Order for Enforcement of the Act on Strengthening Industrial Competitiveness

(Cabinet Order No. 13 of January 17, 2014)

The Cabinet hereby enacts this Cabinet Order as prescribed in the provisions of Article 2, paragraph (14), paragraph (17), item (v) and item (viii), and paragraph (26), Article 28, paragraph (1), Article 34, paragraph (1) and paragraph (3), Article 35, paragraph (1), the items of Article 39, paragraph (1), Article 41, paragraph (1), item (i) and paragraph (4), item (i), Article 54, paragraph (3), Article 55, paragraph (3), Article 61, paragraph (1), Article 75, the proviso to Article 99, paragraph (2), Article 115, paragraph (4) and paragraph (5), Article 121, paragraph (3) and paragraph (8), Article 128, paragraph (6), and Article 133, item (i) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) and for the purpose of implementing the same Act.

(Procedures for Exclusion from Corporate Rehabilitation)

Article 1 The Act specified by Cabinet Order as stated in in Article 2, paragraph (19) of the Act on Strengthening Industrial Competitiveness (referred to below as the "Act" except in Article 6, item (xiv), Article 10, item (xiv), and Article 19, item (xiii)) is the Act on Special Measures for the Reorganization Proceedings of Financial Institutions (Act No. 95 of 1996).

(Scope of Small or Medium-Sized Enterprises or Individuals)

Article 2 (1) The business types specified by Cabinet Order as stated in Article 2, paragraph (22), item (v) of the Act and, the amount of stated capital or the total amount of contributions for each of those business types, and the number of regular employees for each of those business types as specified by Cabinet Order, as stated in the item, are to be as shown in the following table:

|  |  |  |  |
| --- | --- | --- | --- |
| Provisions of the Companies Act for which the phrases are deemed to be replaced | Business type | Amount of stated capital or total amount of contributions | Number of regular employees |
| (i) | rubber products manufacturing industry (excluding the automobile or aircraft tire and tube manufacturing industry, and industrial belt manufacturing industry) | 300,000,000 yen | 900 employees |
| (ii) | software service industry or information processing service industry | 300,000,000 yen | 300 employees |
| (iii) | hotel business industry | 50,000,000 yen | 200 employees |

(2) The partnerships and their federations specified by Cabinet Order as stated in Article 2, paragraph (22), item (viii) of the Act are as follows:

(i) business cooperative, minor business cooperative, or federation of cooperatives;

(ii) fishery processing cooperative or federation of fishery processing cooperatives;

(iii) commercial and industrial cooperative or federation of commercial and industrial cooperatives;

(iv) shopping district promotion cooperative or federation of shopping district promotion cooperatives;

(v) among environmental health industry cooperatives, minor environmental health industry cooperatives, or federations of environmental health industry cooperatives, those of which not less than two thirds of the direct or indirect members are corporations whose amount of stated capital or total amount of contributions is 50,000,000 yen (or 100,000,000 yen in case of a business whose principal business is the wholesale business) or less, or those who regularly employ 50 employees (or 100 employees in case of a business whose principal business is wholesale business or service business) or less;

(vi) among sake brewer cooperatives, federations of sake brewer cooperatives, or a national association of sake and shochu makers, those of which not less than two thirds of the direct or indirect members, which are sake brewers, are corporations whose amount of stated capital or total amount of contributions is 300,000,000 yen or less, or those who regularly employ 300 employees or less, and among sake merchant cooperatives, federations of sake merchant cooperatives and a national association of sake makers, those of which not less than two thirds of direct or indirect members, which are sake merchant business entities, are corporations whose amount of stated capital or total amount of contributions is 50,000,000 yen (or 100,000,000 yen in case of a sake wholesale business) or less, or those who regularly employ 50 employees (or 100 employees in the case of a sake wholesale business) or less;

(vii) among coastal shipping cooperatives or federations of coastal shipping cooperatives, those of which not less than two thirds of the direct or indirect members, which are those engaged in the coastal shipping business, are corporations whose amount of stated capital or total amount of contributions is 300,000,000 yen or less, or who regularly employ 300 employees or less; and

(viii) a technology research cooperative, those of which not less than two thirds of its direct or indirect members are the small or medium-sized enterprises or individuals prescribed in Article 2, paragraph (22), items (i) through (vii) of the Act.

(Financial Institutions Relating to the Issuance of Specified Letters of Credit)

Article 3 The financial institution as specified by Cabinet Order stated in Article 2, paragraph (32) of the Act is as follows:

(i) a bank;

(ii) the Shoko Chukin Bank Limited;

(iii) Development Bank of Japan;

(iv) a shinkin bank and the federation of shinkin banks;

(v) a labor bank and the federation of labor banks;

(vi) a credit cooperative and the federation of credit cooperatives (meaning a federation of cooperatives that conducts the business referred to in Article 9-9, paragraph (1), item (i) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949));

(vii) an agricultural cooperative and the federation of agricultural cooperatives;

(viii) a fisheries cooperative and the federation of fisheries cooperatives;

(ix) the Norinchukin Bank; or

(x) an insurance company.

Article 4 Regarding the application of the provisions of Article 4, paragraph (2) of the Order for Enforcement of the Payment Services Act (Cabinet Order No. 19 of 2010) to the prepaid payment instruments prescribed in Article 3, paragraph (1) of the Payment Services Act (Act No. 59 of 2009) (limited to those for which an amount exceeding their consideration is specified as the amount that is available for the payment of proceeds and which satisfy the requirements specified by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry) which are issued by a chamber of commerce and industry, commercial and industrial association, or prefectural federation of commercial and industrial association (limited to one that has a financial basis in conformity with the standards specified by Cabinet Office Order and Order of the Ministry of Economy, Trade and Industry and that is found to be necessary for implementing new business activities, and excluding one that falls under Article 10, paragraph (1), item (iv), (vii), (viii), or (ix) of the Act) as new business activities (meaning the new business activities prescribed in Article 2, paragraph (4) of the Act; the same applies below in this Article), the phrase "six months" in Article 4, paragraph (2) of the Order for Enforcement of the Payment Services Act is deemed to be replaced with "three years".

(Designated Financial Institutions Regarding Duties to Support Business Activities Utilizing Innovative Technology Research Results)

Article 5 Those specified by Cabinet Order as stated in in Article 21-6, paragraph (1), item (i) of the Act are as follows:

(i) a bank;

(ii) a long term credit bank;

(iii) the Shoko Chukin Bank Limited;

(iv) Development Bank of Japan;

(v) a shinkin bank and the federation of Shinkin banks;

(vi) a labor bank and the federation of labor banks;

(vii) a credit cooperative and a federation of cooperatives;

(viii) an agricultural cooperative and the federation of agricultural cooperatives;

(ix) a fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperatives, and federation of fishery processing cooperatives;

(x) Norinchukin Bank;

(xi) an insurance company;

(xii) a trust company that loans funds or underwrites bonds in the course of trade;

(xiii) a subsidiary company of any of the persons stated in in the preceding items (meaning one specified by Order of the Ministry of Economy, Trade and Industry as a corporation of which management is controlled by any of the persons stated in any of the preceding items) that loans funds or underwrites bonds in the course of trade; and

(xiv) the investment limited partnership as prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998) that loans funds or underwrites bonds on a regular basis.

(Acts Which Form a Basis to Designate Designated Financial Institutions Regarding Duties to Support Business Activities Utilizing Innovative Technology Research Results)

Article 6 The Acts specified by Cabinet Order as stated in in Article 21-6, paragraph (4), item (i) of the Act are as follows:

(i) Agricultural Cooperatives Act (Act No. 132 of 1947);

(ii) Fisheries Cooperatives Act (Act No. 242 of 1948);

(iii) Small and Medium-Sized Enterprise Cooperatives Act;

(iv) Act on Financial Businesses by Cooperatives (Act No. 183 of 1949);

(v) Shinkin Bank Act (Act No. 238 of 1951);

(vi) Long Term Credit Bank Act (Act No. 187 of 1952);

(vii) Labor Bank Act (Act 227 of 1953);

(viii) Banking Act (Act No. 59 of 1981);

(ix) Insurance Business Act (Act No. 105 of 1995);

(x) Norinchukin Bank Act (Act No. 93 of 2001);

(xi) Trust Business Act (Act No. 154 of 2004);

(xii) Shoko Chukin Bank Limited Act (Act No. 74 of 2007);

(xiii) Development Bank of Japan Act (Act No. 85 of 2007); and

(xiv) Act on Strengthening Industrial Competitiveness.

(Approved Business Adaptation-Related Measures)

Article 7 The measures specified by Cabinet Order as stated in in Article 21-17, paragraph (1), item (i) of the Act are the following measures (excluding those that fall under the categories of R&D, investment necessary for utilizing the information technology, or introduction of equipment that streamlines production processes, etc. (meaning the equipment that streamlines production processes, etc. prescribed in Article 2, paragraph (13) of the Act) or equipment for production of demand-creating goods (meaning the equipment for production of demand-creating goods prescribed in Article 2, paragraph (14) of the Act)) for which the borrowing of long-term funds (meaning the funds required for a period of five years or longer; the same applies in Article 16) is necessary for implementation of the measure:

(i) investment necessary for responding to unforeseeable changes in the economy and social circumstances; and

(ii) investment necessary for reducing the environmental burden caused by energy use.

(Application of Order for Enforcement of the Japan Finance Corporation Act Regarding Duties to Facilitate Business Adaptation Promotion)

Article 8 If duties to facilitate business adaptation promotion (meaning the duties to facilitate business adaptation promotion prescribed in Article prescribed in Article 21-17, paragraph (1) of the Act) are undertaken, the phrase "Article 59, paragraph (1) of the Act" in Article 30, paragraph (1) of the Order for Enforcement of the Japan Finance Corporation Act (Cabinet Order No. 143 of 2008) is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied pursuant to the provisions of Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms", and the phrase "Article 59, paragraph (1) of the Act" in the items of Article 31, paragraph (1) of the same Order and paragraph (2) of the same Article is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied by replacing terms pursuant to the provisions of Article 21-17, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms".

(Designated Financial Institutions Regarding Duties to Promote Business Adaptation)

Article 9 The financial institutions specified by Cabinet Order as stated in Article 21-19, paragraph (1), item (i) of the Act are as follows:

(i) a bank;

(ii) a long term credit bank;

(iii) the Shoko Chukin Bank Limited;

(iv) Development Bank of Japan;

(v) a shinkin bank and a federation of shinkin banks;

(vi) a labor bank and the federation of labor banks;

(vii) a credit cooperative and a federation of cooperatives (limited to those engaged in both of the businesses stated in in Article 9-9, paragraph (1), item (i) and item (ii) of the Small and Medium-Sized Enterprise Cooperatives Act; the same applies in Article 11, item (i), Article 18, item (vii), and Article 20, item (i));

(viii) an agricultural cooperative (limited to one engaged in both of the businesses stated in in Article 10, paragraph (1), item (ii) and item (iii) of the Agricultural Cooperatives Act; the same applies in Article 11, item (iii), Article 18, item (viii), and Article 20, item (iii)) and a federation of agricultural cooperatives (limited to one engaged in both of the businesses stated in in item (ii) and item (iii) of the paragraph; the same applies in Article 11, item (iii), Article 18, item (viii), and Article 20, item (iii));

(ix) a fisheries cooperative (limited to one engaged in both of the businesses stated in Article 11, paragraph (1), item (iii) and item (iv) of the Fisheries Cooperatives Act; the same applies in Article 11, item (iii), Article 18, item (ix), and Article 20, item (iii)), a federation of fisheries cooperatives (limited to one engaged in both of the businesses stated in in Article 87, paragraph (1), item (iii) and item (iv) of the Act; the same applies in Article 11, item (iii), Article 18, item (ix), and Article 20, item (iii)), a fishery processing cooperative (limited to one engaged in both of the businesses stated in Article 93, paragraph (1), item (i) and item (ii) of the Act; the same applies in Article 11, item (iii), Article 18, item (ix), and Article 20, item (iii)), and a federation of fishery processing cooperatives (limited to one engaged in both of the businesses stated in Article 97, paragraph (1), item (i) and item (ii) of the Act; the same applies in Article 11, item (iii), Article 18, item (ix), and Article 20, item (iii));

(x) Norinchukin Bank; and

(xi) a life insurance company (meaning the life insurance company prescribed in Article 2, paragraph (3) of the Insurance Business Act and the foreign life insurance company, etc. prescribed in paragraph (8) of the Article; the same applies in Article 11, item (i)).

(Acts Which Form the Basis for Designation as Designated Financial Institution Regarding Duties to Promote Business Adaptation)

Article 10 The Acts specified by Cabinet Order as stated in Article 21-19, paragraph (4), item (i) of the Act are as follows:

(i) Agricultural Cooperatives Act;

(ii) Fisheries Cooperatives Act;

(iii) Small and Medium-Sized Enterprise Cooperatives Act;

(iv) Act on Financial Businesses by Cooperatives;

(v) Shinkin Bank Act;

(vi) Long Term Credit Bank Act;

(vii) Labor Bank Act;

(viii) Banking Act;

(ix) Insurance Business Act;

(x) Norinchukin Bank Act;

(xi) Japan Finance Corporation Act (Act No. 57 of 2007);

(xii) Shoko Chukin Bank Limited Act

(xiii) Development Bank of Japan Act; and

(xiv) Act on Strengthening Industrial Competitiveness.

(Notice on Designation of Designated Financial Institutions Regarding Duties to Promote Business Adaptation to the Prime Minister and Other Ministers)

Article 11 If the competent minister has made a designation under Article 21-19, paragraph (1) of the Act, has granted authorization under Article 21-21, paragraph (1) of the Act, has issued an order under paragraph (2) of the Article or Article 21-24 of the Act, or has rescinded a designation under Article 21-26, paragraph (1) or paragraph (2) of the Act (collectively referred to below as a "disposition" in this Article), or if the competent minister has received a notification under Article 21-25, paragraph (1) of the Act, the minister is to promptly give notice to that effect to the ministers specified in each of the following items, in the case where the designated financial institution (meaning the designated financial institution as designated pursuant to the provisions of Article 21-19, paragraph (1) of the Act) which has been subject to the disposition or which has made the notification falls under each of the respective items:

(i) a bank, long term credit bank, shinkin bank, federation of shinkin banks, credit cooperative, federation of cooperatives, and life insurance company: the Prime Minister;

(ii) labor bank and the federation of labor banks: the Prime Minister and the Minister of Health, Labour and Welfare;

(iii) an agricultural cooperative, federation of agricultural cooperatives, fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperative, federation of fishery processing cooperatives, and Norinchukin Bank: the Minister of Agriculture, Forestry and Fisheries and the Prime Minister;

(iv) the Shoko Chukin Bank Limited: the Minister of Economy, Trade and Industry, the Minister of Finance, and the Prime Minister; or

(v) Development Bank of Japan: the Minister of Finance (or the Minister of Finance and the Prime Minister if the Development Bank of Japan has obtained the approval stated in Article 9, paragraph (1) of the Development Bank of Japan Act).

(Consultation with Japan Fair Trade Commission)

Article 12 The cases specified by Cabinet Order as stated in Article 25, paragraph (1) of the Act are as follows:

(i) cases in which a business entity is required to give notice of corporate restructuring-related measures (meaning the corporate restructuring-related measures as prescribed in Article 25, paragraph (1) of the Act; the same applies below in this Article) pursuant to the provisions of Article 10, paragraph (2) (including as applied pursuant to the provisions of paragraph (5) of the Article), Article 15, paragraph (2), Article 15-2, paragraph (2) or paragraph (3), Article 15-3, paragraph (2) or Article 16, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) if a business entity carries out the relevant corporate restructuring-related measures; and

(ii) cases in which two or more business entities coordinate in carrying out the corporate restructuring-related measures, and any one of the business entities has total amount of domestic sales (meaning the total amount of domestic sales prescribed in Article 10, paragraph (2) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade; the same applies below in this item) exceeding 20,000,000,000 yen, and any one of other business entities has total domestic sales exceeding 5,000,000,000 yen (excluding cases in which all businesses intending to carry out the relevant corporate restructuring-related measures belong to the same combined group of enterprises (meaning the combined group of enterprises prescribed in the paragraph)).

(Technical Replacement of Phrases When Applying Provisions of Companies Act to Demand for Sale of Shares by Approved Business Entity for Corporate Restructuring)

Article 13 The technical replacement of phrases of the provisions of the Companies Act (Act No. 86 of 2005) under Article 28, paragraph (5) of the Act in the case of applying the provisions of the Act under the paragraph is as shown in the following table.

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| --- | --- | --- |
| Provisions of the Companies Act for which the phrases are deemed to be replaced | Phrase deemed to be replaced | Phrase to be replaced with |
| Article 179-5, paragraph (1), item (iv) | Ministry of Justice Order | order of the competent ministry prescribed in Article 147, paragraph (2) of the Act on Strengthening Industrial Competitiveness (simply referred below to as "order of the competent ministry") |
| Article 179-10, paragraph (1) and Article 189, paragraph (2), item (vi) | Ministry of Justice Order | order of the competent ministry |

(Technical Replacement of Phrases When Applying Provisions of Companies Act to Issuance of Shares or Disposition of Treasury Shares by Stock Company Which is Approved Business Entity for Corporate Restructuring)

Article 14 The technical replacement of phrases of the provisions of the Companies Act pursuant to the provisions of Article 30, paragraph (1) of the Act in the case of applying the provisions of the Act under the paragraph is as shown in the following table:

|  |  |  |
| --- | --- | --- |
| Provisions of the Companies Act for which the phrases are deemed to be replaced | Phrase deemed to be replaced | Phrase to be replaced with |
| Article 199, paragraph (2) | each item of the preceding paragraph | each item of the preceding paragraph (excluding item (iii)) |
| Article 201, paragraph (3) | paragraph (1), item (iv) of the Article | Article 199, paragraph (1), item (iv) as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms |
| Article 208, paragraph (2) | Article 199, paragraph (1), item (iv) | 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 replacment of terms |

(Technical Replacement of Phrases When Applying Mutatis Mutandis the Provisions of Companies Act to Issuance of Shares or the Disposition of Treasury Shares by Stock Company Which is Approved Business Implementing Corporate Restructuring)

Article 15 The technical replacement of the phrases of the provisions of the Companies Act pursuant to the provisions of Article 30, paragraph (3) of the Act is as shown in the following table, in the case of applying mutatis mutandis the provisions of the Act under the paragraph:

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| --- | --- | --- |
| Provisions of the Companies Act for which the phrases are deemed to be replaced | Phrase deemed to be replaced | Phrase to be replaced with |
| Article 309, paragraph (2), item (xii) | Part V | Part V (including cases in which the provisions of Article 796, paragraph (4) are applied mutatis mutandis pursuant to the provisions of Article 30, paragraph (3) of the Act on Strengthening Industrial Competitivenss following the deemed replacement of terms) |
| Article 797, paragraph (1) | the items of Article 795, paragraph (2) and the cases prescribed in the proviso to Article 796, paragraph (1), or (3) | the proviso to Article 796, paragraph (2) as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of trems |

(Approved Corporate Restructuring-Related Measures)

Article 16 The measures specified by Cabinet Order as stated in Article 35, paragraph (1) of the Act are the following measures:

(i) the measures stated in Article 2, paragraph (17), item (i), (c), (e), (f) (limited to the portion regarding the acquisition of a business or assets), (h), (j), (l), or (m) of the Act which require the borrowing of long-term funds for their implementation; and

(ii) measures for corporate restructuring (meaning the corporate restructuring prescribed in Article 2, paragraph (17) of the Act; the same applies in Article 35, paragraph (1), item (ii)) implemented in association with the introduction of equipment for the improvement of productivity, etc. (meaning equipment for the improvement of productivity, etc. prescribed in Article 2, paragraph (8) of the Act) which requires the borrowing of long-term funds (excluding the measures stated in the preceding item).

(Application of Order for Enforcement of the Japan Finance Corporation Act Regarding Duties to Facilitate Corporate Restructuring Promotion)

Article 17 If duties to facilitate the promotion of corporate restructuring (meaning the duties to facilitate the of corporate restructuring promotion as prescribed in Article 35, paragraph (1) of the Act) are undertaken, the phrase "Article 59, paragraph (1) of the Act" in Article 30, paragraph (1) of the Order for Enforcement of the Japan Finance Corporation Act is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms", and the phase "Article 59, paragraph (1) of the Act" in the items of Article 31, paragraph (1) of the same Order and paragraph (2) of the same Article is deemed to be replaced with "Article 59, paragraph (1) of the Act as applied by replacing terms pursuant to the provisions of Article 35, paragraph (2) of the Act on Strengthening Industrial Competitiveness following the deemed replacement of terms".

(Designated Financial Institutions Regarding Duties to Promote Corporate Restructuring)

Article 18 The financial institution specified by Cabinet Order as stated in Article 37, paragraph (1), item (i) of the Act is as follows:

(i) a bank;

(ii) a long term credit bank;

(iii) the Shoko Chukin Bank Limited;

(iv) Development Bank of Japan;

(v) a shinkin bank and the federation of shinkin banks;

(vi) a labor bank and the federation of labor banks;

(vii) a credit cooperative and a federation of cooperatives;

(viii) an agricultural cooperative and a federation of agricultural cooperatives;

(ix) a fisheries cooperative, federation of fisheries cooperatives, fishery processing cooperative, and a federation of fishery processing cooperatives; or

(x) the Norinchukin Bank.

(Acts Serving as the Basis for Designation of Designated Financial Institutions Regarding Duties to Promote Corporate Restructuring)

Article 19 The Acts specified by Cabinet Order as stated in Article 37, paragraph (4), item (i) of the Act are as follows:

(i) Agricultural Cooperatives Act;

(ii) Fisheries Cooperatives Act;

(iii) Small and Medium-Sized Enterprise Cooperatives Act;

(iv) Act on Financial Businesses by Cooperatives;

(v) Shinkin Bank Act;

(vi) Long Term Credit Bank Act;

(vii) Labor Bank Act;

(viii) Banking Act;

(ix) Norinchukin Bank Act;

(x) Japan Finance Corporation Act;

(xi) Shoko Chukin Bank Limited Act;

(xii) Development Bank of Japan Act; and

(xiii) Act on Strengthening Industrial Competitiveness.

(Notice on Designation of Designated Financial Institution Regarding Duties to Promote Corporate Restructuring to the Prime Minister and Other Ministers)

Article 20 If the competent minister has made a designation under the provisions of Article 37, paragraph (1) of the Act, has granted authorization under Article 39, paragraph (1) of the Act, has issued an order under paragraph (2) of the same Article or Article 42 of the Act, or has rescinded a designation under Article 44, paragraph (1) or paragraph (2) of the Act (collectively referred to below as a "disposition" in this Article), or if the competent minister has received a notification under Article 43, paragraph (1) of the Act, the minister is to promptly give notice to that effect to the ministers specified in each of the following items for the case where the designated financial institution (meaning the designated financial institution as designated pursuant to the provisions of Article 37, paragraph (1) of the Act) which has been subject to the disposition or which has made the notification falls under any of the respective items:

(i) a bank, long term credit bank, shinkin bank, a federation of shinkin banks, a credit cooperative, and a federation of credit cooperatives: the Prime Minister;

(ii) a labor bank and the federation of labor banks: the Prime Minister and the Minister of Health, Labour and Welfare;

(iii) an agricultural cooperative, a federation of agricultural cooperatives, a fisheries cooperative, a federation of fisheries cooperatives, a fishery processing cooperative, a federation of fishery processing cooperatives, and the Norinchukin Bank: the Minister of Agriculture, Forestry and Fisheries and the Prime Minister;

(iv) the Shoko Chukin Bank Limited: the Minister of Economy, Trade and Industry, the Minister of Finance, and the Prime Minister; or

(v) Development Bank of Japan: the Minister of Finance (or the Minister of Finance and the Prime Minister, if the Development Bank of Japan has obtained the approval stated in Article 9, paragraph (1) of the Development Bank of Japan Act).

(Insurance Premium Rates for Guarantees Relating to Corporate Rehabilitation Facilitation)

Article 21 The rate specified by Cabinet Order stated in Article 52, paragraph (3) of the Act is 1.69 percent for ordinary insurance (meaning ordinary insurance as prescribed in Article 3, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950); the same applies in the following Article) and unsecured insurance (meaning unsecured insurance as prescribed in Article 3-2, paragraph (1) of the Act; the same applies in the following Article and Article 29) (or the relevant rate is 1.44 percent in case of a negotiable instrument discount special guarantee (meaning a negotiable instrument discount special guarantee as prescribed in Article 2, paragraph (1) of the Order for Enforcement of the Small and Medium-Sized Enterprise Credit Insurance Act (Cabinet Order No. 350 of 1950); the same applies below in this Article, the following Article and Article 30) and an overdraft special guarantee (meaning an overdraft special guarantee as prescribed in Article 2, paragraph (1) of the same Order; the same applies below in this Article, the following Article and Article 30)), or 0.4 percent for special petty insurance (meaning special petty insurance as prescribed in Article 3-3, paragraph (1) of the Act; the same applies in the following Article) (or the relevant rate is 0.34 percent in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowings (meaning the period of borrowings prescribed in Article 2, paragraph (1) of the Order; the same applies in the following Article and Article 30).

(Insurance Premium Rates for Guarantees Relating to Implementation of Corporate Rehabilitation Plans)

Article 22 The rate specified by Cabinet Order as stated in Article 53, paragraph (3) of the Act is 0.41 percent for ordinary insurance and unsecured insurance (or the relevant rate is 0.35 percent in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) or 0.19 percent for special petty insurance (or the relevant rate is 0.15 percent in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowing.

(Application of the Companies Act Regarding Shareholders Meetings Without Designated Locations)

Article 23 With respect to the application of the provisions of Article 325-3, paragraph (1), item (i), Article 325-4, paragraph (2), and Article 325-7 of the Companies Act in the case of applying the provisions of the Act by replacing terms pursuant to the provisions of Article 66, paragraph (2) of the Act following the deemed replacement of terms, the phrases stated in the middle column of the following table that are used in the provisions of the same 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.

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| --- | --- | --- |
| Article 325-3, paragraph (1), item (i) | the matters set forth in the items of Article 298, paragraph (1) | the matters stated in the items of Article 298, paragraph (1) as applied pursuant to the provisions of Article 66, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) 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 |
| The portion other than those stated in the items of Article 325-4, paragraph (2) | the matters provided for in item (i) through item (iv) of that paragraph | the matters stated in Article 298, paragraph (1), item (i) through item (iv) as applied pursuant to the provisions of 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 325-7 | the phrase "item (i) through item (iv) of that paragraph" is deemed to be replaced with "item (i) through item (iv) of that paragraph applied mutatis mutandis pursuant to Article 325" | the phrase "Article 298, paragraph (1), item (i) through item (iv)" is deemed to be replaced with "Article 298, paragraph (1), item (i) through item (iv) (limited to the case where they are applied mutatis mutandis pursuant to Article 325)" |

(Effective Period of Approval for Approved Bodies to Certify Security Measures to Prevent Technological and Other Information)

Article 24 The period specified by Cabinet Order as stated in Article 69, paragraph (1) of the Act is three years.

(Decisions of Support by JIC)

Article 25 The contribution specified by Cabinet Order as stated in the proviso to Article 108, paragraph (2) of the Act is the contribution that falls under any of the following items:

(i) the contribution is made to a business entity that carries out business activities aiming to develop a new business by utilizing management resources other than its own management resources;

(ii) the amount of the contribution is 1,000,000,000 yen or less (or, the sum of the amount of the contribution already made and the contribution to be made is 1,000,000,000 yen or less, if the Japan Investment Corporation (referred to below as the "JIC") has already made a contribution (limited to a contribution decided without giving the Minister of Economy, Trade and Industry an opportunity to present any opinions pursuant to the provisions of the proviso to Article 108, paragraph (2) of the Act; the same applies in the following item) to a business entity subject to direct fund provision (meaning the direct fund provision prescribed in Article 95, paragraph (1), item (iv) of the Act) with regard to specified business activities (meaning the specified business activities prescribed in Article 2, paragraph (25) of the Act) for the direct fund provision); and

(iii) the total of the amount of the contribution and the amount of the contribution already made by the JIC (excluding the contribution for which related shares have been transferred or have otherwise been disposed of under Article 101, paragraph (1), item (xiii) of the Act) is 90,000,000,000 yen or less.

(Appointment of Evaluation Committee Members and Evaluation of Specified Shares to Be Acquired by the JIC)

Article 26 (1) An evaluation committee member as stated in Article 112, paragraph (3) of the Act (simply referred to as "evaluation committee member" in the following paragraph and Article 28, paragraph (1)) are the following persons appointed by the Minister of Economy, Trade and Industry:

(i) employee of the Ministry of Finance: one person;

(ii) employee of the Ministry of Economy, Trade and Industry: one person;

(iii) employee from each ministry responsible for the administrative affairs shared and managed by the minister that (if the minister in question is the Prime Minister, the Cabinet Office; referred to as the "office or ministry in charge" in paragraph (3) and Article 28, paragraph (2)) has authorized the establishment of the subject company (meaning the specified government-funded company prescribed in Article 2, paragraph (27) of the Act regarding the specified shares prescribed in Article 111 of the Act which the JIC intends to acquire pursuant to the provisions of Article 112, paragraph (1) of the Act, or intends to transfer pursuant to the provisions of Article 114, paragraph (1); the same applies in paragraph (3) and Article 28, paragraph (2)): one person;

(iv) director of the JIC: one person; and

(v) person that has relevant knowledge and experience: three persons.

(2) The evaluation as stated in Article 112, paragraph (3) of the Act is to be made by a majority vote of the evaluation committee members.

(3) General affairs concerning the evaluation stated in Article 112, paragraph (3) of the Act are processed by the Industry Creation Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry and the division that has general jurisdiction over affairs concerning the organization and operation of the subject company's organization and operations, established in a department of the office or ministry responsible (if the office or ministry responsible is the Cabinet Office, then the Director General for policy in the Cabinet Office).

(Technical Replacement of Phrases When Applying the Provisions of the Companies Act Mutatis Mutandis to Claims for Purchase of Shares Made by Shareholders of the JIC Other Than the Government)

Article 27 In cases when the provisions of the Companies Act are applied mutatis mutandis pursuant to the provisions of Article 113 of the Act, the technical replacement of terms of that Act are as stated in the following table, pursuant to the provisions of the Article

|  |  |  |
| --- | --- | --- |
| Provisions of the Companies Act for which the phrases are deemed to be replaced | Phrase deemed to be replaced | Phrase to be replaced with |
| Article 470, paragraph (1) | must pay that price within sixty days from the effective day. | must pay that price within sixty days from the effective day; provided, however, that if the JIC issues shares or disposes of treasury shares in exchange for the acceptance of specified shares, it must hold consultation based on the evaluation by the evaluation committee members refererd to in Article 112, paragraph (3) of the Act on Strengthening Industrial Competitiveness, which should be used as the basis in making a decision under the proviso to Article 199, paragraph (2) as applied pursuant to Article 112, paragraph (2) of the Act. |

(Evaluation of Specified Shares to Be Transferred by the JIC)

Article 28 (1) Evaluation as stated in Article 114, paragraph (2) of the Act is to be made by a majority vote of the evaluation committee members.

(2) General affairs concerning the evaluation as stated in Article 114, paragraph (2) of the Act are processed by the Industry Creation Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry and the division that has general jurisdiction over affairs concerning the organization and operation of the subject company established in a department of the office or ministry in charge (if the office or ministry in charge is the Cabinet Office, the Director General assigned in the Cabinet Office).

(Special Provisions for the Small and Medium-Sized Enterprise Credit Insurance Act Relating to Start-Up-Related Guarantees)

Article 29 The insurance relationships of unsecured insurance designated by Cabinet Order as prescribed in Article 129, paragraph (5) of the Act are those regarding the guarantees of obligations prescribed in Article 3-2, paragraph (1) of the Small and Medium-Sized Enterprise Credit Insurance Act (excluding the guarantees of obligations prescribed in Acts other than the Act, the management stabilization-related guarantee prescribed in Article 12 of the Act, and the crisis-related guarantee prescribed in Article 15 of the Act), and those regarding the start-up-related guarantee prescribed in Article 129, paragraph (1) of the Act, and the limit designated by Cabinet Order stated in paragraph (5) of the Article is 80,000,000 yen.

Article 30 The rate specified by Cabinet Order as stated in Article 129, paragraph (6) of the Act is 0.29 percent (or 0.25 percent in case of a negotiable instrument discount special guarantee and an overdraft special guarantee) per year during a guaranteed period of borrowing.

(Organization of the Small and Medium-Sized Enterprise Revitalization Support Councils)

Article 31 (1) The small and medium-sized enterprise revitalization support council prescribed in Article 135, paragraph (1) of the Act (referred to below as the "council" in this Article and Article 34) must have five or more council members.

(2) The council has a chairperson, whom the council members elect from among themselves.

(3) The chairperson presides over the affairs of the council.

(4) The council must designate a council member to undertake the duties of the chairperson in advance if the chairperson is unable to perform their duties.

(5) A council secretariat is established in an approved support institution (meaning the approved support institution prescribed in Article 134, paragraph (2) of the Act; the same applies in Article 33 and Article 34).

(Period of Office of Council Members)

Article 32 (1) The period of office of council members is three years; provided, however, that in the case of a vacancy in the council, the period of office of a Council member chosen to fill the vacancy is the remaining period of office of their predecessor.

(2) A council member may be reappointed.

(Dismissal of Council Members)

Article 33 (1) The head of an approved support institution must dismiss a council member if that member has received an order for the commencement of bankruptcy proceedings or has been subject to a sentence of imprisonment without work or heavier.

(2) The head of an approved support institution may dismiss any council member if the relevant head considers that the member is unable to perform duties owing to a mental or physical disorder, that the member has acted contrary to their duties, or that the behavior of the member is not appropriate as a council member.

(Quorums and Methods of Resolution)

Article 34 (1) The council may neither meet nor reach a resolution unless a majority of the total of the council members and the head of the relevant approved support institutions are present at the meeting.

(2) A resolution by the Council is to be made by a majority vote of the council members and the head of the relevant approved support institutions present at the meeting. In case of a tie, the chairperson makes the final decision.

(Scope of Investment Limited Partnerships to Which the Organization for Small & Medium Enterprises and Regional Innovation Makes Contributions)

Article 35 (1) The investment limited partnership specified by Cabinet Order as stated in Article 140, item (i) of the Act is an investment limited partnership which has pledged to the persons stated in the following items, to operate the whole or part of the businesses stated in the items of Article 3, paragraph (1) of the Investment Limited Partnership Act:

(i) the approved business entity for corporate restructuring prescribed in Article 24, paragraph (1) of the Act;

(ii) business entity that implements corporate restructuring and falls under any of the following:

(a) the percentage of the amount stated in any of the following 1. through 3. against the amount of net assets on the final day of the previous business year exceeds two percent:

1. the amount of net loss incurred in the previous business year;

2. the total amount of net loss incurred in each business year during a period from any of the three business years preceding the previous business year up to the previous business year; or

3. the deficit amount on the final day of the previous business year; or

(b) the amount of liabilities exceeds the amount of assets on the balance sheet on the final day of the previous business year; or

(iii) related business entity of the business entities stated in the preceding two items.

(2) The method for calculating the amounts of net assets, net loss, and deficits prescribed in item (ii), (a) of the preceding paragraph, and the amounts of liabilities and assets prescribed in (b) of the item is specified by Order of the Ministry of Economy, Trade and Industry.

Supplementary Provisions

(Effective Date)

Article 1 This Cabinet Order comes into effect on the date on which the Act comes into effect (January 20, 2014); provided, however, that the provisions of Articles 16 through 19 and the provisions amending Article 57 of the Order for Organization of Ministry of Economy, Trade and Industry (Cabinet Order No. 254 of 2000) in Article 13 of the Supplementary Provisions come into effect on the date the provisions stated in Article 1, item (ii) of the Supplementary Provisions of the Act come into effect (April 1, 2014).

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

Article 2 The Order for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Cabinet Order No. 258 of 1999) is abolished.

(Transitional Measures Concerning Duties to Compensate Losses Undertaken by the JFC)

Article 3 The provisions of Article 9 of the Order for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities before the repeal under the preceding Article (referred to below as the "Former Order for Enforcement of the Industrial Revitalization Act" in this Article, the following Article, and Article 5 of the Supplementary Provisions) (excluding Article 16, paragraph (3) and Article 22, paragraph (3) of the table of Article 9) remain in force even after the enforcement of this Cabinet Order, with respect to duties of the Japan Finance Corporation Act (referred to as the "JFC" in the following Article) relating to compensation for the losses stated in Article 24-2, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to as the "Former Industrial Revitalization Act" in the following Article and Article 5 of the Supplementary Provisions) before its repeal under Article 4 of the Supplementary Provisions of the Act, which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the Act. In this case, the phrase "Article 24-2, paragraph (2) of the Act" in Article 9 of the Former Order for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "Article 24-2, paragraph (2) 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 (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the same Act"; the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" in the row of Article 21, paragraph (1), item (ii) of the table of Article 9 of the Former Order for Enforcement of the Industrial Revitalization Act is deemed to be replaced with "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to as the "Former Industrial Revitalization Act" in Article 22, paragraph (1)) before the repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 12 of the Supplementary Provisions of the Act"; and the phrase "the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities" in the row of Article 22, paragraph (1) of the table is deemed to be replaced with "the Former Industrial Revitalization Act".

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

Article 4 The provisions of Article 11 of the Former Order for Enforcement of the Industrial Revitalization Act remain in force even after this Cabinet Order comes into effect, with respect to the JFC's duties to facilitate business reconstruction promotion prescribed in Article 24-3, paragraph (1) of the Former Industrial Revitalization Act, which is to remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the Act. In this case, in the Article, the phrase "Article 24-3, paragraph (1) of the Act" is deemed to be replaced with "Article 24-3, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) before its repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the Act"; and the phrase "Article 24-3, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999)" is deemed to be replaced with "Article 24-3, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) before its repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 13 of the Supplementary Provisions of the Act".

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

Article 5 The provisions of Article 14 of the Former Order for Enforcement of the Industrial Revitalization Act remain in force even after this Cabinet Order comes into effect, with respect to the duties to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act, which is to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the Act, which are to be undertaken by designated financial institutions prescribed in the paragraph. In this case, in the Article, the phrase "Article 24-5, paragraph (1) of the Act" is deemed to be replaced with "Article 24-5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999; referred to below as the "Former Industrial Revitalization Act" in this Article) before its repeal under Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013), which is to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the same Act"; the phrase "Article 24-7, paragraph (1) of the Act" is deemed to be replaced with "Article 24-7, paragraph (1) of the Former Industrial Revitalization Act"; the phrase "Article 24-10 of the Act" is deemed to be replaced with "Article 24-10 of the Former Industrial Revitalization Act"; the phrase "Article 24-12, paragraph (1) of the Act" is deemed to be replaced with "Article 24-12, paragraph (1) of the Former Industrial Revitalization Act"; and the phrase "Article 24-11, paragraph (1) of the Act" is deemed to be replaced with "Article 24-11, paragraph (1) of the Former Industrial Revitalization Act".

Supplementary Provisions [Cabinet Order No. 169 of April 1, 2015]

This Cabinet Order comes into effect on the date of promulgation.

Supplementary Provisions [Cabinet Order No. 225 of April 30, 2015]

This Cabinet Order comes into effect on the date the Act for Partial Amendment of the Companies Act comes into effect (May 1, 2015).

Supplementary Provisions [Cabinet Order No. 18 of January 22, 2016] [Extract]

(Effective Date)

Article 1 This Cabinet Order comes into effect on the date on which the Act for Partial Amendment of the Patent Act comes into effect (April 1, 2016).

Supplementary Provisions [Cabinet Order No. 48 of February 24, 2016] [Extract]

(Effective Date)

Article 1 This Cabinet Order comes into effect on the date on which the provisions stated in Article 1, item (iii) of the Supplementary Provisions of the Act for Partial Amendment of the Electricity Business Act (referred to below as the "Amendment Act") (April 1, 2016).

Supplementary Provisions [Cabinet Order No. 248 of June 30, 2016]

This Cabinet Order comes into effect on the date on which the Act for Partial Amendment of the Act for Facilitating New Business Activities of Small and Medium-Sized Enterprises comes into effect (July 1, 2016).

Supplementary Provisions [Cabinet Order No. 40 of March 23, 2017] [Extract]

(Effective Date)

Article 1 This Cabinet Order comes into effect on the effective date of item (v) (April 1, 2017).

Supplementary Provisions [Cabinet Order No. 262 of October 25, 2017]

This Cabinet Order comes into effect on the date on which the Act for Partial Amendment of the Small and Medium-Sized Enterprise Credit Insurance Act for Promoting Improvement and Development of the Business Management of Small and Medium-Sized Enterprises comes into effect (April 1, 2018).

Supplementary Provisions [Cabinet Order No. 199 of July 6, 2018] [Extract]

(Effective Date)

Article 1 This Cabinet Order comes into effect om the date the Amendment Act comes into effect (July 9, 2018).

Supplementary Provisions [Cabinet Order No. 265 of September 21, 2018] [Extract]

(Effective Date)

(1) This Cabinet Order comes into effect on the date the provisions stated in Article 1, item (ii) of the Supplementary Provisions of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness come into effect (September 25, 2018).

(Transitional Measures Concerning Penal Provisions)

(2) Prior laws continue to govern the application of penal provisions for acts committed before the enforcement of this Cabinet Order.

Supplementary Provisions [Cabinet Order No. 69 of June 16, 2021] [Extract]

(Effective Date)

(1) This Cabinet Order comes into effect on the date of promulgation.

Supplementary Provisions [Cabinet Order No. 219 of July 30, 2021]

(Effective Date)

(1) This Cabinet Order comes into effect on the date of enforcement of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness (referred to as the "Amendment Act" in the following paragraph) (August 2, 2021).

(Transitional Measures Concerning Insurance Premium Rates Relating to Insurance Relationships Regarding Start-Up-Related Guarantees)

(2) With respect to the application of the provisions of Article 30 of the Order for Enforcement of the Act on Strengthening Industrial Competitiveness to insurance relationships regarding start-up-related guarantee prescribed in Article 4, paragraph (1) of the Small and Medium-Sized Enterprise Business Enhancement Act (Act No. 18 of 1999) before amendment by the provisions of Article 4 of the Amendment Act (excluding the amendment provisions stated in Article 1, item (iv) of the Supplementary Provisions of the Amendment Act) that are established under application of the provisions of Article 4 of the Small and Medium-Sized Enterprise Business Enhancement Act, which are deemed, pursuant to the provisions of Article 7 of the Supplementary Provisions of the Amendment Act, to be insurance relationships regarding the start-up-related guarantees prescribed in Article 129, paragraph (1) of the Act on Strengthening Industrial Competitiveness amended by Article 2 of the Amendment Act that are established under application of the provisions of Article 129 of the Act on Strengthening Industrial Competitiveness, the term "0.29 percent" in Article 30 of the Order for Enforcement of the Act on Strengthening Industrial Competitiveness is deemed to be replaced with "0.4 percent", and the term "0.25 percent" in the same Article is deemed to be replaced with "0.34 percent".

Supplementary Provisions [Cabinet Order No. 285 of August 31, 2022] [Extract]

(Effective Date)

(1) This Cabinet Order comes into effect on the date on which the provisions stated in the proviso to Article 1 of the Supplementary Provisions of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019) come into effect (September 1, 2022); provided, however, that the provisions amending Article 1, Article 6, and Article 10, item (xi) come into effect on the date of promulgation.