

Regulations for Enforcement of the Act on Strengthening Industrial Competitiveness

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

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

Chapter I General Provisions (Article 1 through Article 4)

Chapter II Deleted

Chapter II-2 Facilitation of Business Adaptation

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

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

Chapter III Facilitation of Corporate Restructuring

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Supplementary Provisions

Chapter I General Provisions

(Definitions of Terms)

Article 1 The terms used in these regulations have the same meanings as the terms used in the Act on Strengthening Industrial Competitiveness (referred to below as the "Act") and the Order for Enforcement of the Act on Strengthening Industrial Competitiveness (referred to below as the "Order").

Article 2 Deleted

(Relationships Concerning Related Business Entities Specified by Order of the

Competent Ministry)

Article 3 The relationship specified by order of the competent ministry as stated in Article 2, paragraph (15) of the Act is a relationship falling under any of the following items:

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

equivalent to 50 percent or more of the total issued shares, total number of investment units, or total amount of investment value in another business entity; or

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

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

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

- (i) a relationship in which a business entity holds the number or amount of issued shares or equity, or their equivalent (collectively referred to below as "shares, etc." in this Article), which is equivalent to 50 percent or more of the total number or total amount of shares, etc. in a foreign corporation;
- (ii) a relationship that falls under either (a) or (b) below and in which half of the total number or more of officers or other equivalent persons (referred to below in this Article as "officers, etc.") of the foreign corporation are officers or employees of the business entity;
 - (a) the business entity holds a number or amount of shares, etc. that is equivalent to 40 percent or more and less than 50 percent of the total number or total amount of shares, etc. in the foreign corporation; or
 - (b) the number of shares that a business entity holds in a foreign corporation is 20 percent or more and less than 40 percent of the total number or total amount of shares, etc. in that foreign corporation, and is more than that which any other business entity holds in that foreign corporation;
- (iii) a relationship in which a subsidiary company by itself, or a foreign subsidiary company by itself (meaning the foreign corporation stated in the

preceding two items if a business entity holds the relationship prescribed in those items; that subsidiary company and that foreign subsidiary company are collectively referred to below as a "subsidiary company, etc." in this Article), or a subsidiary company, etc. and the business entity jointly hold a number or amount of shares, etc. that is equivalent to 50 percent or more of the total number or total amount of shares, etc. in a foreign corporation; or (iv) a relationship that falls under either of (a) or (b) below and in which the officers, etc. or employees of a subsidiary company, etc., or those of a subsidiary company, etc. and the business entity account for one half or more of the total number of officers, etc. of a foreign corporation:

- (a) either a subsidiary company, etc. by itself, or a subsidiary company, etc. and a business entity jointly hold a number or amount of shares, etc. that is equivalent to 40 percent or more and less than 50 percent of the total number or total amount of shares, etc. of the foreign corporation; or
- (b) either a subsidiary company, etc. by itself, or a subsidiary company, etc. and a business entity jointly hold shares in a foreign corporation, and hold 20 percent or more and less than 40 percent of the total number or total amount of shares, etc. of the foreign corporation, and is more than that which any other single business entity has in that foreign corporation.

Chapter II Deleted

Articles 5 through 11 Deleted

Chapter II-2 Facilitation of Business Adaptation

Section 1 Business Adaptation Plans

(Application for Approval of Business Adaptation Plans)

Article 11-2 (1) A business entity which intends to obtain approval for a business adaptation plan pursuant to the provisions of Article 21-15, paragraph (1) of the Act (referred to as an "applicant" in paragraphs (1) and (2) of the following Article) must submit a written application for approval in accordance with Form 18 (referred to below as a "written application for approval" in this Article) to the competent minister.

(2) A written application for approval must be submitted together with the following documents (excluding the document stated in item (vi) in the case of a plan concerning business adaptation for reducing the environmental burden caused by energy use which includes a plan to seek loans for funds necessary for taking approved business adaptation-related measures (referred to below as a "plan for business adaptation for reducing the environmental burden caused by energy use relating to a request for loan of funds")):

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

via any one of those competent ministers to another competent minister. In this case, the written application for approval is deemed to have been submitted to that other competent minister as well, on the day on which that competent minister receives it.

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

(Approval for Business Adaptation Plans)

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

(2) If the competent minister does not grant approval as stated in the preceding paragraph, the minister is to issue a written notice of non-approval in accordance with Form 18-3 to that effect and its grounds to the applicant.

(3) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the date of the approval, the name of the approved business entity for business adaptation and the content of the business adaptation plan regarding that approval, in accordance with Form 18-4.

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

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

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

(3) The period of implementation of the business adaptation plan for the application for approval for the changes stated in paragraph (1) is not to exceed five years, including the period during which the business has been

implementing business adaptation, in accordance with the approved business adaptation plan before filing an application for approval of changes; provided, however, that the period of implementation of a plan for business adaptation for reducing the environmental burden caused by energy use relating to a request for loan of funds is to be ten years or more, including the period during which the business entity has been implementing business adaptation in accordance with the approved business adaptation plan before filing the application for approval for those changes.

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

(Directions of Changes to Approved Business Adaptation Plans)

Article 11-5 If the competent minister directs changes to an approved business adaptation plan pursuant to the provisions of Article 21-16, paragraph (3) of the Act, the minister is to issue a written notice of an instruction of changes in accordance with Form 18-9 stating that fact and its grounds to the approved business entity for business adaptation, subject to that instruction for changes.

(Rescission of Approval of Approved Business Adaptation Plans)

Article 11-6 (1) If the competent minister rescinds approval of an approved business adaptation plan pursuant to the provisions of Article 21-16,

paragraph (2) or paragraph (3) of the Act, the minister is to issue a written notice of rescission of approval in accordance with Form 18-10 stating that fact and its grounds to the approved business entity for business adaptation whose approval is to be rescinded.

- (2) If the competent minister has rescinded approval of an approved business adaptation plan, the minister is to publicize the date of the rescission, the name of the business entity whose approval has been rescinded, and the grounds for the rescission in accordance with Form 18-11.

Section 2 Special Measures

(Policies for Implementing Duties to Facilitate Business Adaptation Promotion)

Article 11-7 The policies for implementing duties to facilitate business adaptation promotion as stated in Article 21-18, paragraph (1) of the Act are to specify the following matters:

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

promotion effectively and efficiently.

(Applications for Designation as Designated Financial Institutions)

Article 11-8 (1) A person that intends to receive designation pursuant to the provisions of Article 21-19, paragraph (2) of the Act (referred to below as the "applicant for designation") must submit a written application for designation in accordance with Form 18-12 to the competent minister, together with the following documents:

- (i) the articles of incorporation and a certificate of registered matters;
- (ii) a document evidencing the decision of intent regarding the application;
- (iii) a document stating the names and brief biographical outlines of officers;
- (iv) a document evidencing that the applicant for designation has obtained a license, authorization, approval of the administrative agency as a financial institution stated in Article 21-19, paragraph (1), item (i) of the Act or their equivalent (referred to below as a "license, etc." in this item), a document clarifying the status of the application for the license, etc., or a document in lieu of these documents;
- (v) a document pledging that the applicant for designation does not fall under the items of Article 21-19, paragraph (4) of the Act; and
- (vi) a document in which the officers pledge that they fall under neither (a) nor (b) of Article 21-19, paragraph (4), item (iii) of the Act.

(2) When designating a designated financial institution pursuant to the provisions of Article 21-19, paragraph (1) of the Act, the competent minister may have the applicant for designation submit necessary documents in addition to the documents stated in the items of the preceding paragraph.

(Matters to Be Stated in the Operational Rules)

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

- (i) matters concerning the implementation framework for implementing duties to promote business adaptation:
 - (a) matters concerning the department supervising duties to promote business adaptation;
 - (b) matters concerning the personnel structure for duties to promote business adaptation;
 - (c) matters concerning the implementation of audits for duties to promote business adaptation;
 - (d) matters concerning the regions implementing duties to promote business adaptation; and
 - (e) matters concerning the establishment of a consultation office for duties to promote business adaptation;

- (ii) matters concerning methods for implementing duties to promote business adaptation:
 - (a) a counterparty of a loan;
 - (b) funds eligible for a loan;
 - (c) limit amount of a loan; and
 - (d) matters concerning procedures and audits of a loan;
- (iii) matters concerning the content of a loan and the provision of interest subsidies through duties to facilitate business adaptation promotion necessary for providing the loan;
- (iv) matters concerning the management of claims for duties to promote business adaptation;
- (v) matters concerning the management of books for duties to promote business adaptation;
- (vi) matters concerning the entrustment of duties to promote business adaptation; and
- (vii) other matters concerning the implementing duties to promote business adaptation.

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

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

(Notification of Changes to Trade Names of Designated Financial Institutions)

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

(Application for Changes to Operational Rules)

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

- (i) a comparative table presenting the provisions to be changed;
- (ii) the operational rules after the changes; and
- (iii) a document evidencing the decision regarding the changes.

(Matters to Be Specified in the Agreement)

Article 11-13 The matters specified by order of the competent ministry as stated in Article 21-22, paragraph (1), item (iii) of the Act are as follows:

- (i) matters concerning the content and methods of duties to promote business adaptation;
- (ii) matters concerning the content and methods of duties to facilitate business adaptation promotion;
- (iii) matters concerning the management of claims for duties to promote business adaptation; and
- (iv) other matters concerning the undertaking of duties to promote business adaptation and concerning the undertaking of duties to facilitate business adaptation promotion.

(Bookkeeping)

Article 11-14 (1) The matters specified by order of the competent ministry as stated in Article 21-23 of the Act are as follows:

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

(Notification of Suspension or Discontinuation of Duties)

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

- (i) a document evidencing the decision regarding suspension or discontinuation; and
- (ii) in the case of discontinuing all or part of the duties to promote business

adaptation, a document stating the schedule until discontinuation and a document stating the measures after discontinuation.

(Method of Application Regarding Business Adaptation Plans)

Article 11-16 Submission of a written application for designation, written notice of changes, written application for authorization of changes, written notice of suspension or discontinuation, and other documents to be submitted to the competent minister pursuant to the provisions of Article 21-19, paragraph (2), Article 21-20, paragraph (2), Article 21-21, paragraph (1), and Article 21-25, paragraph (1) of the Act, and under Article 11-8, Article 11-11, Article 11-12, and the preceding Article may be completed by submitting the original and one copy to either the Minister of Finance or the Minister of Economy, Trade and Industry.

(Route of Notification When Notifying the Prime Minister)

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

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

Article 11-18 (1) An approved business entity for business adaptation that intends to obtain confirmation from the competent minister as stated in Article 21-28, paragraph (1) of the Act must submit to the competent minister a written application for confirmation in accordance with Form 18-16 (referred to as a "written application for conformation" in the following paragraph and paragraph (3)), in addition to submission of a written application for approval under Article 11-2, paragraph (1) or submission of a written application for approval of changes under Article 11-4, paragraph (1).

(2) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation for achieving growth under the business adaptation plan is in conformity with the standards specified by the competent minister as being implemented to respond to significant changes in the economy and social circumstances based on the provisions of Article 21-28, paragraph (1) of the Act on Strengthening Industrial Competitiveness (Public Notice of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 7 of 2021; referred to as the "standards for special provisions on business adaptation for

achieving growth" in the following paragraph) in addition to a written application for confirmation.

- (3) If the competent minister receives a submitted written application for confirmation under paragraph (1), examines its content promptly in light of the standards for special provisions on business adaptation for achieving growth, and confirms that the business adaptation plan commences by the day on which one year elapses from the date on which the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness (Act No. 70 of 2021) comes into effect, and that the business adaptation for achieving growth under the business adaptation plan is in conformity with the standards for special provisions on business adaptation for achieving growth, the minister is to indicate to that effect on the written approval stated in Article 11-3, paragraph (1) or the written approval of changes stated in Article 11-4, paragraph (4).

(Special Provisions on Taxation on Business Adaptation for Information Technology)

Article 11-19 (1) An approved business entity for business adaptation that intends to obtain confirmation from the competent minister as stated in Article 21-28, paragraph (2) of the Act must submit to the competent minister a written application for confirmation in accordance with Form 18-17 (referred to as a "written application for conformation" in the following paragraph and paragraph (3)), in addition to submission of a written application for approval under Article 11-2, paragraph (1) or submission of a written application for approval of changes under Article 11-4, paragraph (1).

- (2) The competent minister may request the submission of documents found to be necessary for confirming that business adaptation for information technology under the business adaptation plan, is in conformity with the standards specified by the competent minister, as particularly contributing to improvements in productivity, or creation of demand based on the provisions of Article 21-28, paragraph (2) of the Act on Strengthening Industrial Competitiveness (Public Notice of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 8 of 2021; referred to as the "standards for special provisions on business adaptation for information technology" in the following paragraph) in addition to a written application for confirmation.

- (3) If the competent minister receives a submitted written application for confirmation under paragraph (1), examines the application's content promptly

in light of the standards for special provisions on business adaptation for information technology, and confirms that the business adaptation for information technology under the business adaptation plan is in conformity with the standards for special provisions on business adaptation for information technology, the minister is to issue a written confirmation in accordance with Form 18-18 to the approved business entity for business adaptation, within one month in principle from the day of receiving the submitted written application.

(Request for Certification)

- Article 11-20 (1) The approved business entity for business adaptation prescribed in Article 21-28 of the Act (referred to as the "confirmed approved business entity for business adaptation that has obtained confirmation" in the following paragraph and the following Article) may request certification from the competent minister (meaning the competent minister that has granted the approval for an approved business adaptation plan; the same applies in paragraph (4) and the following Article) that the business adaptation for achieving growth it has implemented has been implemented in accordance with the approved business adaptation plan, within one month after the end of each business year until the business year that includes the day of termination of the approved business adaptation plan.
- (2) When a confirmed approved business entity for business adaptation that has obtained confirmation requests certification under the provisions of the preceding paragraph, it is to submit a written application for certification of conformity in accordance with Form 18-19 (referred to as a "written application for certification of conformity" in the following paragraph and paragraph (4)).
- (3) A copy of the written approval stated in Article 11-3, paragraph (1) or a copy of the written approval of changes stated in Article 11-4, paragraph (4) is to be attached to a written application for certification of conformity.
- (4) The competent minister may request the submission of documents found to be necessary for confirming that the business adaptation for achieving growth which has been implemented was implemented in accordance with the approved business adaptation plan, in addition to a written application for certification of conformity and documents stated in the preceding paragraph.

(Issuance of a Conformity Certificate)

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

the confirmed approved business entity for business adaptation that has obtained confirmation.

Chapter III Facilitation of Corporate Restructuring

Section 1 Corporate Restructuring Plans

(Applications for Approval of Corporate Restructuring Plans)

Article 12 (1) A business entity which intends to obtain approval for a corporate restructuring plan pursuant to the provisions of Article 23, paragraph (1) of the Act (referred to as an "applicant" in paragraph (1) of the following Article) must submit a written application in accordance with Form 19 (referred to below as a "written application" in this Article and the following Article) and a copy of the application to the competent minister.

(2) A written application and its copy must be submitted together with the following documents:

- (i) a copy of the articles of incorporation or its equivalent of the business entity (including a related businesses entity or foreign affiliated corporation already engaging in business, if the corporate restructuring plan contains plans for the measures that the related business entity or foreign affiliated corporation is to take for the purpose of that business entity's corporate restructuring; the same applies below in this paragraph), and if that business entity has been registered, a certificate of registered matters relating to the registration;
- (ii) a copy of the most recent business report, a balance sheet, and a profit and loss statement of the business entity (or, if these documents have not been prepared, their equivalent);
- (iii) a document indicating that the productivity of the business will improve considerably by implementing the corporate restructuring plan;
- (iv) a document indicating that the soundness of the financial conditions will improve by implementing the corporate restructuring plan;
- (v) a document detailing the usage and means of procuring funds necessary for the implementation of the corporate restructuring plan;
- (vi) a document evidencing that the corporate restructuring plan will not cause unreasonable damage to the status of the employees; and
- (vii) a document evidencing that the business entity does not fall under any of the following:
 - (a) a member of an organized crime group, etc.;
 - (b) a corporation whose officers include a member of an organized crime group, etc.; or
 - (c) a person whose business activities are controlled by a member of an organized crime group, etc.

- (3) A person that intends to obtain approval of a corporate restructuring plan that includes a plan concerning funds that contributes to the smooth and reliable implementation of the corporate restructuring plan and involves a claim waiver (referred to below as a "financial plan for corporate restructuring" in this paragraph, Article 14, paragraph (3), and Article 48, paragraph (2) and paragraph (4)) must attach the following documents, in addition to the documents stated in the items of the preceding paragraph:
- (i) a report on the financial plan for corporate restructuring by a certified public accountant (including a foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (Act No. 103 of 1948); the same applies in Article 48, paragraph (4)) or an audit corporation;
 - (ii) a document indicating the names of the corporate restructuring creditors (meaning creditors that have agreed to the claim waiver that is stated in the financial plan for corporate restructuring; the same applies below in this paragraph and Article 48, paragraph (2)), the date of the loan agreement certificate and other causal certificates, and the amount equivalent to the claim;
 - (iii) a document stating the amount of the claim waiver of the individual corporate restructuring creditors, and the percentage of the claim waiver among the corporate restructuring creditors;
 - (iv) a document evidencing that there is a clear agreement for the claim waiver with the corporate restructuring creditors;
 - (v) a document indicating the implementation of measures for clarifying the responsibility of shareholders, including reducing capital and other measures; and
 - (vi) an examination report by experts (meaning persons that has expert knowledge and experience in laws, taxation, finance, corporate finance, asset evaluation, etc. in the plan which contains continuation and reconstruction of the operations of a business entity whose claim is to be waived) for the plan which contains the continuation and reconstruction of the business of the business entity (referred to as a "reconstruction plan related to corporate restructuring" in Article 48, paragraph (2)).
- (4) The period of implementation of the corporate restructuring plan for the application for approval stated in paragraph (1) is not to exceed three years (or five years, when the corporate restructuring plan includes a plan to seek loans for funds necessary for taking approved corporate restructuring-related measures).

(Approval of Corporate Restructuring Plans)

Article 13 (1) If the competent minister receives a submitted corporate

restructuring plan pursuant to the provisions of Article 23, paragraph (1) of the Act, examines the contents of the plan promptly in light of the provisions of paragraph (5) of the same Article, and decides to grant approval with regard to that plan, the minister is to attach a document stating the following to the original of the written application, and issue it as a written approval to the applicant, within one month in principle from the day of receiving the submitted plan (excluding cases in which the competent minister consults with the Japan Fair Trade Commission pursuant to the provisions of Article 25, paragraph (1) of the Act):

"We hereby approve the applicant as a person that implements the corporate restructuring prescribed in Article 2, paragraph (17) of the Act pursuant to the provisions of Article 23, paragraph (1) of the Act."

- (2) If the competent minister does not grant approval as stated in the preceding paragraph, the minister is to issue a written notice in accordance with Form 20 to that effect, and the grounds for not granting approval to the applicant.
- (3) If the competent minister has granted approval as stated in paragraph (1), the minister is to publicize the date of the approval, the name of the approved business entity for corporate restructuring, and the content of the approved corporate restructuring plan in accordance with Form 21.

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

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

- (2) An approved business entity for corporate restructuring which intends to obtain approval of changes to a corporate restructuring plan under Article 24, paragraph (1) of the Act must submit a written application in accordance with Form 22 (referred to below as a "written application" in this Article) and its copy to the competent minister.
- (3) The written application and its copy must be submitted together with a copy of the approved corporate restructuring plan (or, a copy of the approved corporate restructuring plan and the documents stated in the items of Article 12, paragraph (3), if the corporate restructuring plan after the change newly includes a financial plan for corporate restructuring).
- (4) The period of implementation of the corporate restructuring plan for the application for approval of changes stated in paragraph (2) is not to exceed three years (or five years, if the corporate restructuring plan includes a plan to seek loans for funds necessary for taking approved corporate restructuring-related measures) including the period during which the business has been implementing corporate restructuring in accordance with the approved

corporate restructuring plan before filing the application for approval of changes.

- (5) If the competent minister receives a submitted corporate restructuring plan for the application for approval or changes stated in paragraph (2), examines the its content promptly in light of the provisions of Article 23, paragraph (5) of the Act as applied mutatis mutandis pursuant to the provisions of Article 24, paragraph (5) of the Act, and decides to grant approval with regard to the corporate restructuring plan, the minister is to attach a document stating the following to the original of the written application, and issue it as a written approval to the approved business entity for corporate restructuring, within one month in principle from the day of receiving the submitted plan (excluding cases in which the competent minister consults with the Fair Trade Commission under Article 25, paragraph (1) of the Act):

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

- (6) If the competent minister does not grant approval as stated in the preceding paragraph, the minister is to issue a written notice in accordance with Form 23 to that effect and the grounds for not granting the approval to the approved business entity for corporate restructuring.
- (7) If the competent minister has granted approval with regard to the changes stated in paragraph (5), the minister is to publicize the date of the approval, the name of the approved business entity for corporate restructuring, and the content of the approved corporate restructuring plan in accordance with Form 24.

(Directions of Changes to Approved Corporate Restructuring Plans)

Article 15 If the competent minister directs changes to an approved corporate restructuring plan pursuant to the provisions of Article 24, paragraph (3) of the Act, the minister is to issue a written notice in accordance with Form 25 to that effect and its grounds to the approved business entity for corporate restructuring subject to the direction of the changes.

(Rescission of Approval of Approved Corporate Restructuring Plans)

- Article 16 (1) If the competent minister rescinds approval of an approved corporate restructuring plan pursuant to the provisions of Article 24, paragraph (2) or paragraph (3) of the Act, the minister is to issue a written notice in accordance with Form 26 stating that fact and the grounds for the rescission to the approved business entity for corporate restructuring whose approval is to be rescinded.
- (2) If the competent minister has rescinded approval of an approved corporate restructuring plan, the minister is to publicize the date of the rescission, the

name of the business entity whose approval has been rescinded, and the grounds for the rescission in accordance with Form 27.

Articles 17 through 21 Deleted

Section 2 Special Measures

(Applications for Approval of Special Provisions Concerning Business Transfers to Special Controlling Companies)

- Article 22 (1) A business entity that intends to obtain approval (including approval of changes) for a corporate restructuring plan to which special measures under Article 28, paragraph (1), paragraph (2), or paragraph (5) of the Act may be applied must attach a document stating the matters concerning the appropriateness of consideration for the acts stated in the items of Article 28, paragraph (1) of the Act or the items of paragraph (2) of the Article or concerning the appropriateness of the consideration for the demand for the sale of shares stated in paragraph (5) of the Article, in addition to the documents stated in Article 12, paragraph (2) or Article 14, paragraph (3).
- (2) If an approved corporate restructuring plan includes content concerning the acts stated in in the items of Article 28, paragraph (1) of the Act or the items of paragraph (2) of the Article or the demand for sale of shares stated in paragraph (5) of the Article, the competent minister is to publicize the documents stated in the preceding paragraph.

(Matters for Advance Disclosure by Subject Companies)

- Article 23 The provisions of Article 33-7 of the Regulations for Enforcement of the Companies Act (Order of Ministry of Justice No. 12 of 2006) are to apply mutatis mutandis to the matters specified by order of the competent ministry prescribed in Article 179-5, paragraph (1), item (iv) of the Companies Act (Act No. 86 of 2005) as applied pursuant to the provisions of Article 13 of the Order following the deemed replacement of terms; the provisions of Article 33-8 of the Regulations are to apply mutatis mutandis to the information specified by order of the competent ministry prescribed in Article 179-10, paragraph (1) of the Companies Act as applied by replacing terms pursuant to the provisions of Article 28, paragraph (5) of the Act and Article 13 of the Order following the deemed replacement of terms; and the provisions of Article 35 of the Regulation are to apply mutatis mutandis to the rights specified by order of the competent ministry prescribed in Article 189, paragraph (2), item (vi) of the Companies Act as applied by replacing terms pursuant to the provisions of Article 13 of the Order following the deemed replacement of terms. In this case, the phrase "special controlling shareholder" in Article 33-7, item (iv), (a) of the

Regulations is deemed to be replaced with "specified special controlling shareholder (meaning the specified special controlling shareholder prescribed in Article 151, paragraph (2) of the Act as applied by replacing terms pursuant to the provisions of Article 28, paragraph (5) of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) following the deemed replacement of terms; the same applies below)"; and the phrase "special controlling shareholder" in item (v) of the Article, Article 33-8, and Article 35 of the Regulations is deemed to be replaced with "specified special controlling shareholder".

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

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

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

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

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

- (i) a corporation (excluding a stock company) or a foreign corporation, all of whose equity is held by a stock company that is an approved business entity for corporate restructuring, as stated in Article 30, paragraph (1) of the Act; or
- (ii) a corporation or a foreign corporation, all of whose equity is held by a stock company that is an approved business entity for corporate restructuring stated in Article 30, paragraph (1) of the Act and a specified wholly owned subsidiary corporation (meaning a stock company all of whose issued shares are held by a stock company that is the approved business entity for

- corporate restructuring, and the corporation and foreign corporation as stated in the preceding item; the same applies below in this item and the following paragraph) or by a specified wholly owned subsidiary corporation.
- (2) With regard to the application of the provisions of item (ii) of the preceding paragraph, the corporation or foreign corporation as stated in the item is deemed to be a specified wholly owned subsidiary corporation.

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

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

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

- (vi) an extraordinary report stated in Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act (including an amendment report stated in paragraph (5) of the Article).

(Amount of Stated Capital)

Article 27 (1) The amount specified by order of the competent ministry as prescribed in Article 445, paragraph (1) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms (the amount is referred to below as the "newly increased limit of stated capital, etc." in this paragraph) is the amount arrived at if first the amount stated in item (ii) is deducted from the amount stated in item (i), and then the remaining amount is multiplied by the share issuance percentage (meaning the percentage arrived at if the number of shares to be issued pursuant to the provisions of Article 30, paragraph (1) of the Act is divided by the sum of the number of shares to be issued pursuant to the paragraph and the number of treasury shares to be disposed of; the same applies below in this paragraph and the following paragraph), and finally the amount stated in item (iii) is deducted from the amount thus arrived at (if the final amount is less than zero, the newly increased limit of stated capital, etc. is to be zero):

- (i) the value of specified shares, etc. (meaning the specified shares, etc. prescribed in Article 199, paragraph (1), item (ii) of the Companies Act as applied by replacing terms pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms; the same applies below) that are delivered at the time of the issuance of shares, or the disposition of treasury shares pursuant to the provisions of Article 30, paragraph (1) of the Act, on the date stated in Article 199, paragraph (1), item (iv) of the Companies Act as applied pursuant to the provisions of Article 30, paragraph (1) of the Act following the deemed replacement of terms (or, on the day when specified shares, etc. are delivered under Article 208, paragraph (2) of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 30, paragraph (1) of the Act following the considered replacement of terms, if the period stated in Article 199, paragraph (1), item (iv) of the Companies Act is specified) (or, in the cases stated in (a) or (b) below, the value of the specified shares, etc. is to be the value specified regarding them):
 - (a) if the stock company and a person that has delivered the specified shares, etc. are in a relationship under common control (meaning the relationship under common control as prescribed in Article 2, paragraph (3), item (xxxii) of the Regulation on Corporate Accounting (Order of Ministry of Justice No. 13 of 2006)) (excluding cases in which the specified shares, etc.

- should be market-priced): the book value which the person that has delivered the specified shares, etc. recorded immediately before that delivery; or
- (b) in cases other than those stated in (a) above and if it is not appropriate to calculate the increased limit of stated capital, etc. based on the value of the delivered specified shares, etc.: the book value specified in (a) above;
 - (ii) the amount specified by the stock company that is the approved business entity for corporate restructuring as the amount to be deducted from the increased limit of stated capital, etc. out of the amount of costs for the delivery of shares for subscription as matters stated in Article 199, paragraph (1), item (v) of the Companies Act;
 - (iii) the amount arrived at if the amount stated in (b) below is deducted from the amount stated (a) below, if the amount obtained by deduction is zero or more:
 - (a) the book value of treasury shares to be disposed of pursuant to the provisions of Article 30, paragraph (1) of the Act;
 - (b) the amount arrived at if first the amount stated in the preceding item is deducted from the amount stated in item (i) (or zero, if the remaining amount is less than zero), and then the remaining amount is multiplied by the treasury share disposition percentage (meaning the percentage arrived at if the share issuance percentage is deducted from 100; the same applies below in this Article).
- (2) In the case stated in the preceding paragraph, the amount stated in the following items after the issuance of shares or the disposition of treasury shares under Article 30, paragraph (1) of the Act is the amount arrived at if the amount specified in those items is added to the amount immediately before the issuance of shares or the disposition of treasury shares under the same paragraph:
- (i) the amount of other capital surplus: the amount arrived at if the amount stated in (c) below is deducted from the total amount stated in (a) and (b) below:
 - (a) the amount arrived at if first the amount stated in item (ii) of the preceding paragraph is deducted from the amount stated in item (i) of the paragraph, and then the remaining amount is multiplied by the treasury shares disposition percentage;
 - (b) whichever is the smaller of the following amounts:
 1. the amount stated in item (iii) of the preceding paragraph; or
 2. the amount arrived at if first the amount stated in item (ii) of the preceding paragraph is deducted from the amount stated in item (i) of the paragraph, and then the remaining amount is multiplied by the share issuance percentage (or, zero if the final amount arrived at is

less than zero);

- (c) the book value of treasury shares to be disposed of pursuant to the provisions of Article 30, paragraph (1) of the Act; and
 - (ii) the amount of other accumulated profit: the amount arrived at if first the amount stated in item (ii) of the preceding paragraph is deducted from the amount stated in item (i) of the paragraph, and then the remaining amount is multiplied by the share issuance percentage, if that remaining amount is not less than zero.
- (3) In the case stated in paragraph (1), the amount of consideration for treasury shares (meaning the amount of the consideration received in exchange for those treasury shares prescribed in Article 150, paragraph (2), item (viii) and Article 158, item (viii), (b) of the Regulation on Corporate Accounting and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act; the same applies in the following paragraph) is the amount arrived at if first the amount stated in paragraph (1), item (ii) is deducted from the value stated in item (i) of the paragraph, and then the remaining amount is multiplied by the treasury share disposition ratio.
- (4) With regard to the application of the provisions of Article 150, paragraph (2), item (viii) and Article 158, item (viii), (b) of the Regulation on Corporate Accounting and Article 446, item (ii) and Article 461, paragraph (2), item (ii), (b) and item (iv) of the Companies Act, the amount stated in paragraph (2), item (i), (b) is also deemed to be included in the amount of consideration for treasury shares.
- (5) The generally accepted corporate accounting and other corporate accounting practices must be taken into consideration for the interpretation of the terms as used in this Article and the application of the provisions of this Article.

(Amount of Net Assets per Share)

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

(The Amount of Net Assets)

Article 29 The method specified by order of the competent ministry prescribed in Article 147, paragraph (2) of the Act, which is prescribed in Article 796, paragraph (2), item (ii) of the Companies Act, as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, is the method in which the amount of the net assets of a stock company that is an approved business entity for corporate restructuring is to be the amount arrived at if the amount stated in item (vii) is deducted from the sum of the amounts stated in items (i) through (vi) on the calculation date (meaning the day on which the subscription requirements (meaning the subscription requirements prescribed in Article 199, paragraph (2) of the Companies Act) for issuance of shares, or disposition of treasury shares prescribed in Article 32, paragraph (1) of the Act are determined) (if the amount arrived at is less than five million yen, the amount of those net assets is to be five million yen):

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

(The Number of Shares)

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

- (i) one plus the number arrived at if first the total number of specified shares (meaning shares for which a voting right may be executed in the shareholders meeting for the act stated in Article 796, paragraph (3) of the Companies Act as applied mutatis mutandis by replacing terms pursuant to

Article 30, paragraph (3) of the Act; the same applies below in this Article) is multiplied by one half (or, by a certain percentage, if the articles of incorporation provide that shareholders that hold voting rights at that certain percentage or more of total number of voting rights of the specified shares must attend the shareholders meeting as a requirement for adopting resolutions at the shareholders meeting), and then the product of that multiplication is again multiplied by one third (or, by the percentage arrived at if a certain percentage is deducted from 100, if the articles of incorporation provide that a certain percentage or more of total number of voting rights held by the specified shareholders (meaning shareholders of specified shares; the same applies below in this Article) that attended the shareholders meeting must be exercised affirmatively as a requirement for adopting resolutions at the shareholders meeting);

- (ii) the number of specified shares held by specified shareholders that stated their opposition to the stock company regarding the act stated in Article 796, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, when the articles of incorporation require the agreement of a certain number or more of specified shareholders for adopting resolutions for the act, and, if the number of those specified shareholders stating their opposition to the act is deducted from the total number of specified shareholders, the remainder after that deduction falls below that previously mentioned certain number;
- (iii) the number of specified shares held by specified shareholders that stated their opposition to the act stated in Article 796, paragraph (3) of the Companies Act as applied mutatis mutandis pursuant to Article 30, paragraph (3) of the Act following the deemed replacement of terms, if the articles of incorporation contain provisions other than those stated in the preceding two items as a requirement for adopting a resolution for the act, and the resolution will not be adopted if all of the specified shareholders stating their opposition to the act opposite that resolution in the shareholders meeting as prescribed in Article 796, paragraph (4) of the Companies Act; or
- (iv) the number specified in the articles of incorporation.

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

Article 31 (1) Any business entity which intends to obtain approval (including approval of a changes) for a corporate restructuring plan to which special measures pursuant to the provisions of Article 30, paragraph (1) of the Act may

be applied must attach a document stating the following matters concerning the appropriateness of the consideration for the acquisition of specified shares, etc. (meaning the acquisition of specified shares, etc. through transfer in which shares to be issued or treasury shares to be disposed of under Article 30, paragraph (1) of the Act are delivered as consideration for the transfer; the same applies below), in addition to the documents stated in the items of Article 12, paragraph (2) or Article 14, paragraph (3):

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

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

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

(Policies for Implementing Duties to Facilitate Corporate Restructuring Promotion)

Article 32 The policies for implementing duties to facilitate corporate

restructuring promotion stated in Article 36, paragraph (1) of the Act are to specify the following matters:

- (i) matters concerning the implementation framework for duties to facilitate corporate restructuring promotion;
- (ii) the following matters concerning duties to facilitate restructuring promotion:
 - (a) subject of the loans;
 - (b) method of the loans;
 - (c) interest rate;
 - (d) due date of the loans;
 - (e) grace period;
 - (f) method of repayment; and
 - (g) matters concerning loans, in addition to those stated in (a) through (f) above;
- (iii) matters concerning conditions of the loans subject to the provision of credit, through duties to facilitate the promotion of corporate restructuring; and
- (iv) in addition to those stated in the preceding three items, matters necessary for implementing duties to facilitate corporate restructuring promotion effectively and efficiently.

(Applications for Designation to Be Designated Financial Institutions)

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

- (i) the articles of incorporation and a certificate of registered matters;
 - (ii) a document evidencing the decision regarding the application;
 - (iii) a document stating the names and brief biographical outlines of the officers;
 - (iv) a document evidencing that the applicant for designation has obtained a license, authorization, approval of the administrative agency as a financial institution stated in Article 37, paragraph (1), item (i) of the Act or their equivalent (referred to below as a "license, etc." in this item), a document clarifying the status of the application for the license, etc., or a document in lieu of these documents;
 - (v) a document pledging that the applicant for designation does not fall under the items of Article 37, paragraph (4) of the Act; and
 - (vi) a document in which an officer pledges that the officer falls under neither (a) nor (b) of Article 37, paragraph (4), item (iii) of the Act.
- (2) When designating a designated financial institution pursuant to the

provisions of Article 37, paragraph (1) of the Act, the competent minister may have the applicant for designation submit necessary documents in addition to the documents stated in the items of the preceding paragraph.

(Matters to Be Stated in Operational Rules)

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

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

(Persons Specified by Order of the Competent Ministry as Stated in Article 37, Paragraph (4), Item (iii), (a) of the Act)

Article 34-2 A person specified by order of the competent ministry as stated in Article 37, paragraph (4), item (iii), (a) of the Act is a person that is unable to adequately carry out the reasoning, decision making, and communication

necessary for properly performing the duties of an officer due to mental impairment.

(Notifications of Changes to Trade Names of Designated Financial Institutions)

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

(Application for Changes to Operational Rules)

Article 36 If a designated financial institution intends to obtain authorization of changes to its operational rules pursuant to the provisions of Article 39, paragraph (1) of the Act, it must submit a written application in accordance with Form 39 to the competent minister, together with the following documents:

- (i) a comparative table presenting the provisions to be changed;
- (ii) the operational rules after the changes; and
- (iii) a document evidencing the decision regarding the changes.

(Matters to Be Specified in the Agreement)

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

- (i) matters concerning the content and methods of duties to promote corporate restructuring;
- (ii) matters concerning the content and methods of duties to facilitate corporate restructuring promotion;
- (iii) matters concerning the management of claims for duties to promote corporate restructuring; and
- (iv) other matters concerning the implementation of duties to promote corporate restructuring and concerning the implementation of duties to facilitate corporate restructuring promotion.

(Bookkeeping)

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

- (i) status of the implementation of duties to promote corporate restructuring;
- (ii) status of claims for duties to promote corporate restructuring; and
- (iii) status of credit provision through duties to facilitate corporate restructuring promotion received from the JFC for the purpose of implementing duties to promote corporate restructuring.

(2) If the matters stated in the items of the preceding paragraph are recorded in a file or on a magnetic disk stored on a computer and can be clearly displayed on paper as necessary by the relevant designated financial institution through

the use of a computer or other device, the record may replace the entry in the books.

- (3) A designated financial institution must keep books (including a recorded file or magnetic disk under the preceding paragraph) for five years from the day on which the claims for duties to promote corporate restructuring are extinguished through payment or other reasons.

(Notifications of Suspension or Discontinuation of Duties)

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

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

(Method of Application Regarding Corporate Restructuring Plans)

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

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

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

Chapter IV Support for Start-Ups

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

Article 42 (1) A municipality that intends to obtain approval for a plan for a program for supporting start-ups, etc. pursuant to the provisions of Article 127, paragraph (1) of the Act must submit a written application in accordance with Form 41 (referred to below as a "written application" in this Article and the following Article) and its copy to the competent minister via the Minister of

Economy, Trade and Industry.

- (2) If a general incorporated association or general incorporated foundation (referred to below as a "general incorporated association, etc." in this paragraph) is implementing any program for supporting start-ups, etc. in collaboration with a municipality's program for supporting start-ups, etc., the written application and its copy must be submitted together with the following documents:
- (i) in case of a general incorporated association, the articles of incorporation, a list of officers, and a list of members, and in case of a general incorporated foundation, the articles of incorporation and a list of officers;
 - (ii) business reports, balance sheets, and profit and loss statements for the latest three business terms (or, for a general incorporated association, etc. falling under cases in which three years have yet to elapse after its incorporation, these documents for each business year after its incorporation);
 - (iii) a certificate of registered matters; and
 - (iv) a document evidencing the decision to intend to implement a program for supporting start-ups, etc..
- (3) If 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) (referred to below as a "specified nonprofit corporation") implements any program for supporting start-ups, etc. in collaboration with a municipality's program for supporting start-ups, etc., the written application and its copy must be submitted together with the following documents:
- (i) the articles of incorporation, a list of officers, and a list of members;
 - (ii) business reports, balance sheets, and profit and loss statements for the latest three business terms (or, for a specified nonprofit corporation falling under cases in which three years have yet to elapse after its incorporation, those documents relating to each business year after its incorporation), and, the most recent inventory of property, and the business plan and the budget for revenue and expenditure for the business year including the date of application;
 - (iii) a certificate of registered matters; and
 - (iv) a document evidencing the decision to intend to implement the program for supporting start-ups, etc.

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

Article 43 (1) If the competent minister receives a submitted plan for a program for supporting start-ups, etc. pursuant to the provisions of Article 127, paragraph (1) of the Act, examines its content promptly in light of the provisions of paragraph (4) of the Article, and decides to grant approval with

regard to the plan for a program for supporting start-ups, etc., the minister is to state as follows in the original of the written application, to sign and seal it, and to issue it as a written approval to the relevant municipality, within one month in principle from the day of receiving the submitted plan:

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

(2) When the competent minister does not grant approval as stated in the preceding paragraph, the minister is to issue a written notice in accordance with Form 42 to that effect, and the grounds for not granting approval to the municipality concerned.

(Applications for Approval of Changes to Approved Plans for Programs for Supporting Start-Ups and Its Approvals)

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

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

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

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

(4) If the competent minister does not grant approval as stated in the preceding paragraph, the minister is to issue a written notice in accordance with Form 44 to that effect and the grounds for not granting approval to the approved municipality.

(Direction of Changes to Approved Plans for Programs for Supporting Start-Ups)

Article 45 When the competent minister directs changes to an approved plan for a program for supporting start-ups, etc. pursuant to the provisions of Article

128, paragraph (3) of the Act, the minister is to issue a written notice in accordance with Form 45 to that effect and its grounds to the approved municipality subject to the direction of the changes.

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

Article 46 If the competent minister rescinds approval of an approved plan for a program for supporting start-ups, etc. pursuant to the provisions of Article 128, paragraph (2) or paragraph (3) of the Act, the minister is to issue a written notice in accordance with Form 46 to that effect and its grounds to the approved municipality whose approval is to be rescinded.

Chapter V Miscellaneous Provisions

(Delegation of Authority Concerning Plans for Programs for Supporting Start-Ups)

Article 47 (1) The authority of the Minister of Finance with regard to a plan for a program for supporting start-ups, etc. is to be delegated to the director-general of a relevant local finance bureau who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (or, to the Director-General of the Fukuoka Local Finance Branch Bureau, if the relevant district is in the jurisdiction of the Fukuoka Local Finance Branch Bureau) or to the commissioner of a regional taxation bureau (including the Regional Commissioner of the Okinawa Regional Taxation Office); provided, however, that this does not preclude the Minister of Finance from exercising their authority.

(2) The authority of the Minister of Health, Labour and Welfare concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director-general of a regional bureau of health and welfare who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (or, to the Director-General of the Shikoku Regional Bureau of Health and Welfare, if the relevant district is in the jurisdictional district of the Shikoku Regional Bureau of Health and Welfare); provided, however, that this does not preclude the Minister of Health, Labour and Welfare from exercising their authority.

(3) The authority of the Minister of Agriculture, Forestry and Fisheries concerning a plan for a program for supporting start-ups, etc. is to be delegated to a director-general of a regional agricultural administration office who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc. (including the Director-General of the Hokkaido District Agriculture Office); provided, however, that this does not

preclude the Minister of Agriculture, Forestry and Fisheries from exercising their authority.

- (4) The authority of the Minister of Economy, Trade and Industry concerning a plan for a program for supporting start-ups, etc. is to be delegated to a director-general of a regional bureau of economy who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of Economy, Trade and Industry from exercising their authority.
- (5) The authority of the Minister of Land, Infrastructure, Transport and Tourism concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director-general of a regional development bureau, the Director-General of the Hokkaido Regional Development Bureau, the director-general of a district transport bureau (including the Director-General of the Kobe District Transport Bureau, with regard to the authority for the affairs stated in Article 4, paragraph (1), item (xv), item (xviii), item (lxxxvi), item (lxxxvii), item (xcii), item (xciii) and item (cxxviii) of the Act for Establishment of the Ministry of Land, Infrastructure, Transport and Tourism (Act No. 100 of 1999) and affairs stated in item (xix) and item (xxii) of the same paragraph for the affairs stated in item (lxxxvi) of the paragraph), or the director-general of a regional civil aviation bureau who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of Land, Infrastructure, Transport and Tourism from exercising their authority.
- (6) The authority of the Minister of the Environment concerning a plan for a program for supporting start-ups, etc. is to be delegated to the director-general of a regional environment office who has jurisdiction over the district in the municipality covered by the relevant plan for a program for supporting start-ups, etc.; provided, however, that this does not preclude the Minister of the Environment from exercising their authority.

(Report on the Status of Implementation)

- Article 48 (1) An approved business entity for business adaptation or an approved business entity for corporate restructuring must report on the status of implementation of an approved business adaptation plan or approved corporate restructuring plan in each business year during the implementation period to the competent minister, in principle within three months after the end of the relevant business year, in accordance with Form 47, in the case of an approved business entity for business adaptation, or Form 48, in the case of an approved business entity for corporate restructuring.
- (2) A business entity for corporate restructuring with an approved financial plan (limited to a person that has obtained approval of a corporate restructuring

plan that includes a financial plan for corporate restructuring; the same applies in the following paragraph and the items of the following Article) must submit to the competent minister an inventory of assets and a balance sheet on a specific day within one month after the day of agreement to the debt waiver for the financial plan with the corporate restructuring creditors (the day of the agreement is referred to below as the "day of the claim waiver agreement" in this paragraph), and a profit and loss statement from the first day of the business year that includes the specific day until the specific day (limited to a profit and loss statement that reflects the inclusion of a valuation loss that is considered to be necessary in accordance with generally accepted accounting procedures and other appropriate accounting procedures along with the decision on the reconstruction plan related to corporate restructuring), within four months after that claim waiver agreement date.

- (3) A business entity for corporate restructuring with a financial plan must submit a report in accordance with Form 49 to the competent minister promptly with regard to the status of implementation of the approved corporate restructuring plan for every quarterly period of each business year during the period of its implementation.
- (4) The report under the provisions of paragraph (1) must be submitted together with a balance sheet and a profit and loss statement (limited to those audited by a certified public accountant or an audit corporation, in the case of a corporate restructuring plan that includes a financial plan for corporate restructuring).
- (5) If any of the following facts occurs during the period of implementation of an approved corporate restructuring plan, the relevant approved business entity for corporate restructuring must report to the competent minister promptly, in accordance with Form 50:
 - (i) a person other than the approved business entity for corporate restructuring has made an application for or notification of the starting of bankruptcy proceedings, starting of rehabilitation proceedings, starting of reorganization proceedings, or enforcement of a floating charge;
 - (ii) a negotiable instrument or check has bounced (limited to those due to shortage of funds for payment) or a decision to suspend transactions has been made by a clearinghouse; or
 - (iii) transactions have been suspended by a major trading partner (meaning a trading partner with whom the sales and purchases in the preceding business year accounted for 10 percent or more of the total amount of sales or purchases).
- (6) If the competent minister receives a report under paragraph (1), the minister is to publicize an outline of the status of the implementation of the approved business adaptation plan relating to the report, in accordance with Form 50-2

or an outline of the status of the implementation of the approved corporate restructuring plan relating to the report, in accordance with Form 50-3.

(Matters to Be Included in a Quarterly Implementation Status Report)

Article 49 The following documents must be attached to an implementation status report for every quarterly period of each business year stated in paragraph (3) of the preceding Article:

- (i) a document indicating changes in sales of the business entity for corporate restructuring with an approved financial plan; and
- (ii) a document indicating changes in outstanding interest-bearing liabilities of the business entity for corporate restructuring with an approved financial plan.

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

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

- (i) contributions in kind or acceptance of property under Article 26 and Article 27 of the Act (referred to below as "contributions in kind, etc." in this item): the content and value of the property relating to the contributions in kind, etc.;
- (ii) consolidation of shares undertaken at the same time as a reduction in the amount of stated capital, etc. under Article 29 of the Act: the content of the consolidation of shares undertaken at the same time as the reduction in the amount of stated capital, etc.;
- (iii) issuance of shares or disposition of treasury shares under Article 30, paragraph (1) of the Act: the content of the issuance of shares or disposition of treasury shares, results of the acquisition of specified shares, etc., and progress of procedures under Article 797 of the Companies Act as applied mutatis mutandis by replacing terms pursuant to the provisions of Article 32, paragraph (3) of the Act;
- (iv) specified dividends of surplus under Article 31, paragraph (1) of the Act (excluding those distributed solely as a special measure regarding application of the provisions of Article 465, paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to the provisions of Article 31, paragraph (1) of the Act following the deemed replacement of terms): the date on which the shares for the specified dividends of surplus, etc. (meaning shares of related business entities or shares, equity, or the equivalent in foreign affiliated corporations for specified dividends of surplus; the same

- applies below in this item) were listed on a financial instruments exchange (meaning the financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act and including the equivalent established based on laws and regulations of a foreign country; the same applies below in this item), and the name of the relevant financial instruments exchange (or, if the shares for the specified dividends of surplus, etc. have not been listed on a financial instruments exchange, to that effect and its grounds); or
- (v) a demand to creditors in case of business transfer under Article 32, paragraph (1) of the Act: the content of the business transfer.

(Matters to Be Reported Concerning Special Provisions for Taxation)

- Article 51 (1) An approved business entity for business adaptation to whom special measures were applied regarding the carryover of losses relating to corporation tax stated in Article 66-11-4, paragraph (1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) must also report on the amount included in deductible expenses through the special measures, in addition to the report under the provisions of Article 48, paragraph (1).
- (2) An approved business entity for business adaptation to whom special measures on taxation concerning income tax or corporation tax were applied as stated in Article 10-5-6, paragraph (1), (3), (7), or (8) or Article 42-12-7 paragraph (1), (2), (4), or (5) of the Act on Special Measures Concerning Taxation must also report on the amount to be depreciated in addition to the ordinary maximum amount of depreciation within the extent of the maximum amount of depreciation in the case of receiving application of the special measures or the amount to be deducted from income tax or corporation tax as a result of receiving application of the special measures, in addition to the report under the provisions of Article 48, paragraph (1).
- (3) An approved business entity for business adaptation to whom special measures on taxation concerning income tax or corporation tax were applied as stated in Article 10-5-6, paragraph (5) or (9) or Article 42-12-7, paragraph (3) or (6) of the Act on Special Measures Concerning Taxation must also report on the amount to be depreciated beyond the ordinary maximum amount of depreciation, within the extent of the maximum amount of depreciation in the case of receiving application of the special measure or the amount to be deducted from income tax or corporation tax as a result of receiving application of the special measure, in addition to the report under the provisions of Article 48, paragraph (1).
- (4) An approved business entity for corporate restructuring to whom special measures on taxation concerning registration tax were applied as stated in Article 80, paragraph (1) of the Act on Special Measures Concerning Taxation

must attach documents stating the matters stated in the following items to the report under the provisions of Article 48, paragraph (1):

- (i) the content of the registration;
- (ii) the amount of registration tax paid; and
- (iii) the reduction and exemption amount under the special measures.

(Certificates for On-Site Inspections)

Article 52 A certificate of identification for an employee conducting an on-site inspection pursuant to the provisions of Article 145, paragraph (1) of the Act is to be in accordance with Form 51.

Supplementary Provisions [Extract]

(Effective Date)

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

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

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

Industrial Competitiveness "; and the phrase "the Act" in Article 37-7 is deemed to be replaced with "the Former Industrial Revitalization Act".

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

Article 4 The provisions of Articles 37-3 through 37-11 of the Regulations for Enforcement of the Former Industrial Revitalization Act remain in force even after the enforcement of these Regulations, with respect to the duties to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Former Industrial Revitalization Act, which are to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the Act, to be undertaken by designated financial institutions prescribed in the paragraph. In this case, the phrase "Article 24-5, paragraph (2) of the Act" in Article 37-3 of the Regulations for Enforcement of the Former Industrial Revitalization Act is deemed to be replaced with "Article 24-5, paragraph (2) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) before its repeal pursuant to the provisions of Article 4 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) (the former Act is referred to below as the "Former Industrial Revitalization Act"), whose provisions are to remain in force pursuant to the provisions of Article 14 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness"; the phrase the "Act" in the items of paragraph (1) of the Article, and in Article 37-4 to Article 37-10 is deemed to be replaced with the "Former Industrial Revitalization Act"; and the phrase " Order" in Article 37-11 is deemed to be replaced with 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) before its repeal under Article 2 of the Supplementary Provisions of the Enforcement Order of the Act on Strengthening Industrial Competitiveness (Cabinet Order No. 13 of 2014), whose provisions are to remain in force under Article 5 of the Supplementary Provisions of the Order".

Supplementary Provisions

(Effective Date)

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

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

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

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

Article 3 The provisions of Articles 37-3 through 37-11 of the Regulations for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Order of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Finance, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment No. 1 of 2009) before its repeal under Article 2 of the Supplementary Provisions of the Regulations for Enforcement of the Act on Strengthening Industrial Competitiveness, before its repeal under the provisions of the preceding Article (those Regulations for Enforcement of the Act on Strengthening Industrial Competitiveness are referred to below as the "Regulations for Enforcement of the Former Industrial Competitiveness Act"; and those Regulations for Enforcement of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities are referred to below as the " Regulations for Enforcement of the Former Industrial Revitalization Act" in this Article) remain in force even after the enforcement of these regulations, with respect to the duties to promote business reconstruction, etc. prescribed in Article 24-5, paragraph (1) of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities (Act No. 131 of 1999) before its repeal under Article 4 of the Supplementary Provisions of the Act (referred to below as the "Former Industrial Revitalization Act" in this Article and the following Article), which is to remain in force pursuant to Article 14 of the Supplementary Provisions of the Act on Strengthening Industrial Competitiveness before amendment (referred to below as the "Former Industrial Competitiveness Act"), which is to remain in force pursuant to the provisions of Article 4 of the Supplementary

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

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

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

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

Article 5 The provisions of Article 31 and Article 36 of the Regulations for Enforcement of the Former Industrial Competitiveness Act remain in force even after these regulations come into effect, with respect to the JFC's duties to facilitate corporate restructuring promotion prescribed in Article 39 of the Former Industrial Competitiveness Act, which is to remain in force pursuant to

the provisions of Article 7 of the Supplementary Provisions of the Amendment Act. In this case, the phrase the "Act" in Article 31 of the Regulations for Enforcement of the Former Industrial Competitiveness Act is deemed to be replaced with the "Act on Strengthening Industrial Competitiveness before the amendment under Article 1 of the Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc. (Act No. 26 of 2018), which is to remain in force pursuant to Article 7 of the Supplementary Provisions of the Act (referred to below as the "Former Industrial Competitiveness Act")" and the phrase the "Act" in Article 36 of the Former Regulations for Enforcement of the Industrial Competitiveness Act is considered to be replaced with the "Former Industrial Competitiveness Act".

(Transitional Measures Concerning Duties to Promote Corporate Restructuring Undertaken by Designated Financial Institutions)

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

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

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

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

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

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

This Order comes into effect on the date of promulgation.

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

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

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

(Effective Date)

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

(Transitional Measures)

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

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

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

(Effective Date)

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

(Transitional Measures)

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

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

Supplementary Provisions [Order of the Cabinet Office, the Ministry of

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

(Effective Date)

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

(Transitional Measures)

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

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

Article 3 The provisions of Article 48, paragraph (6) of the Regulations for Enforcement of the Act on Strengthening Industrial Competitiveness amended by this Order do not apply if a report under Article 48, paragraph (1) of the Order regarding a corporate restructuring plan for which the approval stated in Article 23, paragraph (1) of the Act on Strengthening Industrial Competitiveness before amendment by the Amendment Act is received before this Order comes into effect.

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

(1) This Order comes into effect on April 1, 2022.

(2) Prior laws continue to govern a report under the provisions of Article 48, paragraph (1) of the Regulations for Enforcement of the Act on Strengthening

Industrial Competitiveness before amendment by this Order made by the approved business entity for business adaptation prescribed in Article 21-16, paragraph (1) of the Act on Strengthening Industrial Competitiveness, to whom special measures on taxation regarding the corporation tax stated in Article 68-15-7, paragraphs (1) through (6) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) before amendment by the provisions of Article 16 of the Act for Partial Amendment of the Income Tax Act (Act No. 8 of 2020) (referred to below as the "Former Act on Special Measures Concerning Taxation" in this paragraph) or special measures regarding the carryover of losses relating to corporation tax stated in Article 68-96-2, paragraph (1) of the Former Act on Special Measures Concerning Taxation were applied.