuring relating to the approved corporate restructuring plan, or a stock company where issued shares of the other relevant approved business entity for corporate restructuring are held, and the relevant approved business entity for corporate restructuring has decided not to make a demand under this paragraph of any of the above points, pursuant to the provisions of the proviso to Article 179, paragraph (1) of the Companies Act as applied by replacing terms pursuant to the provisions of this paragraph)), and applying the provisions of Article 151, paragraph (2); Article 154, paragraph (3); Article 179; Article 179-2, paragraph (1), item (i), item (iv), (a), item (v), and paragraph (2); Article 179-3, paragraph (1), paragraph (2), and paragraph (4); Article 179-4, items of paragraph (1), and paragraph (3), and paragraph (4); Article 179-5, paragraph (1), item (i); Article 179-6, paragraph (1), paragraph (3), and paragraph (7); Article 179-7; Article 179-8, paragraph (2), and paragraph (3); Article 179-9; Article 179-10, paragraph (1); Article 219,

paragraph (2), item (ii), and paragraph (4); Article 272, paragraph (4); Article 293, paragraph (2), item (i), and paragraph (4); Article 846-3; and Article 870, paragraph (2), item (v) of the Companies Act, the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be replaced with the phrases stated in the right-hand column of the table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

Article 151, paragraph (2)	a special controlling shareholder (meaning a special cControlling shareholder as prescribed in Article 179, paragraph (1); the same applies in Article 154, paragraph (3))	a specified special controlling shareholder (meaning an approved business implementing corporate restructuring prescribed in Article 28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) regarding the relevant specified affiliated business entity (meaning the specified affiliated business entity prescribed in Article 28, paragraph (1) of the Act; the same applies below in this Article) if a stock company is a specified affiliated business entity in an approved plan prescribed in Article 24, paragraph (2) of the Act; the same applies below)
Article 154, paragraph (3)	the special controlling shareholders	the specified special controlling shareholders

Article 179, paragraph (1)	Special Controlling Shareholders of a Stock Company (in cases where a person in cases where not less than nine-tenths (9/10) of the votes of all shareholders of the Stock Company (in cases where a higher proportion is provided for in the articles of incorporation of such Stock Company, such proportion) are held by such person other than such Stock Company and in cases where a corporation prescribed by Order of Ministry of Justice as a Stock Company all of the Issued Shares of which are held by such person or one equivalent thereto (hereinafter referred to as "Wholly Owned Subsidiary Corporation of the Special Controlling Shareholder" in this Article and paragraph (1) of the following Article), meaning such person; the same applies hereinafter)	Specified special controlling shareholders of a stock company
	special controlling shareholder[s]	specified special controlling shareholder[s]

	a Wwholly Oowned Ssubsidiary Ccorporation of the Sspecial Ccontrolling Sshareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder (meaning a stock company all of whose issued shares are held by the specified special controlling shareholder, another approved business implementing corporate restructuring pertaining to the approved corporate restructuring plan, or a stock company all of whose issued shares are held by the relevant other approved business implementing corporate restructuring; hereinafter the same applies in this Article and paragraph (1) of the following Article)
Article 179, paragraph (2)	special controlling shareholders	specified special controlling shareholders
	such special controlling shareholders	those specified special controlling shareholders
	a wholly Oowned subsidiary corporation of the special controlling shareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder
Article 179, paragraph (3)	special controlling shareholder	specified special controlling shareholder
Article 179-2, paragraph (1), item (i) and item (iv), (a)	a wholly wned subsidiary corporation of the special controlling shareholder	a wholly owned subsidiary corporation of the specified special controlling shareholder

Article 179-2, paragraph (1), item (v) and paragraph (2); Article 179-3, paragraph (1), paragraph (2) and paragraph (4); items of Article 179-4, paragraph (1), and paragraph (3) and paragraph (4) of the same Article; Article 179-5, paragraph (1), item (i); Article 179-6, paragraph (1), paragraph (3), and paragraph (7); Article 179-7; Article 179-8, paragraph (2) and paragraph (3); Article 179-9; Article 179-10, paragraph (1); Article 219, paragraph (2), item (ii) and paragraph (4); Article 272, paragraph (4); Article 293, paragraph (2), item (i) and paragraph (4); Article 846-3; and Article 870, paragraph (2), item (v)	special controlling shareholder	specified special controlling shareholder
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(Special Provisions Concerning Share Consolidation)

Article 29 (1) In applying the provisions of Article 180, paragraph (2) of the Companies Act regarding share consolidation to cases in which an approved business entity for corporate restructuring or a stock company that is its related business entity has undertaken, at the same time as a reduction in the amount of stated capital, capital reserves or retained earnings reserves, in accordance with the approved corporate restructuring plan, and which falls under both of the following items, the phrase "a shareholders meeting" in the paragraph is deemed to be replaced with "a shareholders meeting (in the case of a company with a board of directors, a board of directors meeting applies)":

- (i) there is a reduction in the number of share units, or a discontinuation of that number, at the same time as share consolidation; and
- (ii) there is no fall in the number of share units owned by each shareholder after share consolidation (when a number of share units is discontinued at the time of share consolidation, the number of shares owned by each

individual shareholder), is not to be below the number of share units held by each shareholder before that share consolidation.

- (2) In applying the provisions of Article 61 of the Commercial Registration Act to the cases referred to in the preceding paragraph, the phrase "documents listed in Article 59, paragraph (1), item (ii)" in the Article is deemed to be replaced with "documents stated in Article 59, paragraph (1), item (ii), and a document certifying that share consolidation was in accordance with the approved corporate restructuring plan prescribed in Article 24, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Special Provisions Concerning Issuance of Shares or Disposal of Treasury Shares upon Acquisition of Shares of Another Stock Company in Exchange for Shares)

Article 30 (1) If a stock company that is an approved business entity for corporate restructuring acquires shares of another stock company (including shares, equity, or the equivalent in a foreign corporation; the same applies below in this paragraph) through transfer in accordance with an approved corporate restructuring plan (limited to cases in which the stock company intends to make that other stock company fall under the category of its own related business through the acquisition, if that other stock company's business does not fall under the category of its own related business, or if it intends to make the other stock company or foreign business entity an affiliated business entity of the other stock company; the same applies below in this paragraph), and it issues shares or disposes of treasury shares in exchange for the acquisition; or a stock company that is an approved business entity for corporate restructuring, issues shares or disposes of treasury shares to its subsidiary (meaning the subsidiary prescribed in Article 2, item (iii) of the Companies Act and limited to stock companies all of whose issued shares are held by the company and other corporations specified by order of the competent ministry as those equivalent to them; the same applies below in this paragraph) in accordance with an approved corporate restructuring plan, and the subsidiary acquires shares of another stock company by transfer in accordance with the approved corporate restructuring plan and issues shares (including securities stated in Article 2, paragraph (1), item (xx) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) that indicate the rights regarding those shares and the rights to be indicated on the securities) of the stock company that is the approved business entity for corporate restructuring in exchange for the acquisition; in applying the provisions of Article 199, Article 201 (excluding paragraph (1) and paragraph (2)), Article 208, and Article 445 of the Companies Act regarding the relevant approved business entity for corporate restructuring, the phrases stated in the middle

column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be replaced with the phrases stated in the right-hand column of the table, and any other necessary technical replacement of the phrases is specified by Cabinet Order.

The portion other than those stated in the items of Article 199, paragraph (1)	a stock company intends to solicit persons to subscribe for shares it issues or for treasury shares it disposes of	a stock company that is an approved business implementing corporate restructuring as prescribed in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) intends to solicit persons to subscribe for shares it issues or for treasury shares it disposes of in exchange for the acquisition of shares of another stock company (including shares, equity, or the equivalent in a foreign corporation; hereinafter the same applies in this paragraph) through transfer in accordance with an approved corporate restructuring plan as prescribed in paragraph (2) of the same Article
	the following matters	the following matters (excluding the matters stated in item (iii))
Article 199, paragraph (1), item (i)	the number of Sshares for Ssubscription (or, for a Ccompany with Cclass Sshares, the classes and the number of the shares for subscription; hereinafter the same applies in this Section);	the number of shares for subscription (or, for a company with class shares, the classes and the number of the shares for subscription; hereinafter the same applies in this Section) or the method for calculating that number;

Article 199, paragraph (1), item (ii)	the Amount to Be Paid in (meaning the amount of the monies to be paid in in exchange for one of the Shares for Subscription, or the amount of any property other than monies to be contributed; hereinafter the same applies in this Section) for the Shares for Subscription	the number of shares of the relevant other stock company to be contributed in exchange for a single share for subscription (if the relevant company acquires share options or bonds with share options of the relevant other stock company (including the equivalent to share options or bonds with share options of a foreign corporation; the same applies in this item) along with shares of the relevant other stock company, including those share options or bonds with share options; referred to below as "specified shares, etc.")
Article 199, paragraph (1), item (iv)	the payment of the monies in exchange for the shares for subscription, or the contribution of the property under the preceding item	the contribution of the specified shares, etc. in exchange for the shares for subscription
Article 201, paragraph (3)	a public company	a stock company that is the approved business entity for corporate restructuring
	by a resolution of the board of directors meeting provided for in Article 199, paragraph (2) applied following the deemed replacement of terms pursuant to the provisions of the preceding paragraph (1)	not by a resolution at the board of directors meeting, under Article 796, paragraph (2) as applied mutatis mutandis pursuant to the provisions of Article 30, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of phrases
Article 201, paragraph (5)	Ministry of Justice Order	the orders of the competent ministries prescribed in Article 147, paragraph (2) of the Act on Strengthening Industrial Competitiveness (simply referred to below as "order of the competent ministries")

Article 208, paragraph (2)	the properties contributed in kind equivalent in value to the entire amount to be paid in of the shares for subscription for which the subscribers respectively subscribed	all of the specified shares, etc. to be contributed in exchange for the shares for subscription
Article 445, paragraph (1)	the amount of properties	the amount specified by order of the competent ministry as the amount of properties
Article 445, paragraph (2)	the amount of contribution	the amount specified by order of the competent ministry as the amount of the contribution

- (2) Pursuant to the provisions of the preceding paragraph, the provisions of Article 135, paragraph (1), Article 200, Article 201, paragraph (1) and paragraph (2), Article 206-2, and Article 212 of the Companies Act do not apply concerning the issuance of shares or disposal of treasury shares undertaken by a stock company that is an approved business entity for corporate restructuring
- (3) The provisions of Article 234, Article 309, paragraph (2), Article 796, paragraph (2) and paragraph (3), Article 797, Article 798, Article 868 through Article 876, and Article 940 of the Companies Act apply mutatis mutandis to the cases stated in paragraph (1). In this case, the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be replaced with the phrases stated in the right-hand column of the table, and Cabinet Order prescribes any other necessary technical replacement of these phrases.

Article 234, paragraph (1)	In cases where a stock company delivers shares in the stock company to the persons set forth in the following items when any act listed in such items is carried out	In cases in which a stock company that is the approved business entity delivers those shares to persons that have submitted applications for subscription for its shares at the time of the issuance of shares or disposal of treasury shares under Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness (referred to as below the "issuance of specified shares, etc.")
	the number of the shares of relevant stock company	the number of the shares of the stock company that is the approved business entity for corporate restructuring
the part other than the items below of Article 796, paragraph (2)	paragraphs (1) through (3) of the preceding Article	Article 199, paragraph (2)
	one-fifth (or, in cases where a lesser proportion is prescribed in the articles of incorporation of the surviving stock company, etc., the proportion)	one-fifth
	the cases set forth in the items of paragraph (2) of the preceding Article or the proviso to the preceding paragraph	cases in which all or part of the shares to be delivered to persons that have submitted applications for subscription for those shares at the time of the issuance, etc. of specified shares are shares with restrictions on the transfer of the stock company that is the approved business entity for corporate restructuring, and the stock company that is the approved business entity for corporate restructuring is not a public company

Article 796, paragraph (2), item (i)	the total amount of the amounts set forth below:	the amount arrived at if the number of shares of the stock company that is the approved business entity for corporate restructuring to be delivered to persons that have submitted applications for subscription for those shares at the time of the issuance, etc. of specified shares is multiplied by the amount of net assets per share;
	(a) the amount obtained by multiplying the number of shares of the surviving stock company, etc. to be delivered to shareholders of the stock company disappearing in an absorption-type merger or the wholly owned subsidiary company in resulting from a share exchange, to members of the membership company disappearing in the absorption-type merger or to the company splitting in the absorption-type split (hereinafter referred to as "Shareholders, etc. of the disappearing company, etc." in this item) by the amount of net assets per share;	
	(b) the total amount of the book value of bonds, share options or bonds with share options of the surviving stock company, etc. to be delivered to shareholders, etc. of the disappearing company, etc.; and	
	(c) the total amount of the book value of property other than shares, etc. of the surviving stock company, etc. to be delivered to shareholders, etc. of the disappearing company, etc.	

Article 796, paragraph (2), item (ii)	the surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
	Ministry of Justice Order	the order of the competent ministry prescribed in Article 147, paragraph (2) of the Act on Strengthening Industrial Competitiveness (simply referred to as the "order of the competent ministry")
Article 796, paragraph (3)	Ministry of Justice Order	order of the competent ministry
	paragraph (1) of the preceding Article	Article 199, paragraph (2)
	the absorption-type merger, etc.	the issuance, etc. of specified shares
	the surviving stock company, etc.	the stock company that is the approved business implementing corporate restructuring
	such surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
	the effective day	the date stated in Article 199, paragraph (1), item (iv) as applied pursuant to the provisions of Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms or the first day of the period stated in the item (referred to as the "specified date, etc.")
	obtain the approval of the absorption-type merger agreement, etc.	determine the subscription requirements
Article 797, paragraph (1)	an absorption-type merger, etc.	the issuance, etc. of specified shares
	the surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring

	excluding ...)	excluding ...) or the case where the approved business entity for corporate restructuring is a stock company that issues shares listed on a financial instruments exchange (meaning the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act, including an equivalent to that established under laws and regulations of a foreign country; the same applies in paragraph (3))
Article 797, paragraph (2), item (i) (limited to the part other than (a) and (b))	the absorption-type merger, etc.	the issuance of specified shares, etc.
Article 797, paragraph (2), item (i), (a)	such absorption-type merger, etc.	the issuance specified shares, etc.
	such surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
Article 797, paragraph (3)	A surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
	the effective day	the specified date, etc.
	that it will effect an absorption-type merger, etc. and the trade name and address of the disappearing company, etc. (or, in the cases prescribed in Article 795, paragraph (3), the fact that it will effect an absorption-type merger, etc., the trade name and address of the disappearing company, etc. and the matters concerning shares set forth in that paragraph)	that it will carry out the issuance, etc. of specified shares, and the trade name and address of the relevant other stock company or foreign corporation

	must ... prior to the effective day.	must ... prior to the effective day; provided, however, that this does not apply in the case where the approved business entity for corporate restructuring is a stock company that issues shares listed on a financial instruments exchange
Article 797, paragraph (4), item (i)	the surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
Article 797, paragraph (4), item (ii)	the surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
	obtains the approval of the absorption-type merger agreement, etc. by the resolution of a shareholders meeting set forth in Article 795, paragraph (1)	determines subscription requirements by a resolution at the board of directors meeting as set forth in Article 199, paragraph (2)
Article 797, paragraph (5)	the effective day	the specified date, etc.
Article 797, paragraph (6) and paragraph (7)	the surviving stock company, etc.	the stock company that is the approved business entity
Article 797, paragraph (8)	the absorption-type merger, etc. is cancelled	the issuance of specified shares, etc. is cancelled in its entirety
Article 798, paragraph (1) and paragraph (2)	the surviving stock company, etc.	the stock company that is the approved business entity for corporate restructuring
	the effective day	the specified date, etc.
Article 798, paragraph (3)	the effective day	the specified date, etc.
Article 798, paragraph (4)	surviving stock company, etc.	stock company that is the approved business entity for corporate restructuring
Article 798, paragraph (5)	The surviving stock company, etc.	The stock company that is the approved business entity for corporate restructuring
	the surviving company, etc.	the stock company that is the approved business entity for corporate restructuring

Article 798, paragraph (6)	the effective day	the specified date, etc.
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- (4) In applying the provisions of Article 56 of the Commercial Registration Act to the cases stated in paragraph (1), the phrase "the following documents" in the Article is deemed to be replaced with "the following documents (excluding the documents stated in item (iii), (a) and item (iv)), and a document certifying that the issuance of shares was in accordance with the plan for which the approval stated in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (including the approval of changes stated in Article 24, paragraph (1) of the Act) was obtained".
- (5) The provisions of Article 155 (excluding paragraph (8)) of the Act on Book-Entry Transfer of Company Bonds and Shares apply mutatis mutandis to the cases stated in paragraph (1). In this case, the phrase "intends to perform any of the acts stated in the items of Article 116, paragraph (1) of the Companies Act, the share consolidation prescribed in Article 182-2, paragraph (1) of the Act, business transfer, etc. (meaning the business transfer, etc. prescribed in Article 468, paragraph (1) of the Act; the same applies in paragraph (4)), merger, conclusion of an absorption-type company split agreement, incorporation-type company split, conclusion of a share exchange agreement, share transfer, or share delivery" in paragraph (1) of the Article is deemed to be replaced with "intends to undertake the issuance of shares or disposal of treasury shares under Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "the day when any of the acts set forth in the items of Article 116, paragraph (1) of the Companies Act, consolidation of shares prescribed in Article 182-2, paragraph (1) of the Act, business transfer, etc., absorption-type merger, absorption-type company split, or a share exchange becomes effective or the day of the establishment of a company through a consolidation-type merger, incorporation-type company split, share transfer, or share delivery" in paragraph (4) of the Article is deemed to be replaced with "the date stated in Article 199, paragraph (1), item (iv) of the Companies Act as applied by replacing terms pursuant to the provisions of Article 30, paragraph (1) of the Act on Strengthening Industrial Competitiveness, following the deemed replacement of the terms or the first day of the period stated in the item"; and Cabinet Order prescribes any other necessary technical replacement of the phrases.

(Special Provisions Concerning Dividends of Surplus)

Article 31 (1) In applying the provisions of Article 309, paragraph (2), Article 459, paragraph (1), Article 460, paragraph (1), and Article 465, paragraph (1)

of the Companies Act in cases in which a stock company that is an approved business entity for corporate restructuring distributes specified dividends of surplus (meaning dividends of surplus using, as dividend property, shares of a related business entity of the approved business entity for corporate restructuring or shares, equity, or the equivalent in a foreign affiliated corporation; the same applies in the following paragraph) in accordance with an approved corporate restructuring plan, the phrases stated in the middle column of the following table that are used in the provisions of the Act set forth in the left-hand column of the table are deemed to be replaced with the phrases set forth in the right-hand column of the table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

Article 309, paragraph (2), item (x)	limited to the cases where it is to be arranged that the dividend property consists of any property other than cash, and that no right to demand distribution of monies provided for in item (i) of that paragraph is to be granted to the shareholders	excluding cases in which specified dividends of surplus (meaning the specified dividends of surplus prescribed in Article 31, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies in Article 459, paragraph (1), item (iv)) are to be distributed
The portion other than those set forth in the items of Article 459, paragraph (1)	A company with financial Auditor	A company with financial auditor that is an approved business entity for corporate restructuring prescribed in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness

Article 459, paragraph (1), item (iv)	the matters listed in each item of Article 454, paragraph (1) and each item of paragraph (4) of that Article; provided, however, that the cases where the dividend property consists of property other than monies and no right to demand distribution of monies are granted to shareholders are excluded	the matters set forth in the items of Article 454, paragraph (1) and the items of paragraph (4) of the same Article regarding specified dividends of surplus
Article 460, paragraph (1)	the matters listed in each item of that paragraph	the matters set forth in the items of the same paragraph (excluding the matters set forth in paragraph (1), item (iv) of the preceding Article as applied pursuant to the provisions of Article 31, paragraph (1) of the Act on Strengthening Industrial Competitiveness following the deemed replacement fo terms)
The proviso to Article 465, paragraph (1)	this does not apply if relevant executives prove that they did not fail to exercise due care with respect to the performance of their duties:	this does not apply if relevant executives have acted in bad faith or with gross negligence in discharging their duties:

(2) In the cases referred to in the preceding paragraph, the articles of incorporation of a stock company that is an approved business entity for corporate restructuring (limited to a stock company that has provisions concerning the articles of incorporation under Article 459, paragraph (1) of the Companies Act) are to be deemed to have provisions indicating that the board of directors may decide the matters stated in the items of Article 454, paragraph (1) of the Act and the items of paragraph (4) of the Article regarding specified surplus dividends.

(Notification of Objections by Creditors in Cases of Transfer of Business)

Article 32 (1) If a resolution at the shareholders meeting or the board of directors or a decision by executive officers has been made regarding the transfer of all or part of business to be undertaken in accordance with an

approved corporate restructuring plan, a business entity which is a stock company (simply referred to below as a "company" in this paragraph and paragraph (4)) may notify each of its specified creditors within two weeks from the date of the resolution or decision (meaning, from among persons holding claims against the company, those that will hold claims against persons taking over all or part of the business and will not hold the claims against the company as a result of the transfer of all or part of the business; the same applies below in this Article), explaining the outline of the transfer of all or part of the business, and may require them to state within a fixed period of time if they have any objections to all or part of the business .

- (2) The period referred to in the preceding paragraph must not be less than one month.
- (3) If a specified creditor that has received the notice prescribed in paragraph (1) has not raised an objection within the period stated in the paragraph, the specified creditor is deemed to have approved the transfer of all or part of the business.
- (4) If a specified creditor has raised an objection within the period stated in paragraph (1), the company must make a payment, or provide reasonable security or entrust appropriate assets to a trust company or financial institution engaged in a trust business with the aim of having the specified creditor receive repayment; provided, however, that this does not apply to cases in which there is no risk of damage to the specified creditor even if the transfer of all or part of the business takes place.

(Special Provisions for Limited Partnership Act for Investment)

Article 33 (1) A partner of a limited investment partnership may pledge under the terms of a partnership agreement to operate a coordinated business to acquire and hold shares, share options or designated securities issued by, or equity in, a foreign corporation, or their equivalent in a foreign corporation, which are related to a foreign affiliated corporation (limited to a foreign affiliated corporation, in cases in which a plan concerning measures to be taken by the foreign affiliated corporation is included in the approved corporate restructuring plan), for facilitating corporate restructuring, in addition to the business activities stated in the items of Article 3, paragraph (1) of the Act.

- (2) In applying the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment regarding partners of a limited investment partnership who have pledged to operate the business prescribed in the preceding paragraph, the phrase "acts other than the business activities listed in Article 3, paragraph (1)" in Article 7, paragraph (4) of the Act is deemed to be replaced with "acts other than the business activities stated in Article 3,

paragraph (1) or the business activities prescribed in Article 33, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and the phrase "a business other than those stated in the paragraph" in Article 7, paragraph (4) of the Limited Partnership Act for Investment is deemed to be replaced with "acts other than the business activities stated in Article 3, paragraph (1) or the business activities prescribed in Article 33, paragraph (1) of the Act".

(Duties to Facilitate Corporate Restructuring Undertaken by Organization for Small & Medium Enterprises and Regional Innovation)

Article 34 In order to facilitate corporate restructuring, the Organization for Small & Medium Enterprises and Regional Innovation is to undertake duties to guarantee bonds (excluding the short term bonds prescribed in Article 66, item (i) of the Act on Book-Entry Transfer of Corporate Bonds and Shares; the same applies in Article 101, paragraph (1), item (vi)) issued by an approved business entity for corporate restructuring or its related business entity (referred to below as an "approved business entity for corporate restructuring, etc.") to procure funds necessary for taking measures for corporate restructuring in accordance with an approved corporate restructuring plan, and to guarantee debt obligations regarding the borrowing of the funds.

(The JFC's Duties to Facilitate Corporate Restructuring Promotion)

Article 35 (1) Notwithstanding the provisions of Article 1 and Article 11 of the Japan Finance Corporation Act, the JFC may provide duties to a designated financial institution with the funds necessary to offer loans for funds that an approved business entity for corporate restructuring, etc. needs for conducting a merger, dismantling facilities held or disposing of equipment held, or installing equipment for improving productivity, etc. or taking other measures as specified by Cabinet Order, out of measures for corporate restructuring taken in accordance with an approved corporate restructuring plan (those measures are referred to as "approved corporate restructuring-related measures" in Article 37, paragraph (1)), and duties incidental to them (referred to below as "duties to facilitate corporate restructuring promotion").

(2) If duties to facilitate corporate restructuring promotion are undertaken, those operations are deemed to be duties to facilitate specified business promotion as prescribed in Article 6 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products; and the phrases stated in the middle column of the table of Article 17 of the Act that are used in the provisions of the Japan Finance Corporation Act stated in the left-hand column of the table (excluding the phrases stated in the middle column of the following table that are used in the provisions of the Japan Finance Corporation Act,

stated in the left-hand column of the table) are deemed to be replaced with the phrases stated in the right-hand column of the table of the Article, and the phrases stated in the middle column of the following table that are used in the provisions of the Japan Finance Corporation Act stated in the left-hand column of the table are deemed to be replaced with the phrases stated in the right-hand column of the table. In this case, Cabinet Order prescribes any necessary technical replacement of the phrases.

Article 58, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 58, paragraph (2) and Article 59, paragraph (1)	this Act	this Act, the Act on Strengthening Industrial Competitiveness
Article 71	Article 59, paragraph (1)	Article 59, paragraph (1) as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 73, item (i)	this Act	this Act (including as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 73, item (iii)	Article 11	Article 11 of this Act and Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness
Article 73, item (vii)	Article 58, paragraph (2)	Article 58, paragraph (2) (including as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms)
Article 47, paragraph (1) of the Supplementary Provisions	business operations of the JFC	duties of the JFC (excluding the duties to facilitate corporate restructuring prescribed in Article 35, paragraph (1) of the Act on Strengthening Industrial Competitiveness)

(Policies for Implementing Duties to Facilitate Corporate Restructuring Promotion)

Article 36 (1) Pursuant to the provisions of order of the competent ministry, in

line with the implementation guidelines (limited to the matters stated in Article 22, paragraph (2), item (iii); the applies in paragraph (1), item (ii) and paragraph (2) of the following Article), the JFC must specify the methods and conditions for duties to facilitate corporate restructuring promotion, and other policies for implementing those operations (referred to below as "policies for implementing duties to facilitate corporate restructuring promotion"), as prescribed by order of the competent ministry.

- (2) If the JFC intends to specify policies for implementing duties to facilitate corporate restructuring promotion, it must obtain the authorization of the competent minister. This also applies if the JFC intends to make changes to those policies.
- (3) When the JFC has obtained the authorization of the competent minister referred to in the preceding paragraph, it must publicize its policies for implementing duties to facilitate corporate restructuring promotion without delay.
- (4) The JFC must undertake duties to facilitate corporate restructuring promotion in accordance with its policies for undertaking duties to facilitate corporate restructuring promotion.

(Designation as Designated Financial Institutions)

Article 37 (1) Pursuant to the provisions of Order of the competent ministry, the competent minister may designate those that are found to conform to all of the following items as designated financial institutions, upon application, regarding duties to offer loans for funds necessary for approved corporate restructuring-related measures taken by an approved business implementing corporate restructuring, etc. in accordance with an approved corporate restructuring plan, which are to be undertaken by borrowing funds necessary for offering those loans from the JFC (referred to below as "duties to promote corporate restructuring"):order of the competent ministry

- (i) banks or other financial institutions that fall into the category specified by Cabinet Order;
 - (ii) the operational rules prescribed in the following paragraph conform to laws and regulations, the implementation guidelines, and the policies for implementing duties to facilitate corporate restructuring promotion, and are sufficient for implementing duties that promote corporate restructuring properly and reliably; and
 - (iii) the person applying for the designation has the knowledge and experience for implementing duties to promote corporate restructuring properly and reliably, in light of the personnel structure,
- (2) A person intending to receive designation under the preceding paragraph (simply referred to below as "designation" in this Section) must specify the

rules concerning duties to promote corporate restructuring promotion (referred to as the "operational rules" in the following paragraph and Article 39), in line with the implementation guidelines, and the policies for implementing duties to facilitate corporate restructuring promotion in accordance with the procedures specified by order of the competent ministry, and submit them together with a written application to the competent minister.

- (3) The operational rules must specify matters concerning the implementation framework and methods for implementing duties to promote corporate restructuring and other matters specified by order of the competent ministry.
- (4) Any person falling under any of the following items may not receive designation:
 - (i) a person that has violated this Act, the Banking Act, or any other Acts specified by Cabinet Order, an order based on these Acts, or a disposition based on these Acts, and has been sentenced to a fine or a heavier punishment, and five years have not yet elapsed since the day when execution of the sentence was completed, or the day when the person ceased to be subject to the sentence;
 - (ii) a person whose designation has been rescinded pursuant to the provisions of Article 44, paragraph (1) or paragraph (2), and five years have not yet elapsed since the day of the rescission; or
 - (iii) a corporation, any of whose officers in charge of its business operations fall under any of the following:
 - (a) a person specified by Order of the Ministry of Economy, Trade and Industry as being unable to properly perform their duties due to a mental or physical disorder, or a person who has become subject to an order for bankruptcy proceedings and who has not had their rights restored; or
 - (b) when a designated financial institution has had its designation rescinded pursuant to the provisions of Article 46, paragraph (1) or paragraph (2), a person who had been an officer of the designated financial institution within at least 60 days before the day on which a public notice was issued concerning the date and place of hearing regarding the rescission of the designation, and five years have not yet elapsed since the day of the rescission.

(Public Notice of Designations)

- Article 38 (1) If the competent minister has made a designation, the minister is to issue a public notice concerning the trade name or name, the address of the designated financial institution, as well as its business office or office location where it undertakes duties to promote corporate restructuring.
- (2) If a designated financial institution intends to change its trade name or name, its address, or its business office or office location where it undertakes duties

to promote corporate restructuring, it must notify the competent minister to that effect in advance.

- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.

(Authorization for Changes to Operational Rules)

Article 39 (1) If a designated financial institution intends to change its operational rules, it must obtain the authorization of the competent minister.

- (2) If the competent minister finds that the operational rules of a designated financial institution are no longer appropriate for the proper and reliable implementation of duties to promote corporate restructuring, the minister may order the institution to change its operational rules.

(Agreement)

Article 40 (1) The JFC is to conclude an agreement containing the following matters with a designated financial institution, regarding duties to facilitate corporate restructuring promotion, and undertake its duties in accordance with the agreement:

- (i) matters concerning the standards for conditions for loans concerning the designated financial institution's duties to promote corporate restructuring;
 - (ii) a requirement for a designated financial institution to prepare and submit a report to the JFC on its financial situation and the state of implementing its duties to promote corporate restructuring; and
 - (iii) in addition to what is provided for in the preceding two items, the details and methods for the designated financial institution's duties to promote corporate restructuring and the JFC's duties to facilitate corporate restructuring promotion, and other matters specified by order of the competent ministry.
- (2) If the JFC intends to conclude an agreement under the preceding paragraph, it must obtain the authorization of the competent minister. This also applies if the JFC intends to make changes to the agreement.

(Bookkeeping)

Article 41 A designated financial institution must keep books, record the particulars specified by order of the competent ministry, and preserve them regarding duties to promote corporate restructuring, pursuant to the provisions of order of the competent ministry.

(Supervision Orders)

Article 42 The competent minister may issue to a designated financial institution an order necessary for supervision regarding its duties to promote

corporate restructuring if the competent minister finds it necessary to do so for the enforcement of this Act.

(Suspension or Discontinuation of Duties)

Article 43 (1) If a designated financial institution intends to suspend or discontinue all or part of the duties to promote corporate restructuring, it must notify the competent minister to that effect in advance, pursuant to the provisions of order of the competent ministry.

(2) If the competent minister has received a notification under the preceding paragraph, the minister is to issue a public notice to that effect.

(3) If a designated financial institution has discontinued all of its duties to promote corporate restructuring, its designation as a designated financial institution ceases to be effective.

(Rescission of Designations)

Article 44 (1) If a designated financial institution has come to fall under any of the items (excluding item (ii)) of Article 37, paragraph (4), the competent minister is to rescind its designation.

(2) If a designated financial institution falls under any of the following items, the competent minister may rescind its designation:

(i) if the designated financial institution is found to be incapable of implementing duties to promote corporate restructuring properly and reliably;

(ii) if there has been a wrongful act relating to the designation; or

(iii) if the designated financial institution has violated this Act or an order or disposition based on this Act.

(3) If the competent minister has rescinded a designation pursuant to the provisions of the preceding two paragraphs, the minister is to issue a public notice to that effect.

(Completion of Duties due to Rescission of Designation)

Article 45 If a designation as a designated financial institution has ceased to be effective pursuant to the provisions of Article 45, paragraph (3) or has been rescinded pursuant to the provisions of paragraph (1) or paragraph (2) of the preceding Article, a person that has been the designated financial institution or its general successor is deemed to be the designated financial institution within the context of its purpose of completing transactions, based on a contract for duties to promote corporate restructuring conducted by the designated financial institution.

(Investigations)

Article 46 The government is to conduct the following investigations and publicize the results if it finds it necessary to do so for facilitating corporate restructuring by a business entity:

- (i) investigations of supply and demand trends of goods or services, or on the market structure, including whether or not each business field is in a state of structural oversupply; and
- (ii) investigations of coordinated utilization of management resources in Japan and abroad (meaning the coordinated development of facilities or equipment for research& development activities, joint establishment of an information system, or combining other management resources effectively among business entities).

Section 3 Facilitation of Corporate Rehabilitation

(Approval of Certified Dispute Resolution Business Entities)

Article 47 (1) Pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry, certified dispute resolution business entities that have specified the scope of disputes stated in Article 6, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution as including disputes regarding corporate rehabilitation, may receive the approval of the Minister of Economy, Trade and Industry regarding the fact that they conform to both of the following items,:

- (i) a person that meets the requirements specified by Order of the Ministry of Economy, Trade and Industry as a person recognized to have expert knowledge and practical experience regarding corporate rehabilitation may be appointed as a dispute resolution provider (meaning the dispute resolution provider stated in Article 2, item (ii) of the Act on Promotion of Use of Alternative Dispute Resolution; the same applies in Articles 49 and 50); and
 - (ii) the methods for implementing certified dispute resolution procedures regarding disputes on corporate rehabilitation are to comply with the standards specified by Order of the Ministry of Economy, Trade and Industry.
- (2) The Minister of Economy, Trade and Industry is to grant approval as stated in the preceding paragraph if the minister finds that the certified dispute resolution business entity in relation to the application for approval referred to in the preceding paragraph conforms to both of the items of the paragraph.
- (3) The Minister of Economy, Trade and Industry may rescind an approval if the minister finds that a certified dispute resolution business entity that has obtained approval as stated in paragraph (1) no longer conforms to either of the items of the paragraph, or finds that confirmation regarding the reduction of the amount of bonds to be redeemed stated in Article 54, paragraph (1),

confirmation regarding the borrowing of the funds stated in Article 56, paragraph (1), or confirmation regarding the claims specified in Article 59, paragraph (1) is not being made properly.

(Special Provisions Concerning Conciliation Authorities)

Article 48 If a business entity has filed an application for conciliation regarding the arrangement of specified debts, etc. (meaning the arrangement of specified debts, etc. prescribed in Article 2, paragraph (2) of the Act on Special Conciliation for Expediting Arrangement of Specified Debts, etc. (Act No. 158 of 1999)) (this is limited to cases in which a request as stated in Article 3, paragraph (2) of the Act was made at the time of the application for conciliation), and specified certified dispute resolution procedures were undertaken regarding the subject incident of the application before that application, the court is to make a judgment as to whether it is appropriate for the conciliation to be undertaken only by a judge alone, considering that the specified dispute resolution procedures were undertaken pursuant to the provisions of the proviso to Article 5, paragraph (1) of the Civil Mediation Act (Act No. 222 of 1951).

(Special Provisions Concerning Supervisors in Rehabilitation Proceedings)

Article 49 If a petition to commence rehabilitation proceedings has been filed, and specified certified dispute resolution procedures have been implemented regarding the subject dispute of the petition before that petition, the court (meaning a judge or panel of judges in charge of the rehabilitation case; the same applies in Article 57, Articles 60 through 62, and Article 65-4), in the case of making the disposition referred to in Article 54, paragraph (1) of the Civil Rehabilitation Act (Act No. 225 of 1999) is to appoint a supervisor under paragraph (2) of the Article, after considering that a dispute resolution provider was implementing a settlement through the specified certified dispute resolution procedures.

(Special Provisions Concerning Supervisors in Reorganization Proceedings)

Article 50 If a petition to commence reorganization proceedings has been filed, and specified certified dispute resolution procedures were implemented regarding the subject dispute of the petition before that petition, the court (meaning a judge or panel of judges handling the reorganization case; the same applies in Article 58 and Articles 63 through 65), when making the disposition referred to in Article 35, paragraph (1) of the Corporate Reorganization Act (Act No. 154 of 2002) is to appoint a supervisor under paragraph (2) of the Article after considering that a dispute resolution provider was arranging settlement through the specified certified dispute resolution procedures.

(Duties to Facilitate Corporate Rehabilitation Undertaken by Organization for Small & Medium Enterprises and Regional Innovation)

Article 51 Regarding corporate rehabilitation involving the persons referred to in the following items, the Organization for Small & Medium Enterprises and Regional Innovation guarantees debts regarding the borrowing of funds that are indispensable for a business entity intending to undertake corporate rehabilitation, within the period specified in each respective item (or, until an application for the starting of bankruptcy proceedings, the starting of rehabilitation proceedings, reorganization proceedings, or special liquidation is filed within that period; the period until filing is referred to as the "corporate rehabilitation preparation period" in paragraph (1) of the following Article):

- (i) specified certified dispute resolution business entity: the period from the start of the specified certified dispute resolution procedures up to its termination; or
- (ii) the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution (meaning the approved support institution prescribed in Article 134, paragraph (2); the same applies below): from the period between starting the provision of guidance or advice (excluding guidance or advice provided under the specified certified dispute resolution procedures; the same applies in Article 56, paragraph (3) and Article 59, paragraph (3)) regarding the preparation of a plan for corporate rehabilitation regarding a small or medium-sized enterprise or individual intending to implement corporate rehabilitation, up to the time when it becomes clear that all of the creditors related to the plan have reached an agreement, or will not reach an agreement, regarding the plan.

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

Article 52 (1) In applying the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950) as stated in the left-hand column of the following table regarding the insurance relationships of ordinary insurance prescribed in Article 3, paragraph (1) of the Act (referred to below as "ordinary insurance"), unsecured insurance prescribed in Article 3-2, paragraph (1) of the Act (referred to below as "unsecured insurance"), or special petty insurance prescribed in Article 3-3, paragraph (1) of the Act (referred to below as "special petty insurance") that relates to a small or medium-sized enterprise or individual that has received a corporate rehabilitation facilitation-related guarantee (meaning a guarantee for debts as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1), or Article 3-3, paragraph (1) of the Act that are related to the borrowing of funds (limited to

the borrowing of the funds within the corporate rehabilitation preparation period) necessary to cover the expenses for purchasing raw materials by a small or medium-sized enterprise or individual intending to implement corporate rehabilitation, or other expenses indispensable for the continuity of its business, as specified by Order of the Ministry of Economy, Trade and Industry; the same applies below in this Article), the phrases stated in the middle column of the table that are used in these provisions are deemed to be replaced with the phrases stated in the right-hand column of the table.

Article 3, paragraph (1)	the total insurance value per each small or medium-sized enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation facilitation-related guarantee prescribed in Article 52, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (referred to below as a "corporate rehabilitation facilitation-related guarantee") and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (1) and Article 3-3, paragraph (1)	the total insurance value per each small or and medium-sized enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation facilitation-related guarantee and the total insurance value for other insurance relationships per each small and medium-sized enterprise, respectively,
Article 3-2, paragraph (3)	out of the amount of the borrowings	out of the amount of the borrowings for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively
	the debtor	the debtors for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	the borrowings guaranteed for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,

	the debtor	the debtors for the corporate rehabilitation facilitation-related guarantee and other guarantees, respectively,
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- (2) In applying the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of ordinary insurance that are related to a corporate rehabilitation facilitation-related guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the Act and the phrase "70 percent (or 80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)" in Article 5 of the Act are deemed to be replaced with "80 percent".
- (3) The amount of insurance premiums relating to the insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance related to a corporate rehabilitation facilitation-related guarantee is the amount arrived at if the insurance amount is multiplied by a percentage specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

Article 53 (1) In applying the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act, as stated in the left-hand column of the following table regarding the insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance that are related to a small or medium-sized enterprise or individual which has received a corporate rehabilitation plan implementation-related guarantee (meaning a guarantee for debts as prescribed in Article 3, paragraph (1), Article 3-2, paragraph (1) or Article 3-3, paragraph (1) of the Act related to funds necessary for corporate rehabilitation, to be implemented in accordance with a plan for corporate rehabilitation stated in Article 51, item (ii) prepared through receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (limited to a plan on which all of the creditors subject to the plan have reached an agreement) or a plan for corporate rehabilitation prepared pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry; the same applies below in this Article), the phrases stated in the middle column of the table that are used in these provisions are deemed to be replaced with the phrases stated in the right-hand column of the table.

Article 3, paragraph (1)	the total insurance value per each small or medium-sized enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation plan implementation-related guarantee prescribed in Article 53, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (referred to below as a "corporate rehabilitation plan implementation-related guarantee") and the total insurance value for other insurance relationships per each small or medium-sized enterprise, respectively,
Article 3-2, paragraph (1) and Article 3- 3, paragraph (1)	the total insurance value per each small or medium-sized enterprise	the total insurance value of the insurance relationships pertaining to a corporate rehabilitation plan implementation-related guarantee and the total insurance value for other insurance relationships per each small or medium-sized enterprise, respectively,
Article 3-2, paragraph (3)	out of the amount of the borrowings	out of the amount of the borrowings for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively
	the debtor	the debtor for the corporate rehabilitation plan implementation- related guarantee and other guarantees, respectively,
Article 3-3, paragraph (2)	the borrowings guaranteed	out of the borrowings for the corporate rehabilitation plan implementation-related guarantee and other guarantees, respectively
	the debtor	the debtor for the corporate rehabilitation plan implementation- related guarantee and other guarantees, respectively,

(2) In applying the provisions of Article 3, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of ordinary insurance that are related to a corporate rehabilitation plan implementation-related guarantee, the phrase "70 percent" in Article 3, paragraph (2) of the Act and the phrase "70 percent (or 80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)" in Article 5 of

the Act are deemed to be replaced with "80 percent".

- (3) The amount of insurance premiums for insurance relationships of ordinary insurance, unsecured insurance, or special petty insurance that are related to a corporate rehabilitation plan implementation-related guarantee is the amount arrived at if the insurance amount is multiplied by a percentage as specified by Cabinet Order within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-Sized Enterprise Credit Insurance Act.

(Confirmation by Specified Certified Dispute Resolution Business Entity on Reduction of Amount of Bonds to be Redeemed)

Article 54 (1) A business entity intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures to confirm that the reduction in the amount of bonds to be redeemed based on a resolution at a bondholders meeting conforms to the standards specified by Order of the Ministry of Economy, Trade and Industry and Cabinet Office Order, as being indispensable for the corporate rehabilitation of the business.

- (2) When having made the confirmation referred to in the preceding paragraph, the specified certified dispute resolution business entity is to immediately notify the business entity that sought confirmation to that effect.

(Special Provisions for Decisions Regarding Approval of Resolutions at Company Bondholders' Meetings)

Article 55 (1) If an application has been filed for the approval prescribed in Article 732 of the Companies Act, regarding a resolution of a bondholders meeting stating the amount of bonds to be redeemed is to be reduced on which a specified certified dispute resolution business entity has confirmed pursuant to the provisions of paragraph (1) of the preceding Article, the court is to make a decision as to whether the resolution at the bondholders meeting falls under the cases stated in Article 733, item (iv) of the Act, after considering that it had been confirmed that the reduction is indispensable for the corporate rehabilitation of the relevant business.

- (2) If an application has been filed for the approval prescribed in the preceding paragraph, the court may request the specified certified dispute resolution business entity to present its opinion.

(Confirmation by Specified Certified Dispute Resolution Business Entity in Relation to Borrowing of Funds)

Article 56 (1) A business entity intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request

confirmation from the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures that the borrowing of funds by the relevant business entity during a period from the start of the specified certified dispute resolution procedures up to their termination conforms to both of the following items:

- (i) the business is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as being indispensable for the continuation of the business of the business entity; and
 - (ii) the business entity has obtained the consent of all the creditors that are parties to the dispute under the specified certified dispute resolution procedures for preferential treatment for the payment of claims in relation to its borrowing of the funds over that for the payment of other claims that those creditors have against the business entity, on the time of its borrowing of the funds.
- (2) When having made the confirmation referred to in the preceding paragraph, the specified certified dispute resolution business entity is to immediately notify the business entity that requested the confirmation to that effect.
- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to a small or medium-sized enterprise or individual intending to implement corporate rehabilitation after receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution regarding the preparation of a plan for corporate rehabilitation. In this case, the phrase "the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures" in paragraph (1) and the term "the specified certified dispute resolution business entity" in the preceding paragraph are deemed to be replaced with "the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution", the phrase "during the period from the commencement of the specified certified dispute resolution procedures up to their termination" in paragraph (1) is deemed to be replaced with "during the period specified in Article 51, item (ii)", and the phrase "that are parties to the dispute under the specified certified dispute resolution procedures" in item (ii) of the paragraph is deemed to be replaced with "relating to that corporate rehabilitation".

(Special Provisions Concerning Rehabilitation Proceedings in Relation to Borrowing of Funds)

Article 57 If a ruling has been made to commence rehabilitation proceedings regarding a business entity that has borrowed funds for which it obtained confirmation under paragraph (1) of the preceding Article, and a proposed rehabilitation plan (meaning the proposed rehabilitation plan stated in Article

163, paragraph (1) of the Civil Rehabilitation Act; the same applies in Article 62) that creates a difference in the details of changes to rights between rehabilitation claims regarding the borrowing of the funds for which it obtained the confirmation under paragraph (1) of the preceding Article and other rehabilitation claims (limited to rehabilitation claims that the creditors stated in item (ii) of the paragraph held at the time of giving the consent stated in the item) has been submitted or approved, the court is to make a decision as to whether the proposed rehabilitation plan falls under cases in which fairness will not be compromised, even if the difference is created among the rehabilitation creditors prescribed in the proviso to Article 155, paragraph (1) of the Act, when it has been confirmed that the borrowing of funds conforms to both of the items of paragraph (1) of the preceding Article.

(Special Provisions Concerning Reorganization Proceedings)

Article 58 If a ruling has been made to commence reorganization proceedings regarding a business that has borrowed funds that have been confirmed under Article 56, paragraph (1), and a proposed reorganization plan that creates a difference in details of changes to rights between reorganization claims, etc. (meaning the reorganization claims, etc. stated in Article 2, paragraph (12) of the Corporate Reorganization Act; the applies in Article 64 and Article 65) regarding the borrowing of the funds that have been confirmed under Article 56, paragraph (1) and other reorganization claims, etc. of the type (limited to reorganization claims, etc. that the creditors stated in Article 56, paragraph (1), item (ii) held at the time of giving the consent stated in the item) has been submitted or approved, the court is to make a decision as to whether the proposed reorganization plan falls under the cases in which fairness will not be compromised even if a difference is made among reorganization creditors, etc. (meaning the reorganization creditors, etc. stated in Article 2, paragraph (13) of the Act; the same applies in Article 65) that have the same type of rights prescribed in the proviso to Article 168, paragraph (1) of the Act.

(Application Mutatis Mutandis to Confirmation by Organization for Small & Medium Enterprises and Regional Innovation Regarding Special Provisions for Borrowing Funds)

Article 58-2 The provisions of the preceding two Articles apply mutatis mutandis to the borrowing of funds confirmed that has been confirmed under Article 56, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the Article. In this case, the phrase "the items of paragraph (1) of the preceding Article" in Article 57 is deemed to be replaced with "the items of Article 56, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the Article", and the phrase "Article 56, paragraph (1), item (ii)" in the preceding

Article is deemed to be replaced with "Article 56, paragraph (1), item (ii) as applied mutatis mutandis pursuant to paragraph (3) of the Article".

(Confirmation by Specified Certified Dispute Resolution Business Entity in Relation to Claims)

Article 59 (1) A business entity intending to promote corporate rehabilitation through specified certified dispute resolution procedures may request the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures to confirm that the claims arising from any causes during a period up to the termination of the specified certified dispute resolution procedures conform to both of the following items:

(i) the claims are small in amount; and

(ii) significant hindrance would be caused to the continuation of the business entity's operations unless the claims are repaid promptly.

(2) When having made the confirmation referred to in the preceding paragraph, the specified certified dispute resolution business entity is to immediately notify the business entity that requested the confirmation to that effect.

(3) The provisions of the preceding two paragraphs apply mutatis mutandis to a small or medium-sized enterprise or individual intending to implement corporate rehabilitation after receiving guidance or advice from the Organization for Small & Medium Enterprises and Regional Innovation, or an approved support institution regarding the preparation of a plan for corporate rehabilitation. In this case, the phrase "the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures" in paragraph (1) and the term "the specified certified dispute resolution business entity" in the preceding paragraph are deemed to be replaced with "the Organization for Small & Medium Enterprises and Regional Innovation or an approved support institution", and the phrase "up to the termination of the specified certified dispute resolution procedures" in paragraph (1) is deemed to be replaced with "the termination of the period specified in Article 51, item (ii)".

(Special Provisions for Rehabilitation Proceedings in Relation to Performance of Claims)

Article 60 If an application for the starting of rehabilitation proceedings is filed regarding a business entity that has incurred debts regarding the claims confirmed under paragraph (1) of the preceding Article (referred to as the "confirmed claims" from this Article through Article 65), and the court issues a provisional order under Article 30, paragraph (1) of the Civil Rehabilitation Act, and after taking in consideration that the confirmed claims have been found to conform to both of the items of paragraph (1) of the preceding Article,

the court is to make a decision as to whether or not it should prohibit payment of the confirmed claims, using that provisional order.

Article 61 If a ruling has been made on the starting of rehabilitation proceedings with respect to a business entity that has incurred debts regarding confirmed claims, and a petition has been filed for permission to pay those confirmed claims, pursuant to the provisions of Article 85, paragraph (5) of the Civil Rehabilitation Act, as those falling under cases in which significant hindrance would be caused to the continuation of the business of the rehabilitation debtor, unless the payment of the rehabilitation claims of small amounts are performed promptly, pursuant to the provisions of Article 85, paragraph (5) of the Civil Rehabilitation Act, the court is to make a decision as to whether the confirmed claims have been confirmed to comply with the all items of Article 59, paragraph 1, and determine whether payment of the confirmed claims falls under cases in which significant hindrance would be caused to the continuation of the business of the rehabilitation debtor, unless small amounts of the rehabilitation claims are performed promptly, as prescribed in Article 85, paragraph (5) of the Act. .

Article 62 If a ruling has been made on the starting of rehabilitation proceedings regarding a business entity that has incurred debts regarding confirmed claims, and a proposed rehabilitation plan that creates a difference in the details of changes to rights between the confirmed claims and other rehabilitation claims has been submitted or approved, the court is to make a decision as to whether the proposed rehabilitation plan falls under cases in which fairness will not be compromised, and the proposed rehabilitation plan provides for rehabilitation claims of small amounts or any other difference is created among rehabilitation creditors, as prescribed in the proviso to Article 155, paragraph (1) of the Civil Rehabilitation Act, after considering that the confirmed claims have been confirmed to conform to both of the items of Article 59, paragraph (1).

(Special Provisions Concerning Reorganization Proceedings Regarding Performance of Claims)

Article 63 If an application for the starting of reorganization proceedings has been filed regarding a business entity that has incurred debts regarding the confirmed claims, and the court has issued a provisional order under Article 28, paragraph (1) of the Corporate Reorganization Act, the court is to make a decision as to whether it should prohibit the payment for the confirmed claims by using that provisional order, after considering that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

Article 64 If a ruling has been made on the starting of reorganization proceedings regarding a business entity that has incurred debts regarding confirmed claims, and a petition has been filed for permission for the payment of those confirmed claims pursuant to the provisions of Article 47, paragraph (5) of the Corporate Reorganization Act on the grounds that significant hindrance would be caused to the continuation of the business of the reorganization company, unless payment of small amounts of the reorganization claims, etc. is performed promptly, the court is to make a decision after considering that the confirmed claims conform to comply with any of the items of Article 59, paragraph (1), and whether the payment of the confirmed claims falls under cases in which significant hindrance would be caused to the continuation of the business of the reorganization company, unless the reorganization claims, etc. of small amounts are performed promptly, as prescribed in Article 47, paragraph (5) of the Act.

Article 65 If a ruling has been made on the starting of reorganization proceedings regarding a business entity that has incurred debts regarding confirmed claims, and a proposed reorganization plan that creates a difference in the details of changes to rights between the confirmed claims and other reorganization claims, etc. of the type has been submitted or approved, the court is to make a decision as to whether the proposed reorganization plan falls under cases in which fairness will not be compromised, even if a proposed reorganization plan otherwise provides for the reorganization claims, etc. of small amounts or any other difference is created among reorganization creditors, etc. who have rights of the type, as prescribed in the proviso to Article 168, paragraph (1) of the Corporate Reorganization Act, after considering that it was confirmed that the confirmed claims conform to both of the items of Article 59, paragraph (1).

(Application Mutatis Mutandis of Special Provisions Concerning Performance of Claims to Confirmation by Organization for Small & Medium Enterprises and Regional Innovation)

Article 65-2 The provisions of Article 60 through the preceding Article apply mutatis mutandis to the performance of claims confirmed under Article 59, paragraph (1) as applied mutatis mutandis to paragraph (3) of the Article. In such a case, the phrase "the items of paragraph (1) of the preceding Article" in Article 60 and the phrase "the items of Article 59, paragraph (1)" in Article 61 through the preceding Article are deemed to be replaced with "the items of Article 59, paragraph (1) as applied mutatis mutandis pursuant to paragraph (3) of the Article".

(Confirmation by Specified Certified Dispute Resolution Business Entities on Reduction of Amount of Claims Relating to Plan for Corporate Rehabilitation)

- Article 65-3 (1) A business intending to promote corporate rehabilitation through specified certified dispute resolution procedures may, if creditors holding claims amounting to three-fifths or more of the total amount of claims of the creditors that are parties to the dispute, under the specified certified dispute resolution procedures, give their consent to the plan for corporate rehabilitation regarding the business, request the specified certified dispute resolution business entity undertaking the specified certified dispute resolution procedures to confirm that the reduction of the amount of claims based on the plan for corporate rehabilitation is in conformity with the standards specified by Order of the Ministry of Economy, Trade and Industry as being indispensable for the corporate rehabilitation of the business.
- (2) When having made the confirmation referred to in the preceding paragraph, the specified certified dispute resolution business entity is to immediately give notice to the business entity that requested the confirmation to that effect.

(Special Provisions Concerning Petitions for Simplified Rehabilitation)

Article 65-4 If the petition referred to in Article 211, paragraph (1) of the Civil Rehabilitation Act has been filed regarding a business entity subject to a reduction in the amount of claims, for which a specified certified dispute resolution business entity has given confirmation pursuant to the provisions of paragraph (1) of the preceding Article, the court is to make a decision whether the proposed rehabilitation plan referred to in the second sentence of Article 211, paragraph (1) of the Act falls under the grounds stated in Article 174, paragraph (2), item (iv) of the Act, after considering that it has been confirmed that the reduction is indispensable for the corporate rehabilitation of the relevant business.

(Cooperation from Financial Institutions)

Article 65-5 To contribute to the facilitation of corporate rehabilitation of a business entity intending to promote corporate rehabilitation through specified certified dispute resolution procedures, a financial institution holding all or part of the claims against the business must cooperate when it receives a request from a specified certified dispute resolution business entity to participate in the specified certified dispute resolution procedures.

(Duties to Support Rehabilitation of New Business Developing Business Entity Undertaken by the Organization for Small & Medium Enterprises and Regional Innovation)

Article 65-6 At the request of a new business developing business entity (excluding a small or medium-sized enterprise or individual) that has a difficulty in continuing its business, the Organization for Small & Medium Enterprises and Regional Innovation provides necessary advice regarding measures for business rehabilitation implemented by the new business developing business entity, such as a merger, company split, transfer or acquisition of a business, and procuring funds.

Section 4 Utilization of a Shareholders Meeting Without a Designated Location

Article 66 (1) If a stock company that issues shares listed on the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (referred to below as a "listed company" in this Article) has obtained confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order, that the requirements specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order are satisfied regarding holding a shareholders meeting (including a general meeting of class shareholders; the same applies below in this paragraph and the following paragraph) as a shareholders meeting without a designated location (a general meeting of class shareholders without a designated location in the case of a general meeting of class shareholders; the same applies below in this paragraph and the following paragraph) the listed company may provide in its articles of incorporation that a shareholders meeting may be held as a shareholders meeting without a designated location in cases that contribute to strengthening industrial competitiveness while giving consideration to securing the interests of shareholders.

(2) In applying the provisions of Article 298, paragraphs (1) and (4), Article 299, paragraph (4), Article 317, and Article 318, paragraph (1) of the Companies Act (including the case where these provisions are applied mutatis mutandis pursuant to Article 325 of the Act) and the provisions of Article 342-2, paragraph (3) and Article 345, paragraph (3) of the Act in the case where directors (in the case where shareholders call a shareholders meeting pursuant to the provisions of Article 297, paragraph (4) of the Companies Act (including as applied mutatis mutandis pursuant to Article 325 of the Act), those shareholders) of a listed company of which articles of incorporation have the provisions as provided for in the preceding paragraph call a shareholders meeting without a designated location (excluding cases where the requirements specified by Order of the Ministry of Economy, Trade and Industry and

Ministry of Justice Order as referred to in the preceding paragraph are not satisfied on the time of determining the calling of the meeting), the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table, are deemed to be replaced with the phrases respectively stated in the right-hand column of the table, and Cabinet Order prescribes any other necessary technical replacement of the phrases.

the portion other than those set forth in the items of Article 298, paragraph (1)	the following matters	the following matters and matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order as those that contribute to securing the interests of shareholders
Article 298, paragraph (1), item (i)	the date, time and place of the shareholders meeting	the date and time of the shareholders meeting, and the fact that the shareholders meeting will be held as a shareholders meeting without a designated location
Article 298, paragraph (4)	the matters listed in each item of paragraph (1)	the matters stated in the items of paragraph (1) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms, and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in the paragraph
Article 299, paragraph (4)	the matters set forth in each item of paragraph (1) of the preceding Article	the matters stated in the items of paragraph (1) of the preceding Article as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms, and other matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order

Article 317	If a resolution for the postponement or adjournment is passed at the shareholders meeting	If a resolution for the postponement or adjournment is passed at the shareholders meeting (including the case where there has been a resolution to the effect that the chairperson of a shareholders meeting without a designated location may decide to postpone or adjourn the shareholders meeting without a designated location if the business of the shareholders meeting without a designated location is significantly hindered due to a failure related to the communications method used for sending and receiving information in the business of the shareholders meeting without a designated location, and the chairperson makes a decision based on that resolution)
Article 318, paragraph (1)	Ministry of Justice Order	Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order
Article 342-2, paragraph (3) and Article 345, paragraph (3)	the matters listed in Article 298, paragraph (1), item (i)	the matters stated in Article 298, paragraph (1), item (i) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms and other matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order

(3) In applying the provisions of Article 29, Article 348, paragraph (3), Article 399-13, paragraph (5), Article 416, paragraph (4), Article 482, paragraph (3), and Article 491 of the Companies Act regarding a listed company of which articles of incorporation have the provisions as provided for in paragraph (1), the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be replaced with the phrases respectively stated in the right-hand column of the table, and Cabinet Order prescribes any other necessary technical replacement of the phrases

Article 29	which do not violate any provisions of this Act	which do not violate any provisions of this Act and the matters stated in Article 66, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
Article 348, paragraph (3), item (iii) and Article 482, paragraph (3), item (iii)	(including the cases where those items are applied mutatis mutandis under Article 325)	(including the cases where those items are applied mutatis mutandis under Article 325) and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in Article 298, paragraph (1) (including as applied mutatis mutandis pursuant to Article 325) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 299-13, paragraph (5), item (iv) and Article 416, paragraph (4), item (iv)	the matters listed in each item of Article 298, paragraph (1)	the matters stated in the items of Article 298, paragraph (1) and the matters specified by Order of the Ministry of Economy, Trade and Industry and Ministry of Justice Order referred to in Article 298, paragraph (1) as applied pursuant to Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms
Article 491	out of the provisions in ... Chapter VII	out of the provisions in ... Chapter VII, out of the provisions of Article 66 of the Act on Strengthening Industrial Competitiveness, and out of the provisions of this Act as applied pursuant to paragraphs (2) and (3) of the Article following the deemed replacement of terms

Section 5 Promotion of Implementing Measures to Prevent Leakage of Technology and Other Information

- Article 67 (1) The competent minister is to establish the guidelines for promotion of implementing the measures to prevent leakage of technology and other information (referred to below as the "promotion guidelines").
- (2) The promotion guidelines are to specify the following matters:
- (i) basic direction for promoting implementation of measures to prevent leakage of technology and other information;

- (ii) basic matters concerning the following policies for promoting measures to prevent leakage of technology and other information:
 - (a) policies for deepening understanding of the implementation of measures to prevent leakage of technology and other information;
 - (b) policies for enhancing the knowledge and capacity necessary for appropriately implementing measures to prevent leakage of technology and other information; and
 - (c) other policies necessary for promoting the implementation of measures to prevent leakage of technology and other information;
 - (iii) matters to be the criteria for approval stated in paragraph (1) of the following Article regarding the methods for undertaking duties to certify measures to prevent leakage of technology and other information;
 - (iv) matters to be taken into consideration concerning the promotion of the implementation of measures to prevent leakage of technology and other information by a small or medium-sized enterprise or individual; and
 - (v) fields of technology in which the implementation of measures to prevent leakage of technology and other information are to be promoted in particular, if those fields of technology are to be specified.
- (3) If the competent minister has established the promotion guidelines or made changes to them, the minister is to publicize the guidelines without delay.

(Approval of Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

- Article 68 (1) A person that undertakes duties to certify measures to prevent leakage of technology and other information may receive the approval of the competent minister.
- (2) A person that intends to receive the approval referred to in the preceding paragraph must submit a written application containing the following matters and other documents, pursuant to the provisions of order of the competent ministry to the competent minister:
- (i) the name and address of the person, and in the case of a corporation, the name of its representative; and
 - (ii) the scope of duties to certify the implementation of measures to prevent leakage of technology and other information (or, the fact that the person seeks approval by limiting the scope to the duties only targeting small or medium-sized enterprise or individual, if that is the case) and the methods for implementing them.
- (3) The competent minister is to grant approval if the minister has received an application for the approval as stated in paragraph (1) and finds that the methods of the implementation of duties to certify measures to prevent leakage of technology and other information in relation to the application conform to

the criteria prescribed in paragraph (2), item (iii) of the preceding Article as established in the promotion guidelines.

- (4) Those falling under any of the following items may not obtain the approval stated in paragraph (1):
- (i) a person that has been sentenced to a fine or a heavier punishment for a violation of the provisions of this Act, and two years have not yet elapsed since the day when execution of the sentence was completed, or the day when the person ceased to be subject to the sentence ;
 - (ii) a person for whom the approval stated in paragraph (1) has been rescinded pursuant to the provisions of Article 75, paragraph (1), and two years have not yet elapsed since the day of the rescission; or
 - (iii) a corporation, any of whose officers in charge of its business operations fall under either of the preceding two items.
- (5) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the name, address, scope of business operations, and other matters specified by order of the competent ministry.

(Renewal of Approval of Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

- Article 69 (1) Unless the approval stated in paragraph (1) of the preceding Article is renewed for each period as specified by Cabinet Order within a period not exceeding three years, the relevant approval becomes invalid upon the expiration of that period.
- (2) The provisions of paragraph (2), paragraph (3), and paragraph (4) (excluding item (ii)) of the preceding Article apply mutatis mutandis to the renewal of the approval referred to in the preceding paragraph.
- (3) If the approval stated in paragraph (1) of the preceding Article has become invalid pursuant to the provisions of paragraph (1), the competent minister is to publicize to that effect.

(Succession of Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

- Article 70 (1) If a person that has obtained approval as stated in Article 68, paragraph (1) (referred to below as an "approved body to certify measures to prevent leakage of technology and other information ") has transferred the entirety of their business to undertake measures to prevent leakage of technology and other information regarding the approval or when there has been an inheritance, merger or split (limited to the inheritance, merger or split to cause succession of the entirety of the business to undertake duties to certify measures to prevent leakage of technology and other information regarding the approval) regarding an approved body to certify measures to prevent leakage of

technology and other information, the person that has received the entirety of the relevant business through transfer or; the heir (or, the single heir selected to relevant business with the consent of all the heirs, for cases in which there are two or more heirs and that single heir is thus selected; the applies below in this paragraph); the corporation surviving the merger or corporation established through the merger; or the corporation that has succeeded to the entirety of the relevant business through the split succeeds to the status of the approved body to certify measures to prevent leakage of technology and other information; provided, however, that this does not apply if the person that has received the entirety of the relevant business through transfer or, the heir, the corporation surviving the merger or corporation established through the merger, or the corporation that has succeeded to the entirety of the relevant business through the split falls under any of the items of paragraph (4) of the Article.

- (2) A person that has succeeded to the status of an approved body to certify measures to prevent leakage of technology and other information pursuant to the provisions of the preceding paragraph must notify the competent minister to that effect without delay, pursuant to the provisions of order of the competent ministry.
- (3) If the competent minister has received a notification under the preceding paragraph, the minister is to publicize to that effect.

(Approval of Changes in Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

- Article 71 (1) If an approved body to certify measures to prevent leakage of technology and other information intends to make changes to the matters stated in Article 68, paragraph (2), item (ii), the body must receive the approval of the competent minister; provided, however, that this does not apply to minor changes specified by order of the competent ministry.
- (2) The provisions of Article 68, paragraph (2), paragraph (3), and paragraph (4) (excluding item (ii)) apply mutatis mutandis to the approval of changes referred to in the preceding paragraph. In this case, the phrase "the following matters" in paragraph (2) of the Article is deemed to be replaced with "the following matters (for the matters stated in item (ii), limited to those regarding the changes)".
 - (3) If there have been any changes to the matters stated in Article 68, paragraph (2), item (i), or an approved body to certify measures to prevent leakage of technology and other information has made the minor changes specified by order of the competent ministry as stated in the proviso to paragraph (1), the body must notify the competent minister to that effect without delay.
 - (4) If the competent minister has granted approval of changes as stated in

paragraph (1) or has received a notification under the preceding paragraph, the minister is to publicize to that effect.

(Obligation of Confidentiality for Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

Article 72 Officers or employees of an approved body to certify measures to prevent leakage of technology and other information, or persons who were once employed as such must not divulge or misappropriate any confidential information that has come to their knowledge regarding duties to certify measures to prevent leakage of technology and other information, except if reasonable grounds exist.

(Orders for Improvement to Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

Article 73 If the competent minister determines that improvements are necessary regarding management of duties to certify measures to prevent leakage of technology and other information, which are undertaken by an approved body to certify measures to prevent leakage of technology and other information, the minister may order the relevant body to take measures necessary for those improvements.

(Notification of Discontinuation of Duties to Certify Measures to Prevent Leakage of Technology and Other Information)

Article 74 (1) If an approved body to certify measures to prevent leakage of technology and other information intends to discontinue its duties to certify measures to prevent leakage of technology and other information, the body must notify the competent minister to that effect in advance, pursuant to the provisions of order of the competent ministry.

(2) If the competent minister has received a notification under the preceding paragraph, the minister is to publicize to that effect.

(Rescission of Approval of Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information)

Article 75 (1) If an approved body to certify measures to prevent leakage of technology and other information has fallen under any of the following items, the competent minister may rescind its approval:

- (i) if the body's methods for implementing duties to certify measures to prevent leakage of technology and other information have ceased to conform to the criteria prescribed in Article 67, paragraph (2), item (iii) that are established in the promotion guidelines;
- (ii) when the body has come to fall under either of item (i) or item (iii) of Article

- 68, paragraph (4);
- (iii) if the body has made changes to the matters stated in Article 68, paragraph (2), item (ii), in violation of the provisions of Article 71, paragraph (1);
 - (iv) if the body has violated an order under Article 73; or
 - (v) if the body has obtained approval by wrongful means, as stated in Article 68, paragraph (1), has renewed the approval as stated in Article 69, paragraph (1), or has obtained approval of the changes as stated in Article 71, paragraph (1).
- (2) If the competent minister has rescinded the approval under the preceding paragraph, the minister is to publicize to that effect.

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

Article 76 Regarding a general incorporated association or general incorporated foundation that has obtained approval as stated in Article 68, paragraph (1) by limiting the scope of the implementation of duties to certify measures to prevent leakage of technology and other information to those only targeting a small or medium-sized enterprise or individual (limited to a general incorporated association for which at least half of the voting rights in its general meeting of members are held by small or medium-sized enterprises or individuals, and a general incorporated foundation for which at least half of the value of the property contributed upon its incorporation has been contributed by small or medium-sized enterprises or individuals; referred to below as an "approved general incorporated association, etc." in this Article) and has received a guarantee for debts prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for undertaking the duties to certify measures to prevent leakage of technology and other information, the provisions of Article 3, Article 3-2, and Articles 4 through 8 of the Act apply by deeming the relevant approved general incorporated association, etc. as the small or medium-sized enterprise or individual stated in Article 2, paragraph (1) of the Act. In applying the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the Act, in this case, the phrase "the borrowings" in these provisions is deemed to be replaced with "the borrowing of funds necessary for undertaking duties to certify measures to prevent leakage of technology and other information prescribed in Article 2, paragraph (24) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) undertaken by the approved general incorporated association, etc. prescribed in Article 76 of the Act".

(Cooperation with Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information Undertaken by Information-Technology Promotion Agency, Japan)

Article 77 In response to a request from an approved body to certify measures to prevent leakage of technology and other information, the Information-Technology Promotion Agency, Japan@ provides information on the relevant approved body's duties to certify measures to prevent leakage of technology and other information, or otherwise undertakes duties to offer necessary cooperation (limited to providing the information on cybersecurity prescribed in Article 2 of the Basic Act on Cybersecurity (Act No. 104 of 2014) and other duties that promote the advancement of information processing in duties to certify measures to prevent leakage of technology and other information).

(Cooperation with Approved Bodies to Certify Measures to Prevent Leakage of Technology and Other Information Undertaken by Organization for Small & Medium Enterprises and Regional Innovation)

Article 78 To promote the implementation of measures to prevent leakage of technology and other information by a small or medium-sized enterprise or individual, in response to a request from an approved body to certify measures to prevent leakage of technology and other information, the Organization for Small & Medium Enterprises and Regional Innovation provides information on the duties stated in Article 2, paragraph (24), item (ii) which that approved body undertakes, or otherwise undertakes duties to offer necessary cooperation.

(Restriction on Display by Persons Other than Approved Body to Certify Measures to Prevent Leakage of Technology and Other Information)

Article 79 A person that undertakes duties to certify measures to prevent leakage of technology and other information but has not obtained approval as stated in Article 68, paragraph (1) regarding those duties must not give any indication that could clearly give rise to the misconception that the person is an approved body to certify measures to prevent leakage of technology and other information.

Chapter IV Support for Specified Business Activities by the Japan Investment Corporation

Section 1 General Provisions

(Purpose of the Japan Investment Corporation)

Article 80 The Japan Investment Corporation is to be a stock company, with the purpose of promoting specified business activities within Japan through making investments or otherwise providing funds and offering other support

towards specified investment businesses and specified business activities, considering that innovation in industrial activities has become increasingly important by effectively utilizing management resources other than those owned individually, in order for Japanese industries to properly handle recent changes to industrial structure and global competitive conditions, and with an awareness that its duties will contribute to expanding private investment.

(Number)

Article 81 Only one Japan Investment Corporation (referred to below as the "JIC") is to be incorporated.

(Government-Owned Shares)

Article 82 The government is to hold at all times a number of shares equivalent to two-thirds or greater of the total number of shares issued by the JIC (excluding shares of a class specified as those that cannot be used to exercise voting rights regarding all of the matters for which a resolution can be made at a shareholders meeting; the same applies in this Article).

(Approval for Shares, Bonds, and Borrowings)

Article 83 (1) The JIC must obtain the approval of the Minister of Economy, Trade and Industry if it intends to solicit subscribers for shares offered for subscription as prescribed in Article 199, paragraph (1) of the Companies Act (referred to as "shares for subscription" in Article 160, item (i)), the share options for subscription prescribed in Article 238, paragraph (1) of the Act (referred to as "share options for subscription" in the item), or the bonds for subscription prescribed in Article 676 of the Act (referred to as "bonds for subscription" in Article 122 and Article 160, item (i)); intends to issue shares, bonds, or share options at a share exchange or share delivery; or intends to borrow funds.

(2) After issuing shares through exercising share options, the JIC must notify the Minister of Economy, Trade and Industry to that effect without delay.

(Contributions by Government)

Article 84 The government may make capital contributions to the JIC within a range of amounts specified in the budget, when the government considers it to be necessary.

(Trade Name)

Article 85 (1) The JIC must use the Japanese characters "株式会社産業革新投資機構" (pronounced "kabushiki gaisha sangyō kakushin tōshi kikō", meaning "Japan Investment Corporation") in its trade name.

- (2) That which is not JIC must not use the Japanese characters "産業革新投資機構" (pronounced "sangyō kakushin tōshi kikō", meaning "Japan Investment Corporation") in their names.

Section 2 Incorporation

(Matters to be Specified or Recorded in Articles of Incorporation)

Article 86 (1) Beyond the matters stated in the items of Article 27 of the Companies Act, the following matters must be specified or recorded in the articles of incorporation of the JIC:

- (i) the number of shares issued at the time of the incorporation of the JIC (in cases where the JIC is intended to be incorporated as a company with class shares, its classes and the number of shares in each class) (referred to as "shares issued at incorporation" in the following item, item (iii), and the following Article);
 - (ii) the amount to be paid for the shares issued at the time of incorporation (meaning the amount of money paid, or assets other than money contributed, in exchange for one share issued at incorporation);
 - (iii) the number of shares issued at incorporation allotted to the government (or, in cases where the JIC is intended to be incorporated as a company with class shares, its classes and the number of shares in each class);
 - (iv) the matters stated in Article 107, paragraph (1), item (i) of the Companies Act;
 - (v) the fact that a board of directors and company auditors are to be installed; and
 - (vi) the fact that the JIC is to be dissolved upon the completion of the duties stated in the items of Article 101, paragraph (1).
- (2) The following matters must not be specified or recorded in the articles of incorporation of the JIC:
- (i) the fact that an audit and supervisory committee or a nominating committee, etc. prescribed in Article 2, item (xii) of the Companies Act is to be installed; and
 - (ii) separate provisions prescribed in the proviso to Article 139, paragraph (1) of the Companies Act.

(Approval for Incorporation)

Article 87 The incorporators of the JIC must prepare the articles of incorporation and, after having subscribed for their allotted shares issued at incorporation, they must submit the articles of incorporation and the business plan to the Minister of Economy, Trade and Industry and promptly apply for approval of that incorporation.

Article 88 (1) If an application for approval under the preceding Article has been filed, the Minister of Economy, Trade and Industry is to examine whether or not the application conforms to all of the following:

- (i) the procedures of the incorporation and the details of the articles of incorporation conform to the provisions of laws and regulations;
 - (ii) false statements are not made or recorded, and no false signatures or names and seals (including measures in lieu of the affixation of signatures or names and seals pursuant to the provisions of Article 26, paragraph (2) of the Companies Act) are contained in the articles of incorporation; and
 - (iii) it is found to be certain that the JIC's duties are managed in a sound manner and it contributes to the promotion of specified business activities within Japan.
- (2) The Minister of Economy, Trade and Industry is to give approval for incorporation if the minister finds that the application conforms to all of the items of the preceding paragraph, as a result of the examination carried out pursuant to the provisions of the paragraph.

(Appointment and Dismissal of Directors at Incorporation and Auditors at Incorporation)

Article 89 The appointment and dismissal of the directors at incorporation prescribed in Article 38, paragraph (1) of the Companies Act and the auditors at incorporation prescribed in paragraph (2), item (ii) of the Article do not become effective unless the approval of the Minister of Economy, Trade and Industry has been obtained.

(Replacement of Provisions of Companies Act)

Article 90 In applying the provisions of Article 30, paragraph (2), Article 34, paragraph (1), Article 59, paragraph (1), item (i), and Article 963, paragraph (1) of the Companies Act, the phrase "Articles of incorporation that are certified by a notary public pursuant to the preceding paragraph before the formation of the stock company" in Article 30, paragraph (2) of the Act is deemed to be replaced with "Articles of incorporation may not be amended before the incorporation of the Japan Investment Corporation after the approval stated in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; the phrase "subscription for shares issued at incorporation" in Article 34, paragraph (1) of the Act is deemed to be replaced with "the approval stated in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; the phrase "the date of the certification of the articles of incorporation and the name of the notary public who effected the certification" in Article 59, paragraph (1), item (i) of the

Act is deemed to be replaced with "the date of the approval stated in Article 88, paragraph (2) of the Act on Strengthening Industrial Competitiveness"; and the phrase "Article 34, paragraph (1)" in Article 963, paragraph (1) of the Act is deemed to be replaced with "Article 34, paragraph (1) (including as applied by replacing terms pursuant to the provisions of Article 90 of the Act on Strengthening Industrial Competitiveness, following the replacement of these terms)".

(Exclusion from Application of Provisions of Companies Act)

Article 91 The provisions of Article 30, paragraph (1) and Article 33 of the Companies Act do not apply to the incorporation of the JIC.

Section 3 Administration

(Approval for Appointment of Directors and Company Auditors)

Article 92 Resolutions to appoint or dismiss directors and company auditors do not become effective unless the approval of the Minister of Economy, Trade and Industry has been obtained.

(Obligation of Confidentiality by Directors)

Article 93 The directors, accounting advisors (or, a member who is to perform the duties of an accounting advisor, if the accounting advisor is a corporation), company auditors, or employees of the JIC, or persons who have been employed as such must not divulge or misappropriate any confidential information that has come to their knowledge in the performance of their duties.

(Establishment of Japan Investment Committee)

Article 94 The Japan Investment Committee (referred to below as the "Committee" in this Chapter) is established in the JIC.

(Authority of Committee)

Article 95 (1) The Committee makes the following decisions and evaluations:

- (i) decisions on the business entity subject to the specified fund provision stated in Article 103, paragraph (1) (meaning fund provision by the JIC to specified investment businesses through duties stated in Article 101, paragraph (1), items (i) through (vii); the same applies below) and on the details of the specified fund provision;
- (ii) evaluation of the performance of duties of approved specified investment businesses (meaning the approved specified investment businesses prescribed in Article 106, paragraph (1); the same applies in the following item and Article 101, paragraph (1), item (xii));

- (iii) decisions on the transfer or other dispositions of securities (meaning the securities stated in the items of Article 2, paragraph (1) of the Financial Instruments and Exchange Act and those deemed to be securities pursuant to the provisions of paragraph (2) of the Article; the same applies below except in Article 101, paragraph (1), item (vii)) that the JIC holds in approved specified investment business entities or of claims that the JIC holds against approved specified investment businesses;
 - (iv) decision regarding a business entity subject to the direct fund provision stated in Article 108, paragraph (1) (meaning fund provision by the JIC through its duties stated in Article 101, paragraph (1), items (i) through (vii) directly to a business entity carrying out specified business activities; the same applies below), and on the details of the direct fund provision (excluding cases in which the direct fund provision consists solely of the contributions stated in Article 101, paragraph (1), item (i) and their amount is below a certain amount, and other cases specified by Order of the Ministry of Economy, Trade and Industry);
 - (v) decision on the transfer or other dispositions of securities or claims stated in Article 110, paragraph (1); and
 - (vi) in addition to what is provided for in the preceding items, a decision on the matters stated in Article 362, paragraph (4), item (i) and item (ii) of the Companies Act that have been delegated by a resolution at the board of directors to the Committee.
- (2) The Committee is deemed to have received delegation from the board of directors regarding decisions on the matters stated in item (i), and items (iii) through (v) of the preceding paragraph and evaluation stated in item (ii) of the paragraph.

(Committee Organization)

Article 96 (1) The Committee is composed of three through seven members who are directors.

- (2) The majority of the Committee members must be outside directors.
- (3) One or more representative directors must be included within the Committee members.
- (4) Committee members are decided through a resolution of the board of directors.
- (5) A resolutions on the appointment and dismissal of Committee members does not become effective unless the approval of the Minister of Economy, Trade and Industry has been obtained.
- (6) The Committee members perform their duties independently.
- (7) The Committee has a chairperson, who is elected from among themselves.
- (8) The chairperson presides over all of the affairs of the Committee.
- (9) The Committee must designate a Committee member to undertake the duties

of chairperson in advance if the chairperson is unable to perform their duties.

(Committee Operations)

- Article 97 (1) The Committee is to be convened by the chairperson (or, by the person who undertakes the duties of chairperson as prescribed in paragraph (8) of the preceding Article, if the chairperson is unable to perform their duties; the same applies in the following paragraph and paragraph (3)).
- (2) The Committee may not hold a meeting or make a resolution without the chairperson and at least two-thirds of the total number of incumbent Committee members in attendance.
- (3) A resolution by the Committee is made by a majority of the Committee members in attendance at the meeting. In case of a tie, the chairperson makes the final decision.
- (4) A Committee member who has a special interest regarding a resolution made pursuant to the provisions of the preceding paragraph may not participate in voting on it.
- (5) The number of Committee members who may not participate in voting pursuant to the provisions of the preceding paragraph is not included in the number of incumbent Committee members prescribed in paragraph (2).
- (6) A Company auditor must attend a Committee meeting and state their opinion if the Committee intends to make the evaluations stated in Article 95, paragraph (1), item (ii) or otherwise considers it necessary.
- (7) After a resolution has been made pursuant to the provisions of paragraph (3), any member of the Committee who has been appointed by the Committee must notify the board of directors of the details of the resolution without delay.
- (8) Minutes must be prepared regarding resolutions of the Committee, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry, and if those minutes are in the form of written documents, the Committee members and company auditors who attended the Committee meeting must sign, or affix their names and seals to those minutes.
- (9) If the minutes referred to in the preceding paragraph have been prepared in the form of electronic or magnetic records (meaning records created in electronic form, magnetic form, or any other form that is impossible to perceive by human senses, which are used in information processing by computers; the same applies below in this paragraph and paragraph (2), item (ii) of the following Article), measures in lieu of the affixation of signatures or names and seals specified by Order of the Ministry of Economy, Trade and Industry must be taken regarding the matters recorded in the electronic or magnetic records.
- (10) In addition to what is provided for in the preceding paragraphs and the following Article, the Committee decides on procedures for meetings and other necessary matters concerning its own operations.

(Committee Minutes)

Article 98 (1) The JIC must keep the minutes stated in paragraph (8) of the preceding Article at its head office for ten years from the date of the Committee meeting.

(2) A shareholder may make the following requests by receiving the permission of the court, if it is necessary for exercising their rights:

- (i) if the minutes referred to in the preceding paragraph are prepared in the form of written documents, a request to inspect or copy those documents; and
- (ii) if the minutes of the meeting referred to in the preceding paragraph have been prepared in the form of electronic or magnetic records, a request to inspect or copy anything representing the matters recorded in those electronic or magnetic records in the manner specified by Order of the Ministry of Economy, Trade and Industry.

(3) A creditor may make a request as stated in the items of the preceding paragraph regarding the minutes stated in paragraph (1) by receiving the permission of the court, if they find it necessary for pursuing the liability of a Committee member.

(4) The court may not grant the permission stated in paragraph (2) or the preceding paragraph if it considers that substantial detriment to the JIC is likely to be caused by the inspection or copying regarding the requests stated in the items of paragraph (2) or the requests referred to in the preceding paragraph.

(5) The provisions of Article 868, paragraph (1), Article 869, Article 870, paragraph (2) (limited to the portion regarding item (i)), Article 870-2, the main clause of Article 871, Article 872 (limited to the portion regarding item (v)), Article 872-2, the main clause of Article 873, Article 875, and Article 876 of the Companies Act apply mutatis mutandis to the permissions stated in paragraph (2) and paragraph (3).

(6) A director may make the requests stated in the items of paragraph (2) regarding the minutes stated in paragraph (1).

(Registration of Committee Members)

Article 99 (1) If the JIC has appointed a Committee member, it must register their name at the location of its head office within two weeks. This also applies if a change to the name of a Committee member has arisen.

(2) A written application for registration of the appointment of a Committee member under the preceding paragraph must be filed with a document certifying the appointment of the Committee member, and the appointed Committee member's acceptance of the assumption of office.

(3) A written application for registration of a change due to the resignation of a

Committee member must be filed with a document certifying that fact.

- (4) The JIC must register any director selected as a committee member who is an outside director as being an outside director.

(Change to Articles of Incorporation)

Article 100 A resolution on a change to the articles of incorporation of the JIC does not become effective unless the approval of the Minister of Economy, Trade and Industry has been obtained.

Section 4 Duties

(Scope of Duties)

Article 101 (1) The JIC is to undertake the following duties for achieving its objective:

- (i) contributions to a target business entity (meaning a specified investment business entity and a business entity carrying out specified business activities; the same applies below);
- (ii) contribution of funds (meaning the funds prescribed in Article 131 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)) to a target business entity;
- (iii) loaning of funds to a target business entity;
- (iv) acquisition of securities issued by a subject business entity and securities held by a target business entity;
- (v) acquisition of monetary claims against a target business entity and monetary claims held by a target business entity;
- (vi) guarantee of bonds issued by a target business entity and their debts regarding the borrowing of funds;
- (vii) solicitation or private placement of securities (limited to the rights stated in Article 2, paragraph (2), item (v) or item (vi) of the Financial Instruments and Exchange Act that are deemed to be securities pursuant to the provisions of the paragraph) for target businesses;
- (viii) dispatch of experts to a business entity that are carrying out or intending to carry out specified business activities;
- (ix) advice to businesses that are carrying out or intending to carry out specified business activities;
- (x) transfer, establishment, or authorization of intellectual property right (meaning the intellectual property right stated in Article 2, paragraph (2) of the Basic Act on Intellectual Property (Act No. 122 of 2002), and the equivalent in foreign countries; the same applies in the following item), or disclosure of trade secret (meaning the trade secret stated in Article 2, paragraph (6) of the Unfair Competition Prevention Act (Act No. 47 of 1993))

- or the equivalent in foreign countries; the same applies in the following item), to a business entity that is carrying out or intending to carry out specified business activities;
- (xi) acquisition of intellectual property right necessary for the duties stated in the preceding item or receipt of the transfer, establishment, or authorization of them, or receipt of the disclosure of a trade secret;
 - (xii) evaluation of the performance of duties of an approved specified investment business entity;
 - (xiii) transfer or other dispositions of securities that the JIC holds;
 - (xiv) administration, transfer, or other dispositions of claims;
 - (xv) necessary negotiations and investigations relating to the duties stated in the preceding items;
 - (xvi) investigations and providing information necessary for the promotion of specified business activities; and
 - (xvii) duties incidental to those stated in the preceding items.
- (2) In addition to the business activities stated in the items of the preceding paragraph, the JIC may undertake the following duties to an extent that does not hinder its business performance:
- (i) specification of basic policies for effectively implementing duties, regarding contributions by a specified government-funded company;
 - (ii) acquisition and holding of shares issued by a specified government-funded company;
 - (iii) dispatch of experts, providing advice, or other support for ensuring the effective implementation of duties regarding contributions by a specified government-funded company; and
 - (iv) providing necessary information to the competent minister for evaluating the performance of duties of the specified government-funded company.
- (3) If the JIC intends to undertake duties contributing to its objective, beyond what is provided for in the preceding two paragraphs, it may undertake those duties by obtaining the approval of the Minister of Economy, Trade and Industry in advance.

(Investment Standards to be Followed by the JIC)

Article 102 (1) The Minister of Economy, Trade and Industry is to establish the standards that the JIC should comply with, when making decisions on a specified investment business entity subject to specified fund provision and the details of the specified fund provision (referred to below as the "investment standards" in this Chapter).

- (2) The investment standards are to specify the following matters:
- (i) matters concerning the selection of business fields in which specified fund provision should be implemented especially intensively;

- (ii) matters concerning details of the specified fund provision;
 - (iii) matters concerning time limits for transfer or other dispositions of securities and claims of the specified investment business entity to be acquired by the JIC; and
 - (iv) details of support other than provision of funds, such as fostering and utilization of human resources, if the JIC offers it.
- (3) If the Minister of Economy, Trade and Industry intends to establish the investment standards pursuant to the provisions of paragraph (1), the minister is to hear the opinion of the competent minister for the business (meaning the minister with jurisdiction over the business regarding activities subject to specified investment business entity's provision of funds or other support for specified business activities or their provision of funds or other support for business activities to provide funds or other support for specified business activities; the same applies in Article 104, paragraph (3)) in advance.
- (4) The Minister of Economy, Trade and Industry is to publicize the investment standards pursuant to the provisions of paragraph (1) when the minister has established them.
- (5) The Minister of Economy, Trade and Industry is to make changes to the investment standards when any need arises due to fluctuations in the state of the economy.
- (6) The provisions of paragraph (3) and paragraph (4) apply *mutatis mutandis* to changes to the investment standards under the preceding paragraph.

(Decisions on Specified Fund Provision)

Article 103 (1) If the JIC intends to conduct specified fund provision, it must make a decision on a specified investment business entity subject to the fund provision and the details of the specified fund provision in accordance with the investment standards.

- (2) If the JIC intends to make a decision as to whether or not it conducts specified fund provision, it must obtain the approval of the Minister of Economy, Trade and Industry in advance.
- (3) If the JIC intends to obtain the approval referred to in the preceding paragraph, it must submit a written application containing the following matters to the Minister of Economy, Trade and Industry:
 - (i) the details of the specified fund provision;
 - (ii) the details of the specified investment business entity's provision of funds or other support for specified business activities and their provision of funds or other support for business activities to provide funds or other support for specified business activities, and matters concerning the implementation framework;
 - (iii) the matters concerning time limits for transfer or other dispositions of the

- securities and claims that the JIC is acquiring in a specified investment business entity; and
- (iv) the details of support other than fund provision, such as fostering and utilization of human resources, if the JIC offers it.

Article 104 (1) If the Minister of Economy, Trade and Industry has received an application for the approval stated in paragraph (3) of the preceding Article, the minister is to examine whether the application conforms to both of the following:

- (i) the application conforms to the investment standards; and
 - (ii) the specified investment business entity's provision of funds or other support for specified business activities and their provision of funds or other support for business activities to provide funds or other support for specified business activities are expected to be implemented smoothly and reliably.
- (2) If the Minister of Economy, Trade and Industry finds that the application conforms to both of the items of the preceding paragraph as a result of the examination carried out pursuant to the provisions of the paragraph, the minister is to give approval as stated in paragraph (2) of the preceding Article.
- (3) If the Minister of Economy, Trade and Industry intends to give approval as stated in paragraph (2) of the preceding Article, the minister is to hear the opinion of the competent minister for the business in advance.

(Changes to Approval Concerning Specified Fund Provision)

- Article 105 (1) If the JIC intends to make changes to the matters stated in the items of Article 103, paragraph (3), it must obtain the approval of the Minister of Economy, Trade and Industry, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.
- (2) The provisions of the preceding Article apply mutatis mutandis to the approval referred to in the preceding paragraph.

(Evaluations on Performance of Duties of Approved Specified Investment Business Entities)

- Article 106 (1) The JIC must evaluate the performance of duties of an approved specified investment business entity (meaning specified investment business entity to which the JIC conducts specified fund provision by obtaining the approval stated in Article 103, paragraph (2); the same applies below) for each business year.
- (2) If the JIC has made the evaluation referred to in the preceding paragraph, it must notify the relevant approved specified investment business entity of the evaluation results without delay, and collect funds regarding the specified provision of funds, or otherwise take necessary measures against the approved

- specified investment business entity in accordance with the evaluation results.
- (3) If the JIC has made the evaluation stated in paragraph (1) or has taken the measures referred to in the preceding paragraph, it must report the evaluation results or the details of the measures to the Minister of Economy, Trade and Industry.
- (4) The Minister of Economy, Trade and Industry is to change the investment standards if the minister has received a report under the preceding paragraph and finds it necessary to do so.

(Support Standards to be Followed by the JIC)

- Article 107 (1) The Minister of Economy, Trade and Industry is to establish the standards that the JIC should comply with when making a decision on a business entity subject to direct fund provision, and the details of the direct fund provision (referred to as the "support standards" in the following paragraph and paragraph (3) of this Article, and paragraph (1) of the following Article).
- (2) If the Minister of Economy, Trade and Industry intends to establish the support standards pursuant to the provisions of the preceding paragraph, the minister is to hear the opinion of the competent minister for the business (meaning the minister with jurisdiction over the business regarding the activities subject to direct fund provision; the same applies in paragraph (4) and paragraph (5) of the following Article) in advance.
- (3) If the Minister of Economy, Trade and Industry has established the support standards pursuant to the provisions of paragraph (1), the minister is to publicize them.
- (4) The Minister of Economy, Trade and Industry is to make changes to the support standards when necessary due to fluctuations in the state of the economy.
- (5) The provisions of paragraph (2) and paragraph (3) apply mutatis mutandis to changes to the support standards under the preceding paragraph.

(Decisions on Direct Fund Provision)

- Article 108 (1) If the JIC intends to conduct direct fund provision, it must make a decision on a business entity subject to it and the details of the direct fund provision, in accordance with the support standards.
- (2) If the JIC intends to make a decision as to whether it conducts direct fund provision or not, it must notify the Minister of Economy, Trade and Industry to that effect and specify a reasonable period of time for the minister to state their opinion, in advance; provided, however, that this does not apply if direct fund provision consists solely of contributions (limited to contributions whose amount is below a certain amount and other contributions specified by Cabinet

Order).

- (3) If the JIC has made a decision to conduct direct fund provision in cases prescribed in the proviso to the preceding paragraph, it must promptly report to the Minister of Economy, Trade and Industry to that effect with the relevant details.
- (4) If the Minister of Economy, Trade and Industry has received a notification under paragraph (2), the minister is to promptly notify the competent minister for the business of the details of the notification.
- (5) The competent minister for the business may state their opinion to the JIC within the period of time stated in paragraph (2) if the minister has received a notification under the preceding paragraph, and finds it to be necessary to do so in view of the situation in the field of business to which the relevant business belongs.

(Revocation of Decisions on Direct Fund Provision)

Article 109 (1) In the following cases, the JIC must promptly revoke a decision on direct fund provision:

- (i) if a business entity subject to direct fund provision does not carry out specified business activities; and
 - (ii) if a business entity subject to direct fund provision has received a ruling on the starting of bankruptcy proceedings, a ruling on the starting of rehabilitation proceedings, a ruling on the commencement of reorganization proceedings, an order to start special liquidation, or an approval for foreign insolvency proceedings.
- (2) If the JIC has revoked a decision on direct fund provision pursuant to the provisions of the preceding paragraph, it must immediately notify the business entity subject to direct fund provision to that effect.

(Transfer or Other Disposals of Securities)

Article 110 (1) If the JIC intends to make a decision on the transfer or other disposal of securities or claims that it holds regarding a business entity subject to direct fund provision, it must notify the Minister of Economy, Trade and Industry to that effect and specify a reasonable period of time for the minister to state their opinion in advance.

- (2) The JIC must endeavor to transfer or otherwise dispose of all securities and claims that it holds by March 31, 2034, in consideration of the economic situation and the state, etc. of the business of a target business entity.
- (3) The redemption date for loans that are subject to a guarantee for obligations by the JIC must be not later than March 31, 2034.

(Requests for Acquisition of Shares from Competent Ministers of Specified

Government-Funded Companies)

Article 111 Upon consulting with the Minister of Finance, the competent minister is to request the JIC to acquire all shares that the government holds in specified government-funded companies (referred to as "specified shares" in the following Article and Article 114) at the value evaluated by the evaluation committee members as stated in paragraph (3) of the following Article.

(Acquisition of Specified Shares by JIC)

Article 112 (1) If the JIC has received a request pursuant to the provisions of the preceding Article, it must acquire all of the specified shares within a period of time designated by the Minister of Economy, Trade and Industry within a period not exceeding three months from the date of the request. In this case, those specified shares that the JIC has acquired are deemed to be held by the government for applying the provisions of Article 2, paragraph (27) of this Act and the provisions of other laws and regulations that provide that those specified shares should be held by the government.

(2) If the JIC has acquired specified shares under the preceding paragraph, and has issued shares or disposed of treasury shares in exchange for their acquisition, in applying the provisions of Article 199, paragraph (2) of the Companies Act to the JIC, the phrase "a shareholders meeting" in the paragraph is deemed to be replaced with "a board of directors" and the following proviso is to be added to the paragraph: "; provided, however, that the board of directors must decide the amount to be paid or the method for calculating the relevant amount as stated in item (ii) of the preceding paragraph, based on the evaluation by the evaluation committee members stated in Article 112, paragraph (3) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(3) The value of the specified shares that the JIC has acquired pursuant to the provisions of paragraph (1) is the value evaluated by the evaluation committee members.

(4) If the evaluation committee members referred to in the preceding paragraph (simply referred to as the "evaluation committee members" in Article 114, paragraph (2) and paragraph (3)) intend to make the evaluation referred to in the preceding paragraph, they are to use as its basis, the market value of the specified shares on the day on which the acquisition of all of the specified shares becomes effective; provided, however, that they may decide not to depend on the market value of the specified shares if they find it inappropriate to do so, in consideration of the types of the specified shares and other matters.

(5) Beyond what is provided for in the preceding paragraphs, Cabinet Order prescribes necessary matters concerning the acquisition of specified shares by the JIC.

Article 113 The provisions of Article 469, paragraph (1) (limited to the part other than what is listed in the items provided), paragraph (3), and paragraph (5) through paragraph (9), Article 470, and Article 868 through Article 876 of the Companies Act apply mutatis mutandis to the cases stated in paragraph (1) of the preceding Article. In this case, the phrases stated in the middle column of the following table that are used in the provisions of the Act stated in the left-hand column of the table are deemed to be replaced with the phrases stated in the right-hand column of the table, and any other necessary technical replacement of the phrases is to be specified by Cabinet Order.

Article 469, paragraph (1)	If business transfer, etc. is to be effected (excluding the following cases)	If the Japan Investment Corporation (referred to below as the "JIC") accepts all of the specified shares stated in Article 111 of the Act on Strengthening Industrial Competitiveness pursuant to the provisions of Article 112, paragraph (1) of the Act (referred to below as the "acceptance of specified shares")
	dissenting shareholders	shareholders of the JIC other than the government
	the stock company effecting the business transfer, etc.	the JIC
Article 469, paragraph (3)	A stock company that intends to effect the business transfer, etc.	The JIC
	the effective day	the day on which the acceptance of specified shares becomes effective (referred to below as the "effective day of the acceptance")
	the special controlling company in the cases prescribed in paragraph (1) of the preceding Article	the government

	it intends to effect the business transfer, etc. (or, in the cases provided for in Article 467, paragraph (2), to the effect that the stock company will carry out the act listed in paragraph (1), item (iii) of that Article and of the matters regarding shares under paragraph (2) of that Article)	it intends to effect the acceptance of specified shares
Article 469, paragraph (5)	a demand under the provisions of paragraph (1) (hereinafter in this Chapter referred to as the "exercise of appraisal rights")	a demand under the provisions of paragraph (1) as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness (referred to below as the "exercise of appraisal rights against the JIC")
	the effective day	the effective day of the acceptance
	a dissenting shareholder must indicate the number of shares with regard to which the shareholder is exercising appraisal rights	a shareholder of the JIC other than the government must indicate the number of shares with regard to which the shareholder is exercising appraisal rights against the JIC
Article 469, paragraph (6) and paragraph (7)	exercise[exercising] appraisal rights	exercise[exercising] appraisal rights against the JIC
	the stock company that effects the business transfer, etc.	the JIC
Article 469, paragraph (8)	business transfer, etc.	acceptance of specified shares
	shareholders exercising appraisal rights	shareholders exercising appraisal rights against the JIC
Article 469, paragraph (9)	exercise of appraisal rights	exercise of appraisal rights against the JIC
Article 470, paragraph (1)	exercises appraisal rights	exercises appraisal rights against the JIC

	the stock company effecting the business transfer, etc.	the JIC
	the Stock Company	the JIC
	the effective day	the effective day of the acceptance
Article 470, paragraph (2)	the effective day	the effective day of the acceptance
	the stock company under the preceding paragraph	the JIC
Article 470, paragraph (3)	paragraph (7) of the preceding Article	paragraph (7) of the preceding Article as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness
	the effective day	the effective day of the acceptance
	exercising appraisal rights	exercising appraisal rights against the JIC
Article 470, paragraph (4)	Stock companies under paragraph (1)	The JIC
	that paragraph	paragraph (1) as applied mutatis mutandis pursuant to Article 113 of the Act on Strengthening Industrial Competitiveness
Article 470, paragraph (5)	The stock company under paragraph (1)	The JIC
	the stock company	the JIC
Article 470, paragraph (6)	Exercise of Appraisal Rights	exercise of appraisal rights against the JIC
	the effective day	the effective day of the acceptance
Article 470, paragraph (7)	exercises appraisal rights / exercise of the appraisal rights	exercises appraisal rights against the JIC / exercise of the appraisal rights against the JIC

(Transfer of Specified Shares by the JIC)

Article 114 (1) If the JIC intends to transfer specified shares, it must obtain the approval of the Minister of Economy, Trade and Industry.

(2) When the JIC intends to transfer the specified shares by obtaining the approval referred to in the preceding paragraph, the value of those shares is that evaluated by the evaluation committee members.

(3) If the evaluation committee members intend to make an evaluation as referred to in the preceding paragraph, they are to use, as its basis, the market value of the specified shares on the day on which the transfer of the specified shares becomes effective; provided, however, that they may decide not to depend on the market value of the specified shares if they find it inappropriate to do so, in consideration of the types of the specified shares and other matters.

- (4) Beyond what is provided for in the preceding three paragraphs, Cabinet Order prescribes necessary matters concerning the transfer of specified shares by the JIC.

Section 5 State Assistance

- Article 115 (1) The Minister of Economy, Trade and Industry and heads of national administrative organs are to endeavor to provide the JIC and target business entities with advice or other assistance necessary for the target business entities to implement their business smoothly and reliably.
- (2) In addition to what is provided for in the preceding paragraph, the Minister of Economy, Trade and Industry and heads of national administrative organs are to cooperate and mutually coordinate, so as to encourage the JIC and target business entities to implement their business smoothly and reliably.

Section 6 Finance and Accounting

(Budget Approval)

- Article 116 (1) Before the start of each business year, the JIC must submit the budget for the relevant business year to the Minister of Economy, Trade and Industry, and obtain the approval of the minister. This also applies if the JIC intends to make changes to the budget.
- (2) The JIC must attach documents concerning the business plan and financial plan for that relevant business year regarding the budget referred to in the preceding paragraph.

(Resolutions on Dividends of Surplus)

- Article 117 Resolutions at the JIC on dividends of surplus and other dispositions of surplus do not become effective unless the approval of the Minister of Economy, Trade and Industry has been obtained.

(Financial Statements)

- Article 118 The JIC must submit a balance sheet, profit and loss statement, and business report for the relevant business year to the Minister of Economy, Trade and Industry within three months from the end of each business year.

(Government Guarantees)

- Article 119 Notwithstanding the provisions of Article 3 of the Act on the Restrictions on Government Financial Assistance to Corporations (Act No. 24 of 1946), the government may provide guarantees for obligations regarding the JIC's bonds or borrowing stated in Article 83, paragraph (1), within the limit of

the amount approved by the Diet.

(Remuneration for Directors and Salaries of Employees)

Article 120 (1) The JIC must establish standards for remuneration and severance pay for directors and salaries for employees, notify the Minister of Economy, Trade and Industry of those standards, and also publicize them. This also applies if the JIC has made changes to the standards.

(2) Regarding salary or other treatment for employees solely engaging in duties to make capital contributions (referred to as "employees solely engaging in contributions" in this paragraph), the JIC is to pay attention to securing excellent personnel, and nurturing and promoting the active participation of full-time young contribution employees, within the scope of the budget approval pursuant to the provisions of Article 116, paragraph (1).

Section 7 Supervision

(Supervision)

Article 121 (1) The Minister of Economy, Trade and Industry supervises the JIC, in accordance with what is provided for by this Act.

(2) The Minister of Economy, Trade and Industry may issue orders to the JIC as necessary for its supervision regarding duties of the JIC and authorized specified investment business entities if the minister finds it necessary to do so for the enforcement of this Act.

(Consultations with the Minister of Finance)

Article 122 The Minister of Economy, Trade and Industry is to consult with the Minister of Finance if the minister intends to give the authorization stated in Article 83, paragraph (1) (limited to cases in which the JIC intends to solicit persons to subscribe for the subscription shares, issue bonds at a share exchange or share delivery, or borrow funds), Article 88, paragraph (2), Article 100, Article 101, paragraph (3), Article 103, paragraph (2), Article 105, paragraph (1), Article 114, paragraph (1), Article 116, paragraph (1), Article 117, or Article 125; establishes the investment standards pursuant to the provisions of Article 102, paragraph (1); or makes changes to the investment standards pursuant to the provisions of paragraph (5) of the Article or Article 106, paragraph (4) .

(Evaluation of the Performance of Duties)

Article 123 (1) The Minister of Economy, Trade and Industry is to evaluate the performance of duties by the JIC for each business year.

(2) If the Minister of Economy, Trade and Industry has made an evaluation as

referred to in the preceding paragraph, the minister is to notify the JIC concerning the evaluation results and publicize them, without delay.

- (3) Upon making the evaluation referred to in paragraph (1), the Minister of Economy, Trade and Industry is to take into account the fact that the JIC is required to utilize highly professional and practical knowledge in its duties, to deal with the changes in the industrial structure and global competitive conditions.

Section 8 Dissolution

(Dissolution of the JIC)

Article 124 The JIC is to be dissolved upon the completion of the duties stated in the items of Article 101, paragraph (1).

(Resolutions on Mergers)

Article 125 Resolutions on mergers, company splits, transfer or acquisition of a business, and dissolution of the JIC do not become effective unless the authorization of the Minister of Economy, Trade and Industry has been obtained.

Chapter V Revitalization of Small and Medium-Sized Enterprises

Section 1 Support for Start-Ups

(Guidelines for Implementation of Programs for Supporting Start-ups)

Article 126 (1) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to establish guidelines for the implementation of programs for supporting start-ups, etc. (referred to below as the "implementation guidelines" in this Article and paragraph (4), item (i) of the following Article) in order to properly support start-ups through programs for supporting start-ups, etc. and proactively carrying out dissemination and awareness-raising activities concerning start-ups, therefore contributing to the revitalization of small and medium-sized enterprises.

(2) The implementation guidelines are to specify the following matters:

- (i) matters concerning the setting-up of goals for the promotion of start-ups through programs for supporting start-ups, etc.;
- (ii) matters concerning the methods for implementing programs for supporting start-ups, etc.;
- (iii) matters concerning roles to be fulfilled by municipalities (including special wards; the same applies below) regarding the implementation of programs for supporting start-ups, etc.; and
- (iv) other important matters relating to programs for supporting start-ups, etc.

- (3) The Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications are to make changes to the implementation guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications intend to establish or make changes to the implementation guidelines, they are to consult with the ministers with jurisdiction over the businesses of small or medium-sized enterprises or individuals, and hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance; provided, however, that this does not apply to minor changes specified by Order of the Ministry of Economy, Trade and Industry and Order of the Ministry of Internal Affairs and Communications.
- (5) If the Minister of Economy, Trade and Industry and the Minister of Internal Affairs and Communications have established or made changes to the implementation guidelines, they are to publicize the guidelines without delay.

(Approval of Plans for Programs for Supporting Start-Ups)

Article 127 (1) A municipality may prepare a plan for a program for supporting start-ups, etc. it intends to implement (including a program for supporting start-ups, etc. that a person other than the municipality intends to implement in coordination with the municipality's program for supporting start-ups, etc.; the same applies below) (the relevant plan is referred to below as a "plan for a program for supporting start-ups, etc."), and submit it to the competent minister to receive approval, pursuant to the provisions of order of the competent ministry.

- (2) If two or more municipalities intend to jointly implement their program for supporting start-ups, etc., those two or more municipalities may jointly prepare a plan for a program for supporting start-ups, etc. to receive the approval referred to in the preceding paragraph.
- (3) A plan for a program for supporting start-ups, etc. must contain the following matters:
 - (i) the goal of the program for supporting start-ups, etc.;
 - (ii) the details of the program for supporting start-ups, etc. that the municipality implements (including the fact that all or part of the program for supporting start-ups, etc. falls under a specified program for supporting start-ups, etc., if that is the case), and matters concerning its method of implementation;
 - (iii) the following matters if there is a program for supporting start-ups, etc. that a person other than the municipality intends to implement in coordination with the municipality's program for supporting start-ups, etc.:
 - (a) the name and address of the person implementing the program for supporting start-ups, etc. and in the case of a corporation, the name of its

- representative;
 - (b) the details of the program for supporting start-ups, etc. (including the fact that all or part of the program for supporting start-ups, etc. falls under a specified program for supporting start-ups, etc., if that is the case), and matters concerning the methods of its implementation; and
 - (c) matters concerning the coordination with the program for supporting start-ups, etc. that the municipality implements; and
 - (d) when a municipality seeks coordination with schools or other educational institutions as prescribed in Article 1 of the School Education Act (Act No. 26 of 1947) in implementing a program for supporting start-ups, etc. (limited to the program regarding Article 2, paragraph (30), item (ii)), matters related to that coordination;
 - (iv) period for the plan.
- (4) If the competent minister has received an application for approval as stated in paragraph (1) and finds that the plan for a program for supporting start-ups, etc. conforms to both of the following items, the minister is to approve the plan:
- (i) the relevant plan is appropriate in light of the implementation guidelines; and
 - (ii) the program for supporting start-ups, etc. under the relevant plan is expected to be implemented smoothly and reliably.
- (5) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the details of the plan for a program for supporting start-ups, etc. regarding the approval, pursuant to the provisions of order of the competent ministry.

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

- Article 128 (1) If a municipality that has obtained approval as stated in paragraph (1) of the preceding Article (referred to below as an "approved municipality") intends to make changes to the plan for a program for supporting start-ups, etc. regarding the approval, the municipality must seek the approval of the competent minister, pursuant to the provisions of order of the competent ministry.
- (2) If the competent minister may rescind an approval if the minister finds that an approved municipality (including a person that implements the program conducted by a person other than the municipality in coordination with the program for supporting start-ups, etc. that the approved municipality is implementing under a plan for a program for supporting start-ups, etc. regarding the approval (or the plan after changes if an approval has been granted for those changes under the preceding paragraph; referred to below as an "approved plan for a program for supporting start-ups, etc."); the relevant coordinated program is referred to as an "approved coordinated program for

supporting start-ups, etc." in Article 130, and the relevant person is referred to as a "business entity for approved coordinated program for supporting start-ups, etc." in Article 131, paragraph (1) and Article 141, paragraph (1)) is not implementing the program for supporting start-ups, etc. in accordance with the approved plan for a program for supporting start-ups, etc..

- (3) If the competent minister finds that an approved plan for a program for supporting start-ups, etc. no longer conforms to either of the items of paragraph (4) of the preceding Article, the minister may direct the approved municipality to make changes to the approved plan for a program for supporting start-ups, etc. or may rescind its approval.
- (4) If the competent minister has rescinded the approval under the preceding two paragraphs, the minister is to publicize to that effect.
- (5) The provisions of paragraph (4) and paragraph (5) of the preceding Article apply mutatis mutandis to the approval stated in paragraph (1).

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

Article 129 (1) In applying the provisions of Article 3-2, paragraph (1) and paragraph (3) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding the insurance relationships of unsecured insurance relating to a small or medium-sized enterprise or individual that is a founder (including the founders stated in Article 2, paragraph (29), item (i), item (iii), and item (v); the same applies below) having received a start-up-related guarantee (meaning a guarantee for debts prescribed in Article 3-2, paragraph (1) of the Act regarding the required funds of a founder that are specified by Order of the Ministry of Economy, Trade and Industry; the same applies below in this Article), the phrase "small or medium-sized enterprise or individual" in Article 3-2, paragraph (1) of the Act is deemed to be replaced with "small or medium-sized enterprise or individual (including the founders stated in Article 2, paragraph (29), item (i), item (iii), and item (v) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies below)"; the phrase "the total insurance value per each small or medium-sized enterprise or individual" in the paragraph is deemed to be replaced with "the total insurance value of the insurance relationships regarding a start-up-related guarantee prescribed in Article 129, paragraph (1) of the Act (referred to below as a "start-up-related guarantee") and the total insurance value for other insurance relationships per each small or medium-sized enterprise or individual, respectively,"; and the phrase "80,000,000 yen" in the paragraph is deemed to be replaced with "35,000,000 yen and 80,000,000 yen"; and the phrase "the amount guaranteed out of the amount of the borrowings" in paragraph (3) of the Article is deemed to be replaced with "the amount guaranteed out of the

amount of the borrowings, for each start-up-related guarantee and other guarantees, respectively,"; the phrase "exceed 80,000,000 yen" in the paragraph is deemed to be replaced with "exceed 35,000,000 yen and 80,000,000 yen"; the phrase "a small or medium-sized enterprise or individual that is the debtor" in the paragraph is deemed to be replaced with "a small or medium-sized enterprise or individual that is the debtor, for each of the start-up-related guarantee and other guarantees"; and the phrase "from 80,000,000 yen" in the paragraph is deemed to be replaced with "from 35,000,000 yen and 80,000,000 yen, respectively".

- (2) If the founder stated in Article 2, paragraph (29), item (ii) that has established a new company (limited to a small or medium-sized enterprise or individual; the same applies below in this paragraph) (the founder is referred to below as the "company-establishing founder" in this paragraph) causes the company to succeed to all or part of the founder's business through a business transfer, the provisions of the preceding paragraph apply, by deeming the company as the founder stated in paragraph (29), item (iv) of the Article until five years have elapsed from the day on which the company-establishing founder started business. In this case, the phrase "with '35,000,000 yen and 80,000,000 yen';" in the preceding paragraph is deemed to be replaced with "with '35,000,000 yen (if the insurance relationships regarding a start-up-related guarantee has already been established for the company-establishing founder (meaning the company-establishing founder prescribed in paragraph (2) of the Article, and for cases in which the company-establishing founder establishes another new company (limited to a small or medium-sized enterprise or individual) and causes that other company to succeed to all or part of the founder's business through a business transfer, and includes that other company; the same applies in paragraph (3)) that established the small or medium-sized enterprise or individual, an amount that remains after deducting the total insurance value of the insurance relationships from 35,000,000 yen) and 80,000,000 yen';", and the phrase "a small or medium-sized enterprise or individual that is the debtor, for each of the start-up-related guarantee and other guarantees" in the paragraph is deemed to be replaced with "a small or medium-sized enterprise or individual and a company-establishing founder that are the debtors concerning the start-up-related guarantee, and a small or medium-sized enterprise or individual that is the debtor regarding other guarantees".
- (3) The founder stated in Article 2, paragraph (29), item (i), item (iii), and item (v) that has received a start-up-related guarantee is deemed to be a small or medium-sized enterprise or individual as stated in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3-2 and Articles 4 through 8 of the Act apply to the

relevant founder.

- (4) In applying the provisions of Article 3-2, paragraph (2) and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act to the insurance relationships of unsecured insurance from among those regarding start-up-related guarantees that are related to a small or medium-sized enterprise or individual which is a founder falling under both of the following items, the phrase "80 percent" in Article 3-2, paragraph (2) of the Act and the phrase "70 percent (or 80 percent, for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)" in Article 5 of the Act are deemed to be replaced with "90 percent":
- (i) the relevant person falls under any of the following:
 - (a) if the relevant person falls under the categories of persons stated in Article 2, paragraph (29), items (i) through (iii), having experienced the discontinuation of a business that the person operated in the past due to a worsening of business circumstances, or the person was an officer conducting the business of a company that was dissolved due to a worsening of its circumstances on the day on which the dissolution occurred; or
 - (b) if the relevant person falls under the categories of persons stated in Article 2, paragraph (29), item (iv) (including companies that are deemed to be the persons pursuant to the provisions of paragraph (2)), the individual who established the company has experienced the discontinuation of a business that they operated in the past due to a worsening of its circumstances, or the individual was an officer conducting the business of a company that was dissolved due to a worsening of business circumstances on the day on which the dissolution occurred; and
 - (ii) the relevant person made an offer for the entrustment of a guarantee for debts regarding the insurance relationships before the date on which five years have elapsed from the date of discontinuation of business or before the date of dissolution prescribed in (a) or (b) of the preceding item.
- (5) Cabinet Order prescribes the limit on the total of the insurance values of unsecured insurance relationships that are designated by Cabinet Order for a person who has received a start-up-related guarantee.
- (6) The amount of insurance premiums for insurance relationships of unsecured insurance relating to start-up related guarantees is to be the amount obtained by multiplying the insurance amount by the rate specified by Cabinet Order within two hundredths per annum notwithstanding the provisions of Article 4 of the Small and Medium-sized Enterprise Credit Insurance Act.

Article 130 Regarding a general incorporated association or general incorporated foundation (limited to a general incorporated association in which at least half of the voting rights in its general meeting of members are held by small and medium-sized enterprises and to a general incorporated foundation for which at least half of the value of the property contributed upon its incorporation has been contributed by small and medium-sized enterprises or individuals) or a specified nonprofit corporation prescribed in Article 2, paragraph (2) of the Act on Promotion of Specified Non-profit Activities (Act No. 7 of 1998) (limited to a specified nonprofit corporation for which at least half of the rights to vote in its general meeting of members are held by small and medium-sized enterprises) that implements an approved coordinated program for supporting start-ups, etc. and has received a guarantee for debts prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for implementing the approved coordinated program for supporting start-ups, etc. (referred to below as an "approved general incorporated association, etc." in this Article), the approved general incorporated association, etc. is deemed to be the small or medium-sized enterprise or individual stated in Article 2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3, Article 3-2, and Articles 4 through Article 8 of the Act apply to the relevant approved general incorporated association, etc. In this case, in applying the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for implementing the approved coordinated program for supporting start-ups, etc. prescribed in Article 128, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Providing Information to Approved Municipalities)

Article 131 (1) In response to a request from an approved municipality or a business entity for an approved coordinated program for supporting start-ups, etc., the Organization for Small & Medium Enterprises and Regional Innovation provides information concerning the relevant program for supporting start-ups, etc. or other necessary cooperation.

(2) Prefectures may provide municipalities that intend to prepare a plan for a program for supporting start-ups, etc. or approved municipalities with information concerning programs for supporting start-ups, etc. or other assistance.

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

Article 132 (1) The debts of a small or medium-sized enterprise or individual based on a specified letter of credit issuance contract are deemed to be debt obligations due to the borrowing prescribed in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act, and the provisions of Article 3 and Articles 4 through 8 of the Act apply to them. In this case, in applying the provisions of Article 3, paragraph (1) of the Act regarding the insurance relationships of ordinary insurance that are related to a small or medium-sized enterprise or individual which has received a specified letter of credit-related guarantee (meaning a guarantee for debts based on a specified letter of credit issuance contract; the same applies below in this Article), the phrase "the total insurance value per each small or medium-sized enterprise or individual " in the paragraph is deemed to be replaced with "the total insurance value of the insurance relationships regarding a specified letter of credit-related guarantee prescribed in Article 132, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and the total insurance value for other insurance relationships per each small or medium-sized enterprise or individual, respectively,"; the phrase "the total amount guaranteed out of the amount of the borrowings" in the paragraph is deemed to be replaced with "the total amount guaranteed (or the maximum amount in the case of a special guarantee) out of the amount of debts based on a specified letter of credit issuance contract (meaning the specified letter of credit issuance contract stated in Article 2, paragraph (33) of the Act) (limited to the amount equivalent to the amount of borrowings from a foreign bank, etc. (meaning the foreign bank, etc. stated in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981)) of a foreign affiliated corporation (meaning the foreign affiliated corporation stated in Article 2, paragraph (16) of the Act on Strengthening Industrial Competitiveness) of the small or medium-sized enterprise or individual) and the total amount guaranteed out of the amount of the borrowings"; and the phrase "total amount" in the paragraph is deemed to be replaced with ", total amount, and the amount of the borrowing, respectively".

(2) In applying the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act stated in the left-hand column of the following table regarding the insurance relationships of ordinary insurance that are related to a specified letter of credit-related guarantee, the phrases stated in the middle column of the table that are used in these provisions are deemed to be replaced with the phrases stated in the right-hand column of the table.

Article 3, paragraph (1)	this paragraph	this paragraph and paragraph (3)
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Article 3, paragraph (2)	70 percent	80 percent
Article 3, paragraph (3)	the amount of the borrowings	the amount of obligations based on a specified letter of credit issuance contract (meaning the specified letter of credit issuance contract stated in Article 2, paragraph (33) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013); the same applies below) (limited to the amount equivalent to the amount of the borrowings from a foreign bank, etc. (meaning the foreign bank, etc. stated in Article 4, paragraph (3) of the Banking Act (Act No. 59 of 1981); the same applies below) of a foreign affiliated corporation (meaning the foreign affiliated corporation stated in Article 2, paragraph (16) of the Act on Strengthening Industrial Competitiveness; the same applies below) of a small or medium-sized enterprise or individual; the same applies below)
	amount guaranteed	amount guaranteed (or the maximum amount in the case of a special guarantee)
	payment of borrowings (or, in case of the discounting of bills, payment of bills; or, in case of the discounting of electronically recorded monetary claims, payment of the obligations regarding electronically recorded monetary claims)	performance of obligations based on a specified letter of credit issuance contract

Article 3, paragraph (4)	Borrowings (or, in case of the discounting of bills, funds receiving financing through the discounting of bills; or, in case of the discounting of electronically recorded monetary claims, funds receiving financing through the discounting of electronically recorded monetary claims) for which the establishment of the insurance relationships stated in paragraph (1) has been guaranteed	Borrowings from a foreign bank, etc. of the foreign affiliated corporation of a small or medium-sized enterprise or individual as prescribed in the preceding paragraph in cases in which the establishment of the insurance relationships stated in paragraph (1) has been guaranteed
	a Small and Medium-sized Enterprise	the small or medium-sized enterprise or individual
Article 5	performed (or paid in case of the discounting of bills or the discounting of electronically recorded monetary claims; the same applies below)	performed
	borrowings (or, in case of the discounting of bills, bill obligations; or in case of the discounting of electronically recorded monetary claims, obligations regarding electronically recorded monetary claims; the same applies below), obligations regarding bonds (excluding those pertaining to interest; the same applies below), or specified payables	obligations based on a specified letter of credit issuance contract

	70 percent (or 80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, corporate rehabilitation insurance, and specific corporate bond insurance)"	80 percent
Article 5, item (i) and item (iii) and Article 8, item (i) and item (iii)	borrowings or obligations regarding bonds	obligations based on a specified letter of credit issuance contract

Section 2 Development of the Support System for Small and Medium-Sized Enterprise Revitalization

(Guidelines Concerning Support for Business Rehabilitation of Small and Medium-Sized Enterprises)

- Article 133 (1) In order to properly support the business rehabilitation of small and medium-sized enterprises through SME business rehabilitation through succession or other efforts to contribute to the revitalization of those enterprises, the Minister of Economy, Trade and Industry is to establish basic guidelines concerning support measures to be taken by the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation, and approved support institutions (referred to below as the "support guidelines" in this Article and paragraph (1) of the following Article).
- (2) The support guidelines are to specify the following:
- (i) basic matters concerning support for the revitalization of small and medium-sized enterprises;
 - (ii) matters concerning the details of support for the revitalization of small and medium-sized enterprises;
 - (iii) matters concerning the support system for the revitalization of small and medium-sized enterprises; and
 - (iv) other matters to be taken into consideration concerning support for the revitalization of small and medium-sized enterprises.

- (3) The Minister of Economy, Trade and Industry is to make changes to the support guidelines when necessary due to fluctuations in the state of the economy.
- (4) If the Minister of Economy, Trade and Industry intends to establish the support guidelines or make changes to them, the minister is to consult with the minister who has jurisdiction over the businesses of small and medium-sized enterprises and individuals, and to hear the opinion of the Small and Medium-Sized Enterprise Policy Making Council, in advance; provided, however, that this does not apply to minor changes specified by Order of the Ministry of Economy, Trade and Industry.
- (5) If the Minister of Economy, Trade and Industry has established the support guidelines or has made changes to them, the minister is to publicize the guidelines without delay.

(Approved Support Institutions)

Article 134 (1) Based on the support guidelines and pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry, the Minister of Economy, Trade and Industry may approve a society of commerce and industry, a prefectural federation of societies of commerce, a chamber of commerce, or a designated corporation prescribed in Article 7, paragraph (1) of the Small and Medium-Sized Enterprise Support Act (Act No. 147 of 1963) that is considered to be able to undertake the duties prescribed in the following paragraph (referred to below as "duties to support small and medium-sized enterprise revitalization") in all or part of the area of a prefecture, properly and reliably, as a person undertaking duties to support small and medium-sized enterprise revitalization, upon application from these entities.

(2) A person that has obtained approval as referred to in the preceding paragraph (referred to below as an "approved support institution") is to undertake the following duties in the area stated in paragraph (4), item (iv), (c) regarding that approval, in addition to what is provided for by other laws and regulations:

- (i) provision of necessary guidance or advice upon request from a small or medium-sized enterprise or individual, undertaking or intending to undertake any of the following (including an individual not currently engaged in business, in the case of an individual that is engaged in or intends to engage in the items stated in (a)):
 - (a) streamlining of the production or the sale of goods or the provision of services, by effectively combining and integrally utilizing existing management resources and new management resources regarding the businesses to be succeeded to from other small or medium-sized enterprise or individual (including one that had been a small or medium-sized

- enterprise or individual through a merger, acquisition of a business, or the equivalent to them;
- (b) business rehabilitation by SME business rehabilitation through succession or other efforts; or
 - (c) restructuring of guaranteed debts held by a person that guarantees debts of a small or medium-sized enterprise or individual with extensive debts or a small or medium-sized enterprise or individual that has already undergone restructuring of debts (excluding restructuring of the guaranteed debts through bankruptcy proceedings or rehabilitation proceedings);
 - (ii) provision of necessary guidance or advice in response to a request by a person that acquires assets that are essential for the implementation of its business, and streamlines or intends to streamline the production or the sale of goods or the provision of services by utilizing those assets in line with a change in the representative of a small or medium-sized enterprise or individual that is a company;
 - (iii) mediation concerning a merger, transfer, or acquisition of a business, or the equivalent regarding what is stated in item (i), (a);
 - (iv) provision of training concerning what is stated in item (i), (a) through (c) or item (ii) to a small or medium-sized enterprise or individual, or a person implementing a program for supporting improvement of their management, and their employees;
 - (v) collection, investigation, and research of necessary information related to the duties stated in the preceding items, and dissemination of the related results; and
 - (vi) investigation necessary for undertaking the duties stated in Article 140, item (i), based on a commission from the Organization for Small & Medium Enterprises and Regional Innovation.
- (3) An approved support institution may undertake private dispute resolution procedures (meaning the procedures prescribed in Article 2, item (i) of the Act on Promotion of Use of Alternative Dispute Resolution) on disputes regarding corporate rehabilitation, by obtaining the certification stated in Article 5 of the Act and the approval stated in Article 47, paragraph (1) of this Act, beyond the duties specified by other laws and regulations and the duties stated in the items of the preceding paragraph.
- (4) Any person intending to obtain approval as stated in paragraph (1) must submit a written application for approval containing the following to the Minister of Economy, Trade and Industry, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry:
- (i) their name and address;
 - (ii) location of their office;

- (iii) candidates for council members whom the person intends to appoint as members of the Small and Medium-Sized Enterprise Revitalization Support Council prescribed in paragraph (1) of the following Article; and
- (iv) the following matters concerning duties to support small and medium-sized enterprise revitalization:
 - (a) the details of duties to support small and medium-sized enterprise revitalization;
 - (b) a framework for undertaking duties to support small and medium-sized enterprise revitalization;
 - (c) an area in which to undertake duties to support small and medium-sized enterprise revitalization; and
 - (d) other matters specified by Order of the Ministry of Economy, Trade and Industry.
- (5) If there have been any changes to the matters stated in item (i) and item (ii) of the preceding paragraph, an approved support institution must notify the Minister of Economy, Trade and Industry to that effect without delay, and if it intends to make changes (excluding minor changes specified by Order of the Ministry of Economy, Trade and Industry) to the matters stated in item (iv) of the paragraph, it must notify the Minister of Economy, Trade and Industry to that effect in advance.

(Small and Medium-Sized Enterprise Revitalization Support Councils)

- Article 135 (1) The small and medium-sized enterprise revitalization support council is established in an approved support institution.
- (2) The small and medium-sized enterprise revitalization support council is to be composed of the head of the approved support institution and the council members appointed by the head.
 - (3) Members of the small and medium-sized sized enterprise revitalization support council must be appointed from among persons who have practical experience or relevant knowledge and experience regarding duties to support small and medium-sized enterprise revitalization.
 - (4) If the head of an approved support institution has appointed members of its small and medium-sized sized enterprise revitalization support council, the head must notify the Minister of Economy, Trade and Industry to that effect, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry. This also applies if changes have arisen in the membership of the small and medium-sized sized enterprise revitalization support council.
 - (5) A Small and medium-sized sized enterprise revitalization support council is to deliberate and decide on the specific details, necessary matters concerning the securing of the framework for implementing duties, and other important matters for the execution of the approved support institution's duties to

support small and medium-sized enterprise revitalization, and must provide specialist advice to the approved support institution.

- (6) Beyond what are provided for in the preceding items, Cabinet Order prescribes necessary matters concerning the organization and operation of a small and medium-sized enterprise revitalization support council.

(Duty of Confidentiality)

Article 136 (1) An officer or employee of an approved support institution or a member of a small and medium-sized enterprise revitalization support council, or a person who has been employed in those positions must not divulge or misappropriate any confidential information that has come to their knowledge regarding duties to support small and medium-sized enterprise revitalization.

- (2) The provisions of the preceding paragraph do not apply to the following information:

- (i) information that an officer or employee of an approved support institution or a member of its small and medium-sized enterprise revitalization support council provides to the Organization for Small & Medium Enterprises and Regional Innovation concerning the duties stated in Article 140, item (iv), if the Organization for Small & Medium Enterprises and Regional Innovation needs to receive information from the approved support institution for smoothly undertaking those duties;
- (ii) information that an officer or employee of an approved support institution or a member of its small and medium-sized enterprise revitalization support council provides to the Organization for Small & Medium Enterprises and Regional Innovation, concerning the duties stated in Article 134, paragraph (2), item (i) (limited to those regarding what are stated in (b) and (c) of the item) and the duties stated in items (ii) and (iii) of the paragraph, if the approved support institution needs to receive advice from the Organization for Small & Medium Enterprises and Regional Innovation or have experts dispatched to itself, for the smooth undertaking of the duties stated in that Article.
- (iii) information that an officer or employee of an approved support institution or a member of its small and medium-sized enterprise revitalization support council provides to an officer or employee of another approved support institution or a member of its small and medium-sized enterprise revitalization support council, concerning the duties stated in Article 134, paragraph (2), items (ii) and (iii), if that approved support institution needs to receive information from that other approved support institution for the smooth undertaking of the duties stated in that Article.

(Orders for Improvement)

Article 137 If the Minister of Economy, Trade and Industry determines that improvements are necessary regarding an approved support institution's management of its duties to support small and medium-sized enterprise revitalization, the minister may order the approved support institution to take measures necessary for those improvements.

(Rescission of Approval)

Article 138 If an approved support institution has violated an order under the preceding Article, the Minister of Economy, Trade and Industry may rescind its approval.

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

Article 139 Regarding an approved support institution that has received a guarantee for debts as prescribed in Article 3, paragraph (1) or Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act regarding funds necessary for implementing a specified program for supporting small and medium-sized enterprise revitalization (meaning a program regarding duties to support small and medium-sized enterprise revitalization that has been decided on by a small and medium-sized sized enterprise revitalization support council), the approved support institution is deemed to be the small or medium-sized enterprise or individual stated in Article 2, paragraph (1) of the Act, and the provisions of Article 3, Article 3-2, and Article 4 through Article 8 of the Act apply to the relevant institution. In this case, in applying the provisions of Article 3, paragraph (1) and Article 3-2, paragraph (1) of the Act, the phrase "borrowing" in those provisions is deemed to be replaced with "borrowing of funds necessary for implementing the program for supporting specified small and medium-sized enterprise revitalization prescribed in Article 139 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)".

(Duties to Support Revitalization Undertaken by Organization for Small & Medium Enterprises and Regional Innovation)

Article 140 The Organization for Small & Medium Enterprises and Regional Innovation undertakes the following duties for supporting the revitalization of small and medium-sized enterprises:

- (i) providing limited investment partnerships (limited to those specified by Cabinet Order as partnerships providing funds to business entities that implement corporate restructuring or SME business rehabilitation through succession; the relevant partnerships are referred to as "specified limited investment partnerships" in paragraph (2) of the following Article) that

- implement investment business targeting small and medium-sized enterprises with the necessary funds for the investments;
- (ii) undertaking the duties stated in Article 134, paragraph (2), items (i) through (v);
 - (iii) dispatching experts and offering other necessary cooperation for the implementation of duties to support small and medium-sized enterprise revitalization in response to requests from approved support institutions; and
 - (iv) evaluating the state of implementation of duties to support small and medium-sized enterprise revitalization and reporting the results to the Minister of Economy, Trade and Industry.

Chapter VI Miscellaneous Provisions

(Securing of Funds)

Article 141 (1) The State is to endeavor to secure funds necessary for approved business entities implementing corporate restructuring to take measures for business reconstruction in accordance with approved corporate restructuring plans, or funds necessary for approved implementers to demonstrate new technology, etc., approved implementers of new business activities, approved partnerships implementing specified investment business for developing new business, approved investment businesses promoting utilization of external management resources, approved business entities supporting the utilization of specified research results, approved implementers of business activities utilizing innovative technology research results, approved business entities implementing business adaptation, approved municipalities or business entities implementing approved coordinated programs for supporting start-ups, etc. to implement demonstration of new technology, etc., new business activities, specified investment business for developing new business, investment business for promoting utilization of external management resources, programs for supporting the utilization of specified research results, business activities utilizing innovative technology research results, business adaptation, or programs for supporting start-ups, etc., in accordance with approved plans to demonstrate new technology, etc., approved plans for new business activities, approved plans for specified investment business for developing new business, approved plans for investment business for promoting utilization of external management resources, approved plans for program for supporting the utilization of specified research results, approved plans for business activities utilizing innovative technology research results, approved business adaptation plans, or approved plans for programs for supporting start-ups, etc.

- (2) The State is to endeavor to secure funds necessary for specified limited investment partnerships to enhance the equity capital of business entities implementing corporate restructuring.

(Stability of Employment)

Article 142 (1) When an approved business entity implementing corporate restructuring implements their corporate restructuring in accordance with their approved corporate restructuring plan, they must gain the understanding and cooperation of the workers they employ, and must endeavor to take necessary measures for preventing unemployment or otherwise promoting the stability of employment regarding those workers.

- (2) The State is to endeavor to take necessary measures for preventing unemployment or otherwise promoting the stability of employment, regarding workers who are employed by approved business entities implementing corporate restructuring.
- (3) The State is to endeavor to take necessary measures for providing job placement, or otherwise contributing to the stability of the work and lifestyles of workers who were employed by approved business entities implementing corporate restructuring.
- (4) The State and prefectures are to endeavor to take necessary measures for providing vocational training or otherwise promoting the development and improvement of skills, regarding workers who are employed by approved business entities implementing corporate restructuring and workers who were employed by approved business entities implementing corporate restructuring.
- (5) The State and prefectures are to endeavor to take necessary measures for facilitating adaptation towards the new economic environment, regarding the related small and medium-sized enterprises and individuals of approved business entities implementing corporate restructuring.

(Consideration Towards Small and Medium-Sized Enterprises and Individuals)

Article 143 In order to strengthen the business foundations of a small and medium-sized enterprise or individual that is significantly affected by corporate restructuring implemented by another business entity, the State, local governments, the Organization for Small & Medium Enterprises and Regional Innovation, chambers of commerce, and chambers of commerce and industry are to endeavor to provide the relevant small and medium-sized enterprise or individual with advice, training, or information concerning methods for management or technologies regarding their businesses, and promote other necessary measures, comprehensively.

(Collection of Reports)

Article 144 (1) The competent minister may request reports from approved implementers to demonstrate new technology, etc. regarding the state of implementation of the approved plans to demonstrate new technology, etc., request reports from approved implementers of new business activities, regarding the state of implementation of the approved plans for new business activities, request reports from approved investment businesses promoting utilization of external management resources (when the relevant approved investment business promoting utilization of external management resources is a limited investment partnership, the general partner of that limited investment partnership) regarding the state of implementation of the approved plans for investment business for promoting utilization of external management resources, request reports from approved businesses supporting the utilization of specified research results (when the relevant approved business supporting the utilization of specified research results is a limited investment partnership, an unlimited liability partner of the limited investment partnership) regarding the state of implementation of the approved plans for programs for supporting the utilization of specified research results, request reports from approved implementers of business activities utilizing innovative technology research results regarding the state of implementation of the approved plans for business activities utilizing innovative technology research results, request reports from approved businesses implementing business adaptation regarding the state of implementation of the approved business adaptation plans, or request reports from approved business entities implementing corporate restructuring regarding the state of implementation of the approved corporate restructuring plans.

(2) The competent ministers may request a report from an approved municipality, regarding the state of implementation of the approved plan for a program for supporting start-ups, etc.

(3) The Minister of Economy, Trade and Industry may request a report from an unlimited liability partner of an approved partnership implementing specified investment business for developing new business, regarding the state of implementation of the approved plan for specified investment business for developing new business.

(4) The Minister of Economy, Trade and Industry may request a report from an approved support institution, regarding the state of undertaking duties to support small and medium-sized enterprise revitalization.

(5) The Minister of Economy, Trade and Industry may request a specified certified dispute resolution business entity to report on the state of implementation of their duties for specified certified dispute resolution procedures, their duties for confirmation regarding the reduction of the amount of bonds to be redeemed as prescribed in Article 54, paragraph (1), their duties

for confirmation regarding the borrowing of funds as prescribed in Article 56, paragraph (1), their duties for confirmation regarding the claims as prescribed in Article 59, paragraph (1), or their duties for confirmation on the reduction of the amount of claims prescribed in Article 65-3, to the extent necessary for the enforcement of this Act.

(Collection of Reports from Designated Financial Institutions)

Article 145 (1) The competent minister may have a person who has been designated under Article 21-6, paragraph (1), Article 21-19, paragraph (1), or Article 37, paragraph (1) (referred to below as a "designated financial institution, etc." in this paragraph) report on its business operations to support business activities utilizing innovative technology research results, business operations to promote business adaptation, or business operations to promote corporate restructuring, or may direct their employees of the ministry to enter the business office or office of the designated financial institution, etc., and to perform inspections of its account books, documentation, and other items if the minister finds it necessary to do so for the enforcement of this Act.

(2) The competent minister may have an approved body to certify measures to prevent leakage of technology and other information report on its duties to certify measures to prevent leakage of technology and other information, or may direct the employees of the ministry to enter the office of the approved body to certify measures to prevent leakage of technology and other information, and to perform inspections of its account books, documentation, and other items if the minister finds it necessary to do so for the enforcement of this Act.

(3) , The Minister of Economy, Trade and Industry may have the JIC report on its duties, or may direct the officials of the ministry to enter the business office, office, or other workplaces of the JIC, and to perform inspections of its account books, documentation, and other items if the minister finds it necessary to do so for the enforcement of this Act.

(4) Employees conducting on-site inspections pursuant to the provisions of the preceding three paragraphs must carry a certificate of identification and display it to the persons concerned.

(5) The authority to conduct on-site inspections under paragraphs (1) through (3) must not be construed as being approved for the purpose of a criminal investigation.

(Contact and Cooperation)

Article 146 On enforcement of this Act, the competent minister and the Minister of Health, Labour and Welfare are to maintain close contact and cooperate with each other regarding matters concerning the employment of workers regarding

approved business entities implementing corporate restructuring.

(Competent Ministers)

Article 147 (1) The competent minister under this Act is to be the minister specified in the following items for each category of the matters stated in the respective items:

- (i) matters concerning requests under Article 6, paragraph (1): the minister with jurisdiction over the business regarding the new technology, etc. or new business activities to relating to the request, and the head of an administrative organ with jurisdiction over Acts and orders based on Acts relating to the new special regulatory measures relating to the request;
- (ii) matters concerning requests under Article 7, paragraph (1): the minister with jurisdiction over the business regarding the new technology, etc. or new business activities relating to the requests, and the head of an administrative organ with jurisdiction over Acts and orders based on Acts relating to those requests;
- (iii) matters concerning a plan to demonstrate new technology, etc.: the minister with jurisdiction over the business regarding the new technology, etc. recorded in the plans to prove new technology, etc. and the heads of administrative organ with jurisdiction over the Acts and orders based on the Acts prescribed in Article 8-2, paragraph (3), item (vi) which are recorded in the plans to demonstrate new technology, etc.;
- (iv) matters concerning a plan for new business activities (excluding those stated in the following item): the minister with jurisdiction over the business regarding the new business activities recorded in the plan for new business activities and the head of an administrative organ with jurisdiction over the Acts and orders based on Acts relating to the special measures for regulations prescribed in Article 9, paragraph (3), item (iv) which are recorded in the plan for new business activities;
- (iv)-2 matters concerning the plan for new business activities (limited to the matters regarding the special measures for regulations prescribed in Article 11-2): the Minister of Economy, Trade and Industry and the Minister of Justice;
- (v) matters concerning a plan for a program for supporting the utilization of specified research results: the Minister of Economy, Trade and Industry and the Minister of Education, Culture, Sports, Science and Technology;
- (vi) matters concerning business adaptation plan: the minister with jurisdiction over the business regarding the business adaptation plan;
- (vii) matters concerning duties to facilitate business adaptation promotion and duties to promote business adaptation: the Minister of Economy, Trade and Industry and the Minister of Finance;

- (viii) matters concerning a corporate restructuring plan: the minister with jurisdiction over the business regarding a corporate restructuring plan;
 - (ix) matters concerning duties to facilitate corporate restructuring promotion and duties to promote corporate restructuring: the Minister of Economy, Trade and Industry and the Minister of Finance;
 - (x) matters concerning measures to prevent leakage of technology and other information: the minister with jurisdiction over the operations of the business subject to the promotion guidelines and the Minister of Economy, Trade and Industry;
 - (xi) matters concerning requesting the JIC to acquire shares in a specified government-funded company: the minister who has given authorization for the establishment of the relevant specified government-funded company; and
 - (xii) matters concerning plans for program for supporting start-ups, etc.: the Minister of Economy, Trade and Industry, the Minister of Internal Affairs and Communications, and the minister with jurisdiction over a program for supporting start-ups, etc. relating to a plan for a program for supporting start-ups, etc.
- (2) Order of the competent ministry under this Act is to be an order issued by the competent minister.
- (3) Notwithstanding the provisions of the preceding paragraph, order of the competent ministry in Article 2, paragraph (2), Article 8-2, paragraph (3), Article 9, paragraph (3), and Article 12 are to be Cabinet Secretariat Orders (including public notices) of the Cabinet Secretariat, which has jurisdiction over Acts or orders based on Acts that provide for regulations, Cabinet Office Orders (including public notices) of the Cabinet Office, which has jurisdiction over Acts or orders based on Acts that provide for regulations, Digital Agency Orders (including public notices) of the Digital Agency, which has jurisdiction over Acts or orders based on Acts that provide for regulations, or Ministerial Orders (including public notices) of each ministry that has jurisdiction over Acts or orders based on Acts that provide for regulations (those Acts or those orders based on Acts exclude the Rules of the National Personnel Authority, Rules of the Japan Fair Trade Commission, Rules of the National Public Safety Commission, Rules of the Personal Information Protection Commission, Rules of the Japan Casino Regulatory Commission, Rules of the Environmental Disputes Coordination Commission, Rules of the Public Security Examination Commission, Rules of the Central Labor Relations Commission, Rules of the Japan Transport Safety Board, and Rules of the Nuclear Regulation Authority); provided, however, that order of the competent ministry regarding regulations under the jurisdiction of the National Personnel Authority are the Rules of the National Personnel Authority, those regarding regulations under the jurisdiction of the Japan Fair Trade Commission are the Rules of the Japan

Fair Trade Commission, those regarding regulations under the jurisdiction of the National Public Safety Commission are the Rules of the National Public Safety Commission, those regarding regulations under the jurisdiction of the Personal Information Protection Commission are the Rules of the Personal Information Protection Commission, those regarding regulations under the jurisdiction of the Japan Casino Regulatory Commission are the Rules of the Japan Casino Regulatory Commission, those regarding regulations under the jurisdiction of the Environmental Disputes Coordination Commission are the Rules of the Environmental Disputes Coordination Commission, those regarding regulations under the jurisdiction of the Public Security Examination Commission are the Rules of the Public Security Examination Commission, those regarding regulations under the jurisdiction of the Central Labor Relations Commission are the Rules of the Central Labor Relations Commission, those regarding regulations under the jurisdiction of the Japan Transport Safety Board are the Rules of the Japan Transport Safety Board, and those regarding regulations under the jurisdiction of the Nuclear Regulation Authority are the Rules of the Nuclear Regulation Authority.

(Delegation of Authority)

Article 148 The authority of the competent ministers under this Act may be delegated to the head of a local branch or department, pursuant to the provisions of order of the competent ministry.

(Relationship Between JIC and Approval for Plans for Business Activities)

Article 149 When the JIC provides support for specified business activities, as necessary, it must take measures such as encouraging a target business entity to file an application for the approval for a plan to demonstrate new technology, etc. stated in Article 8-2, paragraph (1), the approval of a plan for new business activities stated in Article 9, paragraph (1), the approval of a plan for investment business for promoting utilization of external management resources stated in Article 17-2, paragraph (1), the approval of a plan for business activities utilizing innovative technology research results stated in Article 21-3, paragraph (1), the approval of a business adaptation plan stated in Article 21-15, paragraph (1), or the approval of a special corporate restructuring plan stated in Article 23, paragraph (1), and endeavor to effectively provide that support in conjunction with those measures.

(Transitional Measures)

Article 150 When enacting, amending, or repealing an order under this Act, necessary transitional measures (including transitional measures concerning penal provisions) may be provided for by that order, to the extent considered

reasonably necessary for the enactment, amendment, or repeal of the order.

Chapter VII Penal Provisions

- Article 151 (1) If a director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), company auditor or employee of the JIC has accepted or has solicited a bribe, or has promised to accept a bribe, in connection with their duties, the relevant person is subject to imprisonment for not more than three years. If the relevant person has conducted unlawful acts, or has failed to act appropriately for this reason, the person is subject to imprisonment for not more than five years.
- (2) In the cases referred to in the preceding paragraph, bribes accepted by the offender are to be confiscated. If it is not possible to confiscate all or part of the bribes, a corresponding amount of money is to be collected.

- Article 152 (1) A person who has given a bribe as stated in paragraph (1) of the preceding Article, or has offered or has promised to give that bribe, is subject to imprisonment for not more than three years or a fine of not more than 1,000,000 yen.
- (2) If a person who has committed the crime referred to in the preceding paragraph surrenders to the authorities, the punishment may be reduced, or the person may be exempted from punishment.

- Article 153 (1) The crime stated in Article 151, paragraph (1) also applies to persons who have committed the crime stated in the paragraph outside of Japan.
- (2) The crime stated in paragraph (1) of the preceding Article is governed by Article 2 of the Penal Code (Act No. 45 of 1907).

Article 154 If a director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), company auditor or employee of the JIC, or a person who has been employed as such has divulged or misappropriated confidential information that has come to their knowledge in the performance of their duties, in violation of the provisions of Article 93, the relevant person is subject to imprisonment for not more than one year, or a fine of not more than 500,000 yen.

Article 155 If a report has not been made pursuant to the provisions of Article 145, paragraph (3), or a false report has been made, or an inspection pursuant to the provisions of the paragraph has been refused, obstructed, or evaded, the director, accounting advisor (or, a member who is to perform the duties of the

accounting advisor, if the accounting advisor is a corporation), company auditor, or employee of the JIC, who has committed the violation, is subject to a fine of not more than 500,000 yen.

Article 156 If falling under any of the following items, the person that has committed the violation is subject to a fine of not more than 300,000 yen:

- (i) if a person has failed to keep books, or failed to record matters in books, or has recorded false statements in books, or has failed to preserve books, in violation of the provisions of Article 21-23 or Article 41;
- (ii) if a person has suspended or discontinued all or part of duties to promote business adaptation or duties to promote corporate restructuring without submitting a notification under Article 21-25, paragraph (1) or Article 43, paragraph (1), or has submitted a false notification;
- (iii) if a person has failed to make a report under Article 144, paragraph (1) or paragraphs (3) through (5), or has made a false report; or
- (iv) if a person has failed to make a report under Article 145, paragraph (1) or paragraph (2), or has made a false report, or has refused, obstructed or evaded an inspection to be conducted pursuant to the provisions of the paragraph.

Article 157 If the representative of a corporation or an agent, employee, or any other worker of a corporation or an individual has committed a violation as stated in the preceding two Articles in relation to the business of the corporation or individual, in addition to the offender, the corporation or the individual is also subject to the punishment stated in those Articles.

Article 158 If a stock company has failed to make a public notice or notification or has submitted a false public notice or notification, in violation of the provisions of Article 797, paragraph (3) or paragraph (4) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) following the deemed replacement of terms, the director, executive officer, liquidator, or liquidator's agent; the person appointed to perform duties on behalf of the director, executive officer, or a liquidator, based on a provisional disposition order prescribed in Article 56 of the Civil Provisional Remedies Act (Act No. 91 of 1989); the person who is temporarily to perform the duties of the director, representative director, executive officer, or representative executive officer as prescribed in Article 960, paragraph (1), item (v) of the Companies Act; the person who is temporarily to perform the duties of the liquidator or representative liquidator as prescribed in paragraph (2), item (iii) of the same Article; or the manager of the stock company that has committed the violation is subject to a civil fine of not more than 1,000,000 yen.

Article 159 If the JFC has failed to obtain the approval of the competent minister, in violation of the provisions of Article 21-18, paragraph (2), Article 21-22, paragraph (2), Article 36, paragraph (2), or Article 40, paragraph (2), the director or executive officer of the JFC, which has committed the violation, is subject to a civil fine of not more than 1,000,000 yen.

Article 160 If the JIC has fallen under any of the following items, the director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), or company auditor of the JIC, which has committed the violation, is subject to a civil fine of not more than 1,000,000 yen:

- (i) if the JIC has solicited subscribers for shares for subscription, share options for subscription, or bonds for subscription; or has issued shares, bonds or share options at a share exchange or share delivery; or has borrowed funds, in violation of the provisions of Article 83, paragraph (1);
- (ii) if the JIC has failed to submit a notification of the issuance of shares, in violation of the provisions of Article 83, paragraph (2);
- (iii) if the JIC has neglected to make a registration, in violation of the provisions of Article 99, paragraph (1) or paragraph (4);
- (iv) if the JIC has undertaken duties, in violation of the provisions of Article 101, paragraph (3);
- (v) if the JIC has failed to obtain authorization for fund provision, in violation of the provisions of Article 103, paragraph (2) or Article 105, paragraph (1);
- (vi) if the JIC has failed to make a report or has made a false report, in violation of the provisions of Article 106, paragraph (3);
- (vii) if the JIC has failed to submit a notification to the Minister of Economy, Trade and Industry, in violation of the provisions of Article 108, paragraph (2) or Article 110, paragraph (1);
- (viii) if the JIC has failed to obtain authorization for transfer of shares, in violation of the provisions of Article 114, paragraph (1);
- (ix) if the JIC has failed to obtain budget authorization, in violation of the provisions of Article 116, paragraph (1);
- (x) if the JIC has failed to submit a balance sheet, profit and loss statement, or business report, or has submitted any of those documents containing false statements or records, in violation of the provisions of Article 118; or
- (xi) if the JIC has violated an order issued under Article 121, paragraph (2).

Article 161 If the JIC has fallen under any of the following items, the director, accounting advisor (or, a member who is to perform the duties of the accounting advisor, if the accounting advisor is a corporation), or company

auditor of the JIC, which has committed the violation, is subject to a civil fine of not more than 200,000 yen:

- (i) if the JIC has failed to submit a notification or has submitted a false notification, in violation of the provisions of Article 120, paragraph (1); or
- (ii) if the JIC has failed to make a publication or has made a false publication, in violation of the provisions of Article 120, paragraph (1).

Article 162 A person falling under any of the following items is subject to a civil fine of not more than 100,000 yen:

- (i) a person that has made a change to any of the matters prescribed in Article 11-3, paragraph (2) without submitting a notification under the paragraph, or has submitted a false notification;
- (ii) a person who has discontinued the new business activities prescribed in Article 11-3, paragraph (4) without submitting a notification under the paragraph, or has submitted a false notification;
- (iii) a person who has given an indication that could clearly give rise to the misconception that the person is an approved body to certify measures to prevent leakage of technology and other information regarding duties to certify measures to prevent leakage of technology and other information, in violation of the provisions of Article 79; or
- (iv) a person that has used the Japanese characters "産業革新投資機構" (pronounced "sangyo kakushin toushi kikou", meaning "Japan Investment Corporation") in its name, in violation of the provisions of Article 85, paragraph (2).

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions stated in the following items come into effect on the date specified in each item:

- (i) provisions of Article 28 and Article 39 of the Supplementary Provisions: the date of promulgation;
- (ii) provisions of Article 16 (limited to the portion on programs for supporting the utilization of specified research results), Articles 20 through 22, Article 75, Article 134 (limited to the portion on programs for supporting the utilization of specified research results), Article 137, paragraph (1) (limited to the portion on programs for supporting the utilization of specified research results), Article 150, item (iii) (limited to the portion on the same paragraph (limited to the portion on programs for supporting the utilization of specified

research results)), and Article 152 (limited to the portion on the item (limited to the portion on the same paragraph (limited to the portion on programs for supporting the utilization of specified research results))), as well as Article 26 and Article 36 of the Supplementary Provisions: the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation.

(Reviews)

- Article 2 (1) The government is to examine the state of enforcement of the provisions of Chapter V, within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and take necessary measures based on the results of this examination.
- (2) The government is to examine the state of enforcement of this Act (excluding the provisions of Chapter V), within a period from the enforcement of this Act to March 31, 2018, taking into consideration changes in the economy and social circumstances, and review it without excluding the possibility of repeal, based on the results of this examination.

(Measures Concerning Directives or Notices)

- Article 3 Regarding directives or notices issued by the heads of relevant administrative organs relating to new business activities, necessary measures are to be taken in accordance with the provisions of this Act, in consideration of the necessity of strengthening industrial competitiveness.

(Repeal of Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities)

- Article 4 The Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) is repealed.

(Transitional Measures Concerning Business Reconstruction Plans)

- Article 5 (1) Prior laws continue to govern the granting of the approval as stated in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities before its repeal under the preceding Article (referred to below as the "Former Industrial Revitalization Act") for which an application was filed before the enforcement of this Act, and for which a decision on whether to grant approval has yet to be made when this Act comes into effect.
- (2) Prior laws continue to govern the following items regarding the approved business reconstruction businesses stated in Article 6, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to

prior laws based on the provisions of the preceding paragraph, after the enforcement of this Act): approval of changes to plans, direction of changes, and rescission of approval; special provisions concerning investigations for contributions in kind and asset transactions; special provisions concerning investigations for contributions in kind for the issuance of shares; special provisions concerning business transfer, etc. to special controlling companies; special provisions concerning share consolidation; special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; special provisions concerning the issuance and acquisition of shares subject to a clause for full acquisition; demand, etc. for objections by creditors in cases of transfer of business; special provisions for the Limited Partnership Act for Investment; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Reutilization Plans)

Article 6 (1) Prior laws continue to govern the granting of the approval stated in Article 7, paragraph (1) of the Former Industrial Revitalization Act, for which an application was filed before the enforcement of this Act and for which a decision whether or not to grant the approval has yet to be made when this Act comes into effect.

(2) Prior laws continue to govern the following items regarding approved management resource reutilization businesses stated in Article 8, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws, based on the provisions of the preceding paragraph, after the enforcement of this Act): approval of changes to plans, direction of changes, and rescission of approval; special provisions concerning investigations for contributions in kind and asset transactions; special provisions concerning investigations of contributions in kind relating to the issuance of shares; special provisions concerning business transfer, etc. to special controlling companies; special provisions concerning share consolidation; special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; special provisions concerning the issuance and acquisition of shares subject to class-wide call; demand, etc. for objections by creditors in cases of transfer of business; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Management Resource Integration Plans)

Article 7 (1) Prior laws continue to govern the granting of approval stated in Article 9, paragraph (1) of the Former Industrial Revitalization Act for which

an application was filed before the enforcement of this Act and for which the disposition of the granting has yet to be made when this Act comes into effect.

- (2) Prior laws continue to govern the following items regarding the approved management resource integration businesses stated in Article 10, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval of changes to plans, direction of changes, and rescission of approval; special provisions concerning investigations for contributions in kind and asset transactions; special provisions concerning investigations for contributions in kind for the issuance of shares; special provisions concerning business transfer, etc. to special controlling companies; special provisions concerning share consolidation; special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; special provisions concerning the issuance and acquisition of shares subject to class-wide call; demand, etc. for objections by creditors in cases of transfer of business; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Resource Productivity Innovation Plans)

- Article 8 (1) Prior laws continue to govern the granting of approval stated in Article 11, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed before the enforcement of this Act and for which a decision whether or not to grant approval has yet to be made when this Act comes into effect.
- (2) Prior laws continue to govern the following items regarding the approved resource productivity innovation businesses stated in Article 12, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval of changes to plans, direction of changes, and rescission of approval; special provisions concerning investigations for contributions in kind and asset transactions; special provisions concerning investigations for contributions in kind for the issuance of shares; special provisions concerning business transfer, etc. to special controlling companies; special provisions concerning share consolidation; special provisions concerning the issuance of shares or disposal of treasury shares upon a tender offer in exchange for shares; special provisions concerning the issuance and acquisition of shares subject to class-wide call; demand, etc. for objections by creditors in cases of transfer of business; special provisions for the Consigned Freight Forwarding Business Act (Act No. 82 of 1989); special provisions of the Motor Truck Transportation Business Act (Act No. 83 of 1989); special provisions for

the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Installation Plans of New Goods
Production Equipment for Business Innovation)

Article 9 (1) Prior laws continue to govern the granting of the approval stated in Article 14, paragraph (1) of the Former Industrial Revitalization Act for an application which was filed before the enforcement of this Act and for which a decision whether or not to grant approval has yet to be made at the time of the enforcement of this Act.

(2) Prior laws continue to govern the following items regarding approved businesses for new goods production equipment installation for business innovation stated in Article 15, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval of changes to plans, direction of changes, and rescission of approval; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Production Equipment Installation Plans
for Goods in Response to Resource Constraints)

Article 10 (1) Prior laws continue to govern the granting of approval stated in Article 16, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed before the enforcement of this Act and for which a decision whether or not to grant approval has yet to be made when this Act comes into effect.

(2) Prior laws continue to govern the following items regarding approved businesses installing production equipment for goods in response to resource constraints stated in Article 17, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws, based on the provisions of the preceding paragraph, after the enforcement of this Act): the approval of changes to plans, direction of changes, and rescission of approval; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Duties to Facilitate Business
Reconstruction Undertaken by Organization for Small & Medium
Enterprises and Regional Innovation)

Article 11 The provisions of Article 24 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, regarding the duties of the Organization for Small & Medium Enterprises and Regional Innovation

for the guarantee of debts stated in the Article that have already been undertaken at the time of when this Act comes into effect.

(Transitional Measures Concerning JFC's Duties to Compensate Losses)

Article 12 The provisions of Article 24-2, paragraph (1) of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, regarding duties of the JFC for the compensation of losses stated in the Article that have already been undertaken at the time when this Act comes into effect.

(Transitional Measures Concerning JFC's Duties to Facilitate Promotion of Business Reconstruction)

Article 13 The provisions of Article 24-3 as well as Article 24-4 and Article 24-8 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, regarding the JFC's duties to facilitate the business reconstruction promotion prescribed in Article 24-3, paragraph (1) of the Former Industrial Revitalization Act that it has been undertaking at the time when this Act comes into effect. In this case, the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to below as the "Act on Special Measures")" in the row of Article 58, paragraph (1) of the table of Article 24-3, paragraph (2) of the Former 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; referred to below as the "Former Act on Special Measures") before the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the same Act"; and the phrase "Act on Special Measures" in the row of Article 58, paragraph (2) and Article 59, paragraph (1), the row of Article 71, the row of Article 73, item (i), the row of Article 73, item (iii), the row of Article 73, item (vii), as well as the row of Article 47, paragraph (1) of the Supplementary Provisions in the table is deemed to be replaced with "Former Act on Special Measures".

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

Article 14 The provisions of Articles 24-5 through 24-13 of the Former Industrial Revitalization Act and Article 73-2 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, regarding the duties to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1)

of the Former Industrial Revitalization Act to be undertaken by designated financial institutions prescribed in the paragraph that have already been undertaken at the time when this Act comes into effect.

(Transitional Measures Concerning Innovation Network Corporation of Japan)

Article 15 (1) The Innovation Network Corporation of Japan, which is in existence at the time when this Act comes into effect, is to keep its identity as the Innovation Network Corporation of Japan based on the provisions of this Act and the Companies Act.

(2) Persons who are the chairperson or members of the former Innovation Network Committee at the time when this Act comes into effect, are deemed to have been appointed as the chairperson or members of the new Innovation Network Committee based on the provisions of this Act, pursuant to the provisions of Article 92, on the date when this Act comes into effect.

(3) The Innovation Network Corporation of Japan must make necessary changes to the articles of incorporation associated with the enforcement of this Act and obtain the authorization of the Minister of Economy, Trade and Industry, as prescribed in Article 82, by the date when this Act comes into effect.

(4) Authorization or other dispositions given by the Minister of Economy, Trade and Industry to the Innovation Network Corporation of Japan, pursuant to the provisions of the Former Industrial Revitalization Act or orders based on it, before the enforcement of this Act, for which the corresponding provisions exist in this Act or orders based on it, are deemed to be authorization or other dispositions given pursuant to the corresponding provisions of this Act or orders based on it, except as otherwise provided in these Supplementary Provisions, and applications filed or other procedures undertaken by the Innovation Network Corporation of Japan, pursuant to the provisions of the Former Industrial Revitalization Act or orders based on it, before the enforcement of this Act, for which the corresponding provisions exist in this Act or orders based on it, are deemed to be applications filed or other procedures undertaken pursuant to the corresponding provisions of this Act or orders based on it, except as otherwise provided in these Supplementary Provisions.

(Transitional Measures Concerning Duty of Confidentiality by Directors)

Article 16 Even after this Act comes into effect, prior laws continue to govern the obligation not to divulge or misappropriate any confidential information that has come to know of a person who was employed as director, accounting advisor (or, a member who is to perform the duties of an accounting advisor, if the accounting advisor is a corporation), company auditor, or employee of the Innovation Network Corporation of Japan, in the course of their duties.

(Transitional Measures Concerning Utilization Plans of Small and Medium-Sized Enterprise Management Resources)

Article 17 (1) Prior laws continue to govern the granting of approval stated in Article 32, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed before the enforcement of this Act and for which a decision whether or not to grant approval has yet to be made when this Act comes into effect.

(2) Prior laws continue to govern the following items regarding approved small and medium-sized enterprise management resource utilization businesses stated in Article 32, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws, based on the provisions of the preceding paragraph, after this Act came into effect): the approval of changes to plans and rescission of approval; special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act; special provisions for the Act on Equipment Installation Support for Small Enterprises (Act No. 115 of 1956) before the repeal under Article 9 of the Act for Partial Amendment, etc. of the Basic Act on the Small and Medium-Sized Enterprises for Revitalizing Business Activities of Small Enterprises (Act No. 57 of 2013); special provisions for the Small and Medium-Sized Enterprise Investment Business Corporation Act; special provisions for cases in which the relevant person is deemed to be a small or medium-sized enterprise or individual implementing small and medium-sized enterprise management resource utilization in accordance with an approved utilization plan of small and medium-sized enterprise management resource; and the collection of reports.

(Transitional Measures Concerning Start-Up-Related Guarantees)

Article 18 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act as prescribed in Article 33 of the Former Industrial Revitalization Act, regarding start-up-related guarantees prescribed in paragraph (1) of the Article that were provided before this Act came into effect.

(Transitional Measures Concerning Specified Letter of Credit-Related Guarantees)

Article 19 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act as prescribed in Article 34 of the Former Industrial Revitalization Act, regarding specified letter of credit-related guarantees prescribed in paragraph (1) of the Article that were provided before this Act came into effect.

(Transitional Measures Concerning Plans for SME Business Rehabilitation Through Succession)

Article 20 (1) Prior laws continue to govern the granting of approval stated in Article 39-2, paragraph (1) of the Former Industrial Revitalization Act for which an application was filed before the enforcement of this Act and for which a decision whether or not to grant approval has yet to be made when this Act comes into effect.

(2) Prior laws continue to govern the following items regarding approved business entities for SME business rehabilitation through succession stated in Article 39-3, paragraph (1) of the Former Industrial Revitalization Act (including those approved pursuant to prior laws that govern, based on the provisions of the preceding paragraph, after this Act came into effect): the approval of changes to plans, direction of changes, rescission of approval; succession, etc. of state based on a specified permission, etc.; special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act; special provisions for the Small and Medium-Sized Enterprise Investment and Consultation Corporation Act; and the collection of reports.

(Transitional Measures Concerning Approved Support Institutions)

Article 21 (1) A person that has already obtained the approval stated in Article 41, paragraph (1) of the Former Industrial Revitalization Act at the time when this Act comes into effect is deemed to have obtained the approval stated in Article 127, paragraph (1) on the date when this Act comes into effect.

(2) In applying the provisions of Article 127, paragraph (5) to the changes that the person deemed to obtain the approval stated in paragraph (1) of the Article pursuant to the provisions of the preceding paragraph needs to make on the matters stated in paragraph (4), item (iv) of the Article in relation to the enforcement of this Act, the phrase "in advance" in paragraph (5) of the Article is deemed to be replaced with "within 30 days from the date when this Act comes into effect".

(Transitional Measures Concerning Duty of Confidentiality by Officers)

Article 22 Even after this Act comes into effect, prior laws continue to govern the duty not to divulge any confidential information that has come to know of duties to support small and medium-sized enterprise revitalization prescribed in Article 41, paragraph (1) of the Former Industrial Revitalization Act in relation to a person who was employed as officer or employee of the approved support institution prescribed in Article 41, paragraph (2) of the Former Industrial Revitalization Act or as member of a small and medium-sized enterprise revitalization support council stated in Article 42, paragraph (1) of the Former Industrial Revitalization Act.

(Transitional Measures Concerning Approval of Certified Dispute Resolution
Business Entities)

Article 23 A person that has already obtained the approval stated in Article 48, paragraph (1) of the Former Industrial Revitalization Act at the time when this Act comes into effect is deemed to have obtained the approval stated in Article 51, paragraph (1).

(Transitional Measures Concerning Duties to Facilitate Corporate
Rehabilitation Undertaken by Organization for Small & Medium Enterprises
and Regional Innovation)

Article 24 The provisions of Article 50 of the Former Industrial Revitalization Act remain in force even after the enforcement of this Act, regarding the duties of the Organization for Small & Medium Enterprises and Regional Innovation, regarding guarantees of debts stated in the same Article that have already been undertaken at the time when this Act comes into effect.

(Transitional Measures Concerning Corporate Rehabilitation Facilitation-
Related Guarantees)

Article 25 Prior laws continue to govern the special provisions for the Small and Medium-Sized Enterprise Credit Insurance Act prescribed in Article 51 of the Former Industrial Revitalization Act for corporate rehabilitation facilitation-related guarantees prescribed in paragraph (1) of the Article that were provided before this Act came into effect.

(Transitional Measures Concerning Special Provisions For Patent Fees)

Article 26 (1) The provisions of Article 75, paragraph (1) apply to patent fees for patent applications of which a request for examination is filed after the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect, and prior laws continue to govern patent fees for patent applications of which a request for examination has been filed before the provisions stated in the item come into effect.

(2) The provisions of Article 75, paragraph (3) apply to fees for international applications to be filed after the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect, and prior laws continue to govern fees for international applications that have been filed before the provisions stated in the item come into effect.

(Transitional Measures Concerning Penal Provisions)

Article 27 Prior laws continue to govern the application of penal provisions for acts committed before this Act come into effect, and for acts committed after

this Act come into effect in which prior laws are to continue to govern or are to remain in force pursuant to the provisions of these Supplementary Provisions.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 28 Beyond what are prescribed in these Supplementary Provisions, Cabinet Order specifies necessary transitional measures associated with the enforcement of this Act.

(Partial Amendment of Act on Special Measures Concerning Taxation)

Article 29 The Act on Special Measures Concerning Taxation (Act No. 26 of 1957) is partially amended as follows.

In the title of Article 80, the phrase "Approved Business Reconstruction Plans" is to be replaced with "Approved Corporate Restructuring Plans"; and the part in paragraph (1) of the Article other than what is listed in items provided is to be amended as follows.

In the case of accepting registration for the following matters, the rate for registration and license tax is that specified in the following items for each category of the matters stated in that respective item, notwithstanding the provisions of Article 9 of the Registration and License Tax Act; if those listed as the following matters are related to the approval stated in Article 24, paragraph (1) or Article 25, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) as an approved corporate restructuring plan prescribed in Article 25, paragraph (2) of the Act (limited to a plan that contains the statement on corporate restructuring prescribed in Article 2, paragraph (11) of the Act that is specified by Cabinet Order), the approval stated in Article 26, paragraph (1) or Article 27, paragraph (1) of the Act as an approved specified corporate restructuring plan prescribed in Article 27, paragraph (2) of the Act, or the approval stated in Article 121, paragraph (1) or Article 122, paragraph (1) of the Act as an approved plan for SME business rehabilitation through succession prescribed in Article 122, paragraph (3) of the Act, which has been granted within a period from the day when this Act came into effect to March 31, 2016; and only if the relevant registration is made within one year from the date of these approvals pursuant to the provisions of Order of the Ministry of Finance: The following one item is to be added in Article 80, paragraph (1).

(vi) acquisition of ownership of real estate or a vessel in cases of the establishment of a corporation as a result of company split or an increase in the amount of stated capital or capital contributions: the proportion specified in (a) or (b) for each category of the matters stated in that respective item:

(a) acquisition of ownership of real estate: 4/1000;

(b) acquisition of ownership of a vessel: 23/1000.

Article 80, paragraph (2) is to be Article 80, paragraph (3) and the following one paragraph is to be added after paragraph (1) of the Article.

(2) If an individual has established a stock company by receiving support under the specified start-up support program prescribed in Article 2, paragraph (25) of the Act on Strengthening Industrial Competitiveness, which has been recorded in the approved start-up support plan prescribed in Article 114, paragraph (2) of the Act, within the area of a municipality (including a special ward) that has obtained the approval stated in Article 113, paragraph (1) or Article 114, paragraph (1) of the Act regarding that approved start-up support plan, the amount of registration and license tax for the registration of the establishment of the stock company is the amount arrived at if the amount of stated capital of the stock company is multiplied by 3.5/1000 (or 75,000 yen, if the amount thus arrived at is less than 75,000 yen), notwithstanding the provisions of Article 9 of the Registration and License Tax Act, as long as the relevant registration is made within a period from the day when this Act came into effect to March 31, 2016, pursuant to the provisions of Order of the Ministry of Finance.

In Article 81, paragraph (5), the phrase "Article 80, paragraph (1) (excluding item (i) through item (iv)), or" is to be deleted; the phrase "the phrase 'merger' in Article 80, paragraph (1), item (v) is deemed to be replaced with 'company split', the phrase '2/1000' in (a) in the item is deemed to be replaced with '4/1000', the phrase '3/1000' in (b) of the item is deemed to be replaced with '23/1000'," is to be deleted; and the phrase "paragraph (1), item (iv) of the preceding Article" is to be altered to "paragraph (1), item (iv) of the same Article".

In Article 84-6, paragraph (4), the phrase "Article 30-21, paragraph (1) (Registration) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 95, paragraph (1) (Registration of Committee Members) of the Act on Strengthening Industrial Competitiveness".

(Transitional Measures Associated with Partial Amendment of Act on Special Measures Concerning Taxation)

Article 30 Prior laws continue to govern registration and license tax for the registration of the matters stated in the items of Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation before the amendment under the preceding Article regarding the approval prescribed in the same paragraph (including the approval for cases in which prior laws are to continue to govern pursuant to the provisions of Articles 5 through 8 or Article 20 of the Supplementary Provisions).

(Adjustment Provisions Associated with Partial Amendment of Act on Special Measures Concerning Taxation)

Article 31 If the date when this Act comes into effect is before the date the provisions come into effect stated in Article 1, item (ii) of the Supplementary Provisions of the Act for Partial Amendment of the Financial Instruments and Exchange Act (Act No. 45 of 2013), the phrase "Article 80, paragraph (2)" in the provisions amending Article 80, paragraph (2) of the Act on Special Measures Concerning Taxation in Article 19 of the Supplementary Provisions of the Act for the Partial Amendment of the Financial Instruments and Exchange Act is deemed to be replaced with "Article 80, paragraph (3)".

(Partial Amendment of the Basic Act on Small and Medium-Sized Enterprises)

Article 32 The Basic Act on Small and Medium-Sized Enterprises (Act No. 154 of 1963) is partially amended as follows.

In Article 29, paragraph (3), the phrase ", the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be deleted; the phrase "and the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts" is to be altered to ", the Act on Promotion of Business Activities in Response to Demand of Local Residents for the Revitalization of Shopping Districts"; and after the phrase "(Act No. 80 of 2009)", the phrase "and the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)" is to be added.

(Partial Amendment of Registration and License Tax Act)

Article 33 The Registration and License Tax Act (Act No. 35 of 1967) is partially amended as follows.

In item (cxxv) of Appended Table 1, the phrases ", Article 22-4, paragraph (1) or paragraph (2) (Special Provisions for the Motor Truck Transportation Business Act) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" and "approval of resource productivity innovation plans under Article 11, paragraph (1) (Approval of Resource Productivity Innovation Plans) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval of changes to resources productivity innovation plans under Article 12, paragraph (1) (Changes to Resource Productivity Innovation Plans) of the Act" are to be deleted; in item (cxxxix) of the table, the phrases ", Article 22-2, paragraph (1) or paragraph (2) (Special Provisions for the Consigned Freight Forwarding Business Act) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in

Industrial Activities", "approval for resource productivity innovation plans under Article 11, paragraph (1) (Approval of Resource Productivity Innovation Plans) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval for changes to resources productivity innovation plans under Article 12, paragraph (1) (Changes to Resource Productivity Innovation Plans) of the Act", ", Article 22-3, paragraph (1) or paragraph (2) (Special Provisions for the Consigned Freight Forwarding Business Act) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities", and "approval of resource productivity innovation plans under Article 11, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities or approval of changes to resources productivity innovation plans under Article 12, paragraph (1) of the Act" are to be deleted.

(Partial Amendment of Act to Facilitate Technology Transfer from Universities to Private Sector)

Article 34 (1) The Act to Facilitate Technology Transfer from Universities to the Private Sector (Act No. 52 of 1998) is partially amended as follows.

Article 7 is to be deleted, Article 8 is to be altered to Article 7, and the following Article is to be added after Article 7.

(Special Provisions Concerning Patent Fees)

Article 8 If an approved business entity implements a specified university technology transfer business, the Commissioner of the Japan Patent Office may grant a reduction of, exemption from, or a grace period for the payment of patent fees for each year, from the first through the tenth year under Article 107, paragraph (1) of the Patent Act (Act No. 121 of 1959) pursuant to the provisions of Cabinet Order.

(2) If an approved business entity undertakes specified university technology transfer business, the Commissioner of the Japan Patent Office may reduce or exempt payment of the fee for requesting examination of an application regarding the patent application of itself, which is to be paid pursuant to the provisions of Article 195, paragraph (2) of the Patent Act, pursuant to the provisions of Cabinet Order.

In Article 12, paragraph (4) and paragraph (9), the phrase "(Act No. 121 of 1959)" is to be deleted.

(Partial Amendment of Act on Organization for Small & Medium Enterprises and Regional Innovation)

Article 35 The Act on the Organization for Small & Medium Enterprises and Regional Innovation, Japan, Independent Administrative Agency (Act No. 147

of 2002) is partially amended as follows.

In Article 15, paragraph (1), item (v), the phrase "from item (viii) through item (x)" is to be altered to "item (viii), item (ix), and item (xiv)"; item (x) of the paragraph is to be deleted; item (xi) is to be altered to item (x); item (xii), item (xii) and item (xiv) are to be altered to item (xi), item (xii), and item (xiii), respectively; and the following item is to be added before item (xv).

(xiv) to undertake duties to provide guarantee for debts pursuant to the provisions of Article 13, Article 19, Article 38, and Article 53 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), to provide cooperation pursuant to the provisions of Article 117, paragraph (1) of the Act, or make capital contributions and carry out other duties pursuant to the provisions of Article 133 of the Act;

In Article 15, paragraph (5), the phrase "paragraph (1), item (xi) and item (xiii)" is to be altered to "paragraph (1), item (x) and item (xii)".

In Article 17, paragraph (1), item (ii), the phrase "and from item (viii) through item (x) of the paragraph" is to be altered to "and item (viii), item (ix), and item (xiv) of the paragraph"; and in item (iii) of the paragraph, the phrase "from item (vii) through item (x)" is to be altered to "from items (vii) through (ix), and item (xiv)".

In Article 18, paragraph (1), item (i), the phrase "duties stated in item (x) of the paragraph (limited to duties to make capital contributions prescribed in Article 47 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities), duties stated in item (xi) through item (xiv) of the paragraph" is to be altered to "duties stated in item (x) through item (xiii) of the paragraph, duties stated in item (xiv) of the paragraph (limited to duties to provide cooperation prescribed in Article 117, paragraph (1) of the Act on Strengthening Industrial Competitiveness, and make capital contributions prescribed in Article 133 of the Act, or other duties)"; and in item (ii) of the paragraph, the phrase "item (x) of the paragraph" is to be altered to "item (xiv) of the paragraph".

In Article 21, paragraph (1), the phrase "item (x)" is to be altered to "item (xiv)".

In Article 22, paragraph (1), the phrase "Article 15, paragraph (1), item (xi)" is to be altered to "Article 15, paragraph (1), item (x)".

In Article 8-5, item (iv) of the Supplementary Provisions, the phrase "the preceding three items" is to be altered to "the preceding items"; the item is to be altered to item (vi) of the Article; and the following two items are to be added after item (iii) of the Article.

(iv) duties stated in Article 24 and Article 50 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) before the repeal under Article 4 of the

Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (the former Act is referred to below as the "Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities Before Repeal"), which are to remain in force pursuant to the provisions of Article 11 and Article 24 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness regarding loan guarantee contracts that the JIC had concluded before the enforcement of the Act;

- (v) management and disposition of shares regarding the contributions made pursuant to the provisions of Article 47 of the Act on Special Measures Concerning Revitalization of Industry and Innovation of Industrial Activities Before Repeal;

In the row of Article 18, paragraph (1), item (i) of the table of Article 14 of the Supplementary Provisions, the phrase "in up to item (xiv)" is to be replaced with "in item (xvii) of the same paragraph".

(Partial Amendment of National University Corporation Act)

Article 36 The National University Corporation Act is partially amended as follows.

In Article 22, paragraph (1), item (vi), the phrase "making contributions" is to be altered to "making contributions (excluding those falling under the following item)"; item (vii) of the paragraph is to be altered to item (viii) of the paragraph; and the following item is to be added after item (vi) of the paragraph.

- (vii) making contributions and providing personnel and technical assistance pursuant to the provisions of Article 22 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013);

In Article 22, paragraph (2), the phrase "and duties stated in item (vii) of the paragraph, which relate to contributions" is to be added after the phrase "duties stated in item (vi) of the preceding paragraph".

In Article 29, paragraph (1), item (v), the phrase "making contributions" is to be altered to "making contributions (excluding those falling under the following item)"; item (vi) of the paragraph is to be altered to item (vii) of the paragraph; and the following item is to be added after item (v) of the paragraph.

- (vi) making contributions and providing personnel and technical assistance pursuant to the provisions of Article 22 of the Act on Strengthening Industrial Competitiveness;

In Article 29, paragraph (2), the phrase "and duties stated in item (vi) of the same paragraph, which relate to contributions" is to be added after the phrase "duties stated in item (v) of the preceding paragraph".

(Partial Amendment of Act on Regional Economy Revitalization Corporation of Japan)

Article 37 The Act on the Regional Economy Revitalization Corporation of Japan (Act No. 63 of 2009) is partially amended as follows.

In Article 24, paragraph (2), the phrase "(referred to as the "competent minister for the business" in the following paragraph)" is to be deleted; paragraph (3) of the Article is to be deleted; and paragraph (4) is to be altered to paragraph (3).

In Article 25, paragraph (3), the phrase "approved support institutions (meaning the approved support institutions prescribed in Article 41, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities)" is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (meaning the approved support institutions prescribed in Article 127, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013))"; and in paragraph (4) of the Article, the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

In Article 32, paragraph (2), the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that have issued".

The title of Article 61 is to be altered to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the Article, the phrase "business reconstruction plans stated in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "corporate restructuring plans stated in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval of management resource reutilization plans stated in Article 7, paragraph (1) of the Act, approval of management resource integration plans stated in Article 9, paragraph (1) of the Act, approval of resource productivity innovation plans stated in Article 11, paragraph (1) of the Act" is to be altered to "approval of specified corporate restructuring plans stated in Article 26, paragraph (1)"; and the phrase "Article 39-2, paragraph (1)" is to be altered to "Article 121, paragraph (1)"; in paragraph (2) of the Article, the phrase "approved support institutions, pursuant to the provisions of Article 41, paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion regarding Article 127, paragraph (2), item (i) of the Act), and approved

support institutions, pursuant to the provisions of item (i) of the paragraph,".

In Article 63, the phrase "Article 2, paragraph (24) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 2, paragraph (15) of the Act on Strengthening Industrial Competitiveness"; and the phrase "and an approved support institution" is to be altered to ", the Organization for Small & Medium Enterprises and Regional Innovation, and an approved support institution".

(Partial Amendment of Act for Corporation for Supporting Revitalization of Business Entities Damaged by Great East Japan Earthquake)

Article 38 The Act on the Corporation for Supporting the Revitalization of Business Entities Damaged by the Great East Japan Earthquake (Act No. 113 of 2011) is partially amended as follows.

In Article 19, paragraph (3), the phrase "approved support institution (meaning the approved support institutions prescribed in Article 41, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation or approved support institutions (meaning the approved support institution prescribed in Article 127, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)"; and in paragraph (4) of the Article, the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institution that has issued".

In Article 26, paragraph (2), the phrase "the Organization for Small & Medium Enterprises and Regional Innovation or" is to be added before the phrase "approved support institutions that has issued".

The title of Article 59 is to be altered to "(Relationship with the Act on Strengthening Industrial Competitiveness)"; in paragraph (1) of the Article, the phrase "business reconstruction plans stated in Article 5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "corporate restructuring plans stated in Article 24, paragraph (1) of the Act on Strengthening Industrial Competitiveness"; the phrase "approval of management resource reutilization plans stated in Article 7, paragraph (1) of the Act, approval of the management resource integration plans stated in Article 9, paragraph (1) of the Act, approval of resource productivity innovation plans stated in Article 11, paragraph (1) of the Act" is to be altered to "approval of specified corporate restructuring plans stated in Article 26, paragraph (1)"; the phrase "Article 39-2, paragraph (1)" is to be altered to "Article 121, paragraph (1)"; and the phrase "Article 47" is to be altered to "Article 133, item (i)"; in paragraph (2) of the

Article, the phrase "approved support institution, pursuant to the provisions of Article 41, paragraph (2), item (i) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities," is to be altered to "the Organization for Small & Medium Enterprises and Regional Innovation, pursuant to the provisions of Article 133, item (ii) of the Act on Strengthening Industrial Competitiveness (limited to the portion regarding Article 127, paragraph (2), item (i) of the Act), and approved support institution, pursuant to the provisions of item (i) of the paragraph,".

In Article 61, the phrase "Article 2, paragraph (24) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" is to be altered to "Article 2, paragraph (15) of the Act on Strengthening Industrial Competitiveness"; and the phrase "and an approved support institution" is to be altered to ", the Organization for Small & Medium Enterprises and Regional Innovation, and an approved support institution".

(Partial Amendment of Act for Partial Amendment of the Basic Act on Small and Medium-Sized Enterprises for Revitalizing Business Activities of Small Enterprises)

Article 39 The Act for Partial Amendment of the Basic Act on the Small and Medium-Sized Enterprises for Revitalizing Business Activities of Small Enterprises is partially amended as follows.

In Article 1, item (ii) of the Supplementary Provisions, the phrase ", Article 14 (limited to the provisions amending Article 36 and Article 38 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)), Article 15" is to be deleted; and the phrase "Article 24" is to be altered to "Article 25".

In Article 14 of the Supplementary Provisions, the provisions amending Article 36 and Article 38 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities are to be deleted.

Article 15 of the Supplementary Provisions is to be amended as follows.

Article 15 Deleted

In Article 18 of the Supplementary Provisions, the phrase "small enterprises" is to be altered to "small enterprises stated in Article 2, paragraph (1) of the Former Support Act (simply referred to below as "small enterprises")".

The following Article is to be added to the Supplementary Provisions.

(Partial Amendment of Act on Strengthening Industrial Competitiveness)
Article 25 The Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) is partially amended as follows.

In Article 17, paragraph (2) of the Supplementary Provisions, the phrase "the Act on Equipment Installation Support for Small Enterprises" is to be altered to "the Act on Equipment Installation Support for Small Enterprises before its repeal under Article 9 of the Act for Partial Amendment of the Basic Act on the Small and Medium-Sized Enterprises for the Revitalizing Business Activities of Small Enterprises (Act No. 57 of 2013)".

In Article 39 of the Supplementary Provisions, the phrase "(Act No. 57 of 2013)" is to be deleted.

(Partial Amendment of the Local Tax Act)

Article 40 The Local Tax Act (Act No. 226 of 1950) is partially amended as follows.

In Article 51-2, paragraph (1) and Article 56-2, paragraph (1) of the Supplementary Provisions, the phrase "Article 15, paragraph (1), item (xiii)" is to be altered to "Article 15, paragraph (1), item (xii)".

(Partial Amendment of Stamp Tax Act)

Article 41 The Stamp Tax Act (Act No. 23 of 1967) is partially amended as follows.

In the column of document titles of Appended Table 3, the phrase "item (xii), and item (xiv) to item (xvi)" is to be altered to "item (xi), item (xiii), item (xv) and item (xvi)".

(Partial Amendment of Act on Temporary Special Provisions for Acts Related to National Tax, in Relation to Victims of Great East Japan Earthquake)

Article 42 The Act on Temporary Special Provisions of Acts Related to National Tax, in Relation to Victims, etc. of the Great East Japan Earthquake (Act No. 29 of 2011) is partially amended as follows.

In Article 40-4 and Article 52, paragraph (1), the phrase "Article 15, paragraph (1), item (xiii)" is to be altered to "Article 15, paragraph (1), item (xii)".

(Partial Amendment of the Act for Partial Amendment of the Income Tax Act, etc.)

Article 43 The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 5 of 2013) is partially amended as follows.

In the provisions amending Article 80, paragraph (2) of the Act on Special Measures Concerning Taxation in Article 8, and in Article 1, item (vi), (c) of the Supplementary Provisions, the phrase "Article 80, paragraph (2)" is to be altered to "Article 80, paragraph (3)".

(Partial Amendment of Act for Establishment of Reconstruction Agency)

Article 44 The Act for Establishment of the Reconstruction Agency (Act No. 125 of 2011) is partially amended as follows.

The following is to be added after the row of the Act for Implementation of the Convention on the Civil Aspects of International Child Abduction (Act No. 48 of 2013) in the table of Article 3, paragraph (1) of the Supplementary Provisions.

Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)	Article 140, paragraph (3)	or Cabinet Office Orders of respective ministries	, Cabinet Office Orders (including public notices) of the Reconstruction Agency or respective ministries, the Reconstruction Agency Order
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Supplementary Provisions [Act No. 80 of July 27, 2018] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding three years from the date of promulgation; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

(i) and (ii) (Omitted)

(iii) the provisions of Chapter XI, Article 235, Article 239, paragraph (1) (limited to the portion regarding item (xliv)), Article 243, paragraph (1) (limited to the portion regarding item (iv) (limited to the portion regarding Article 239, paragraph (1), item (xliv))) and paragraph (3), and Article 251, as well as the provisions of Article 5, Articles 7 through 10, Article 12, Article 14 (limited to the provisions amending Article 19, paragraph (2) of the Act on Promotion of Development of Specified Integrated Resort Districts), and Articles 15 and 16 of the Supplementary Provisions: a day specified by Cabinet Order within a period not exceeding one year and six months from the date of promulgation.

Supplementary Provisions [Act No. 16 of May 31, 2019] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order, within a period not exceeding nine months from the date of promulgation.

Supplementary Provisions [Act No. 37 of June 14, 2019] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

- (i) the provisions of Articles 40, 59, 61, and 75 (limited to the provisions amending Article 34-20 of the Child Welfare Act), Articles 85, 102, and 107 (limited to the provisions amending Article 26 of the Act for Protection of Children Adopted Through Private Adoption Agencies), Articles 111, 143, 149, 152, and 154 (limited to the provisions amending Article 25, item (vi) of the Act on Real Estate Appraisal), and Article 168, as well as the provisions of the following Article and Articles 3 and 6 of the Supplementary Provisions: the date of promulgation;
- (ii) the provisions of Articles 3, 4, and 5 (excluding the provisions amending Article 19-2, paragraph (1) of the Act on National Strategic Special Zones), Chapter II, Sections 2 and 4, Article 41 (excluding the provisions amending Article 252-28 of the Local Autonomy Act), Articles 42 through 48, Articles 50, 54, 57, 60, and 62, Articles 66 through 69, Article 75 (excluding the provisions amending Article 34-20 of the Child Welfare Act), Articles 76, 77, 79, 80, 82, 84, 87, 88, and 90 (excluding the provisions amending Article 30-19, paragraph (2), item (i) of the Vocational Abilities Development Promotion Act), Articles 95 and 96, Articles 98 through 100, Articles 104, 108, 109, 112, 113, 115, 116, 119, 121, 123, 133, 135, 138, and 139, Articles 161 through 163, Articles 166, 169, 170, and 172 (limited to the provisions amending Article 29, paragraph (1), item (i) of the Act on Rational Use and Proper Management of Fluorocarbons), and Article 173, as well as the provisions of Articles 16, 17, 20, and 21 and Articles 23 through 29 of the Supplementary Provisions: the day on which six months have elapsed from the date of promulgation;

(Transitional Measures Concerning Acts of Administrative Authorities)

Article 2 Prior laws continue to govern the effect of acts, such as dispositions, of administrative authorities that were conducted or made before this Act comes into effect (in the case of the provisions stated in the items of the preceding Article, those provisions; the same applies below in this Article and the following Article) based on the provisions of laws before amendment by this Act or orders based on those laws (limited to provisions that provide for measures concerning restriction of rights, such as disqualifying clauses) and the effect of disqualification that occurred pursuant to those provisions before the enforcement of this Act.

(Transitional Measures Concerning Penal Provisions)

Article 3 Prior laws continue to govern the application of penal provisions for acts committed before the enforcement of this Act.

(Review)

Article 7 Approximately within one year after the promulgation of this Act, the government is to review the provisions in the Companies Act (Act No. 86 of 2005) and the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006) that restrict the qualifications of corporate officers, on the grounds that they are adult wards or persons under curatorship, and based on the results, delete those provisions or take other necessary legislative measures.

(Adjustment Provisions Associated with Partial Amendment of Act on Strengthening Industrial Competitiveness)

Article 26 (1) If the date when the provisions come into effect stated in Article 1, item (ii) of the Supplementary Provisions (referred to below as the "effective date of item (ii)") is after the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness comes into effect (Act No. 26 of 2018), the phrase "Article 41, paragraph (4), item (iii), (a)" in Article 139 is deemed to be replaced with "Article 39, paragraph (4), (iii), (a)". In this case, the phrase "an adult ward, a person under curatorship" in Article 41, paragraph (4), item (iii), (a) of the Act on Strengthening Industrial Competitiveness before amendment by the provisions of Article 1 of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness that are to remain in force pursuant to the provisions of Article 8 of the Supplementary Provisions of the Act, is deemed to be replaced with "a person specified by order of the competent ministry as being unable to properly perform their duties due to a mental or physical disorder".

○ Act on Development of Related Acts in Line with Enforcement of the Act for Partial Amendment of the Companies Act (Act No. 71 of 2019) [Extract]

(Transitional Measures Concerning Penal Provisions)

Article 124 Prior laws continue to govern the application of penal provisions for acts committed before this Act comes into effect (in the case of the provisions stated in the items of the Supplementary Provisions, those provisions; the same applies below in this Article), and for acts committed after the this Act comes into effect when prior laws are to continue to govern pursuant to the provisions of this Act.

(Delegation to Cabinet Order)

Article 125 In addition to what is provided for in this Act, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act.

Supplementary Provisions [Act No. 71 of December 11, 2019] [Extract]

This Act comes into effect on the date the Act Amending the Companies Act comes into effect; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

- (i) the provisions of Article 9 amending Article 269 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (limited to the portion altering "Article 68, paragraph (2)" to "Article 86, paragraph (1)"), the provisions of Article 21 amending Article 56, paragraph (2) of the Act on Promotion of Private Finance Initiative and Article 4 of the Supplementary Provisions of the Act, the provisions of Article 41 amending Article 1-2-14, paragraph (1) of the Supplementary Provisions of the Insurance Business Act, the provisions of Article 47 amending Article 16, paragraph (1) of the Supplementary Provisions of the Act for Partial Amendment of the Insurance Business Act, the provisions of Article 51 amending Article 27 of the Act on the Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, the provisions of Articles 78 and 79, the provisions of Article 89 amending Article 26, paragraph (1) of the Supplementary Provisions of the Act on Enhancement and Restructuring of Credit Business Conducted by The Norinchukin Bank and Specified Agricultural and Fishery Cooperative Savings Insurance Cooperation, and the provisions of Articles 124 and 125: the date of promulgation;

Supplementary Provisions [Act No. 58 of June 19, 2020] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding six months from the date of promulgation; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

- (i) and (ii) (Omitted)
- (iii) in Article 5, the provisions amending Article 134, paragraph (2) of the Act on Strengthening Industrial Competitiveness (excluding the portion making the following addition to item (i) of the paragraph and the portion altering the phrase "or (b)" in item (iii) of the paragraph to "through (c)"), the provisions amending Article 136, paragraph (2) of the Act (excluding the portion adding "and (c)" after "stated in (b)" in item (ii) of the paragraph),

and the provisions amending Article 140, item (ii) of the Act: the day specified by Cabinet Order within a period not exceeding one year and six months from the date of promulgation;

(Transitional Measures Concerning Penal Provisions)

Article 11 Prior laws continue to govern the application of penal provisions for acts committed before this Act comes into effect (in the case of the provisions stated in the items of Article 1 of the Supplementary Provisions, those provisions), and for acts committed after this Act comes into effect in the case where prior laws are to continue to apply, pursuant to the provisions of these Supplementary Provisions.

(Delegation to Cabinet Order)

Article 12 In addition to what is provided for in these Supplementary Provisions, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act (including transitional measures concerning penal provisions).

(Review)

Article 13 Approximately five years after this Act comes into effect, the government is to review the provisions and take necessary measures based on the results if the government finds it necessary to do so in consideration of the status of implementation regarding the provisions amended by this Act.

Supplementary Provisions [Act No. 36 of May 19, 2021] [Extract]

(Effective Date)

Article 1 This Act comes into effect on September 1, 2021; provided, however, that the provisions of Article 60 of the Supplementary Provisions come into effect on the date of promulgation.

(Transitional Measures Concerning Dispositions)

Article 57 (1) Acts, such as dispositions of certification, etc., taken or made by a former national government organ before this Act comes into effect pursuant to the provisions of the respective laws before amendment by this Act (including orders based on them; referred to below as "former laws and regulations" in this Article and the following Article) are deemed to be acts, unless otherwise provided for in laws and regulations, such as dispositions of certification, etc., taken or made by a corresponding national government organ pursuant to the corresponding provisions of the respective laws amended by this Act (including orders based on them; referred to below as "new laws and regulations" in this

Article and the following Article), after this Act comes into effect.

(2) Acts, such as applications and notifications, that have been filed or made with a former national government organ pursuant to the provisions of former laws and regulations at the time when this Act comes into effect are, unless otherwise provided for in laws and regulations, deemed to be acts, such as applications and notifications, that have been taken or made with a corresponding national government organ pursuant to the corresponding provisions of the new laws and regulations, after this Act comes into effect.

(3) Regarding matters for which procedures, such as application or notification, are required to be taken with a former national government organ before this Act comes into effect, pursuant to the provisions of the former laws and regulations, and for which those procedures have not been taken with the former national government organ before the date when this Act comes into effect, unless otherwise provided for in laws and regulations, the provisions of the new laws and regulations apply by deeming the matters to be those for which procedures have not been taken with the corresponding national government organ, pursuant to the corresponding provisions of the new laws and regulations, after the enforcement of this Act.

(Transitional Measures Concerning Effect of Orders)

Article 58 The Cabinet Office Order referred to in Article 7, paragraph (3) of the Act for Establishment of the Cabinet Office or the Ministerial Order referred to in Article 12, paragraph (1) of the National Government Organization Act issued pursuant to the provisions of the former laws and regulations is to remain in force after this Act comes into effect as the corresponding Digital Agency Order referred to in Article 7, paragraph (3) or Ministerial Order referred to in Article 12, paragraph (1) of the National Government Organization Act issued under the corresponding provisions of the new laws and regulations, unless otherwise provided for in laws and regulations.

(Transitional Measures Concerning Application of Penal Provisions)

Article 59 Prior laws continue to govern the application of penal provisions for acts committed before this Act comes into effect.

(Delegation to Cabinet Order)

Article 60 In addition to what is provided for in Articles 15, 16, and 51 of the Supplementary Provisions and the preceding three Articles, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act (including transitional measures concerning penal provisions).

Supplementary Provisions [Act No. 70 of June 16, 2021] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

- (i) in Article 1, the provisions amending the table of contents of the Act on Strengthening Industrial Competitiveness (limited to the portion altering "Intellectual Property Rights in Business Activities" to "Shareholders Meeting Without Designated Location") and the provisions amending Chapter III, Section 4 of the Act, as well as the provisions of Articles 3, 19, and 20 of the Supplementary Provisions: the date of promulgation; and
- (ii) the provisions of Article 1 (excluding the amendment provisions stated in the preceding item), the provisions of Article 3, the provisions of Article 8 (excluding the amendment provisions stated in the following item), and the provisions of Article 10, as well as the provisions of Articles 4 through 6, Articles 12 through 18, and Articles 23, 24, 26, 28, 30, 32, 33, and 35 of the Supplementary Provisions: June 5, 2021 or the date of promulgation of this Act, whichever is later.

(Review)

Article 2 Approximately three years after this Act comes into effect, the government is to review the status of enforcement of the provisions amended by this Act, while taking into account changes in economic and social circumstances, and take necessary measures based on the results of the review.

(Transitional Measures Associated with Partial Amendment of Act on Strengthening Industrial Competitiveness)

Article 3 (1) If a stock company that has currently issued shares listed on the financial instruments exchange as prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) (referred to below as a "listed company" in this Article) on the time when the provisions stated in Article 1, item (i) of the Supplementary Provisions come into effect or a stock company that has become a listed company during the period from the date when the provisions stated in the item come into effect (referred to below as the "effective date of item (i)") until the day on which two years have elapsed from that date obtains confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice prescribed in Article 66, paragraph (1) of the Act on Strengthening Industrial Competitiveness amended by the provisions of Article 1 (limited to the amendment provisions stated in

Article 1, item (i)) (referred to as the "new Act on Strengthening Industrial Competitiveness" in the following paragraph) during the period from the effective date of item (i) until the day on which two years have elapsed from that date (in the case of a stock company that ceases to be a listed company by that date, until the day of ceasing to be a listed company), the stock company may be deemed to have the provisions provided for in the paragraph in its articles of incorporation during that period, notwithstanding the provisions of its articles of incorporation (limited to the provisions of articles of incorporation that designate the location of the shareholders meeting or the general meeting of class shareholders).

- (2) At a shareholders meeting without a designated location where directors (in the case where shareholders call a shareholders meeting pursuant to the provisions of Article 297, paragraph (4) of the Companies Act (Act No. 86 of 2005), those shareholders) of a stock company that is deemed to have the provisions provided for in Article 66, paragraph (1) of the new Act on Strengthening Industrial Competitiveness in its articles of incorporation pursuant to the provisions of the preceding paragraph, no resolution may be adopted to change the articles of incorporation to establish the provisions provided for in Article 66, paragraph (1) of the new Act on Strengthening Industrial Competitiveness.

Article 4 Concerning a request made under Article 6, paragraph (1) of the Act on Strengthening Industrial Competitiveness before amendment by the provisions of Article 1 (excluding the amendment provisions stated in Article 1, item (i) of the Supplementary Provisions) (referred to below as the "former Act on Strengthening Industrial Competitiveness") that was made before the date the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect (referred to below as the "effective date of item (ii)"), for which the determination on whether it is necessary to take new special measures for regulations (meaning the special measures for regulations prescribed in Article 2, paragraph (2) of the former Act on Strengthening Industrial Competitiveness; the same applies below in this Article) has not been made on the time of the enforcement of the provisions stated in Article 1, item (ii) of the Supplementary Provisions, prior laws continue to govern the procedure of the determination (including publicizing the details of the new special measures for regulations when it is decided the new special measures for regulations are to be taken) and the notice to the person that has made the request.

Article 5 Regarding a request made under Article 7, paragraph (1) of the former Act on Strengthening Industrial Competitiveness that was made before the effective date of item (ii), for which response has not been made on the time

when the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect, prior laws continue to govern the response to that request (including publicizing the details of the response) and the notice to the person that has made the request.

- Article 6 (1) Prior laws continue to govern the granting of the approval referred to in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness, regarding an application for approval that was filed before the effective date of item (ii) and for which a decision whether or not to grant approval has yet to be made when the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect.
- (2) Prior laws continue to govern the following items regarding the plans for new business activities prescribed in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness (referred to below as "plans for new business activities" in this Article) for which the approval referred to in the paragraph has been obtained on the time when the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect and plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the former Act on Strengthening Industrial Competitiveness has been obtained after the effective date of item (ii) pursuant to prior laws, based on the provisions of the preceding paragraph: the approval of changes to plans; direction of changes; rescission of approval; special measures for regulations prescribed by Cabinet Order, etc.; and the collection of reports.
- (3) The provisions of Article 12 of the former Act on Strengthening Industrial Competitiveness remain in force even after the effective date of item (ii), regarding plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the Act has been obtained when the provisions stated in Article 1, item (ii) of the Supplementary Provisions come into effect and the new business activities prescribed in Article 2, paragraph (3) of the former Act on Strengthening Industrial Competitiveness that are implemented in accordance with plans for new business activities for which the approval referred to in Article 9, paragraph (1) of the Act has been obtained based on the provisions of paragraph (1), pursuant to prior laws.

(Transitional Measures Concerning Penal Provisions)

Article 19 Prior laws continue to govern the application of penal provisions for acts committed before this Act comes into effect (in the case of the provisions stated in Article 1, items (ii) through (iv) of the Supplementary Provisions, those provisions; the same applies below in this Article and the following Article), and for acts committed after this Act comes into effect when prior laws are to continue to govern or remain in force, pursuant to the provisions of these

Supplementary Provisions.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 20 (1) Beyond what are provided for in these Supplementary Provisions, Cabinet Order prescribes necessary transitional measures associated with the enforcement of this Act (including transitional measures concerning penal provisions).

○ Act on Coordination of Related Acts in Line with Enforcement of the Act for Partial Amendment of the Penal Code (Act No. 68 of 2022) [Extract]

(Delegation of Transitional Measures to Cabinet Order)

Article 509 In addition to what is provided for in this Part, Cabinet Order prescribes necessary transitional measures associated with the enforcement of the Act for Partial Amendment of the Penal Code, etc.

Supplementary Provisions [Act No. 68 of June 17, 2022] [Extract]

(Effective Date)

(1) This Act comes into effect on the day on which the Act for Partial Amendment of the Penal Code, etc. comes into effect; provided, however, that the provisions stated in the following items come into effect on the dates specified in those respective items:

(i) the provisions of Article 509: the date of promulgation.