

The Act on Special Measures for Facilitating Investment in Agricultural Corporations is hereby promulgated.

Act on Special Measures for Facilitating Investment in Agricultural, Forestry, and Fisheries Corporations

(Act No. 52 of May 29, 2002)

(Purpose)

Article 1 The purpose of this Act is to promote the increase in equity capital of business operators in the agriculture, forestry, fisheries, and the food industry and to achieve their sound growth and development, as well as to provide funds for business activities that support the rationalization, advancement, and any other improvement of the business of business operators in the agriculture, forestry, fisheries, and the food industry, and thereby contributing to the sustainable development of the agriculture, forestry, fisheries, and the food industry, by taking special measures to facilitate investment in agricultural, forestry, and fisheries corporations, etc.

(Definitions)

Article 2 (1) The term "agricultural, forestry and fisheries corporation, etc." as used in this Act means a corporation stated as follows:

- (i) an agricultural producers' cooperative corporation or a stock company, etc. (meaning a stock company or a membership company as prescribed in Article 575, paragraph (1) of the Companies Act (Act No. 86 of 2005); the same applies below) that engages in agriculture;
- (ii) a stock company, etc. that engages in forestry;
- (iii) a stock company, etc. that engages in a fishery, or a fishery production cooperative;
- (iv) an agricultural producers' cooperative corporation or a stock company, etc. that engages in the manufacture, processing, distribution, sale, or export of agricultural, forestry, and fishery products or food, or in the provision of services for eating or drinking them (excluding those stated in the preceding three items);
- (v) an agricultural producers' cooperative corporation or a stock company, etc. that supports the rationalization, advancement, or any other improvement of the production of agricultural, forestry, and fishery products or the businesses prescribed in the preceding item, or conducts any other business activities specified by Order of the Ministry of Agriculture, Forestry and

Fisheries as those that are found to contribute to the sustainable development of agriculture, forestry, and fisheries or the food industry (excluding those stated in the preceding items).

- (2) The term "businesses that foster investment in agricultural, forestry and fisheries corporations, etc." as used in this Act means the following businesses:
- (i) acquisition and holding of equity capital, shares, share options, or bonds with share options, etc. (meaning those specified by Order of the Ministry of Agriculture, Forestry and Fisheries as bonds with share options and bonds equivalent to them, the same applies below) in an agricultural, forestry, and fisheries corporation, etc.;
 - (ii) business that provides management or technical guidance to an agricultural, forestry, and fisheries corporation, etc. that holds equity capital, shares, share options, or bonds with share options, etc. pursuant to the provisions of the preceding item.
- (3) The term "investment limited partnership" as used in this Act means an investment limited partnership as prescribed in Article 2, paragraph (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998).
- (4) The term "agricultural, forestry and fishery products" as used in this Act includes products that are manufactured or processed by using these products as raw materials or ingredients (excluding those prescribed in the following paragraph) and specified by Order of the Ministry of Agriculture, Forestry and Fisheries.
- (5) The term "food" as used in this Act means all food and drink (excluding pharmaceuticals provided in Article 2, paragraph (1) of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Act No. 145 of 1960), quasi-pharmaceutical products provided for in paragraph (2) of that Article, and regenerative medicine product provided for in paragraph (9) of that Article).

(Approval of Business Plans)

Article 3 (1) A stock company that intends to engage in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. (including a person that intends to establish a stock company that engages in business that fosters investment in agricultural, forestry, and fisheries corporations, etc.) or an investment limited partnership that intends to engage in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. may prepare a plan concerning the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. (referred to below as a "business plan"), submit it to the Minister of Agriculture, Forestry and Fisheries, and obtain approval that the business plan is appropriate, pursuant to the provisions of Order of the Ministry of Agriculture, Forestry and

Fisheries.

(2) A business plan must include the following matters:

- (i) matters concerning the stock company or the investment limited partnership that engages in business that foster investment in agricultural, forestry, and fisheries corporations, etc.;
- (ii) whether or not the agricultural, forestry, and fisheries corporations, etc. subject to the acquisition of equity, shares, share options, or bonds with share options, etc. fall under any of the corporations stated in the items of paragraph (1) of the preceding Article;
- (iii) the criteria for selecting agricultural, forestry and fisheries corporations, etc. whose equity or shares are to be acquired; the criteria for equity or share valuation during the acquisition process; the limits for the acquisition of equity or shares; the holding period for equity or shares; the method of disposing of equity or shares;
- (iv) the criteria for selecting agricultural, forestry and fisheries corporations, etc. whose share options are to be acquired, the criteria regarding the details of share options, the limits for the acquisition of share options and the time to exercise share options;
- (v) the criteria for selecting the Agricultural, Forestry and Fisheries Corporations, etc. subject to the acquisition of bonds with share options, etc., the criteria concerning the limits for the acquisition of bonds with share options, etc. and the due date for redemption of bonds with share options, etc., and in the case of bonds with share options, the criteria regarding the details of the share options attached to the bonds and the time to exercise the share options;
- (vi) fees relating to the business stated in paragraph (2), item (ii) of the preceding Article.

(3) If a corporation stated in paragraph (1), item (v) of the preceding Article is included in the agricultural, forestry, and fisheries corporations, etc. prescribed in item (ii) of the preceding paragraph, the details of the business activities conducted by the corporations are to be stated as the criteria for selection prescribed in items (iii) through (v) of the preceding paragraph.

(4) If agricultural, forestry, and fisheries corporations, etc. that are foreign corporations are included in the agricultural, forestry, and fisheries corporations, etc. prescribed in paragraph (2), item (ii), the regions and fields in which the businesses operated by the agricultural, forestry, and fisheries corporations, etc. that are foreign corporations or the business activities conducted thereby are to be implemented, and the relationship between the agricultural, forestry, and fisheries corporations, etc. that are foreign corporations and Japanese business operators in the agricultural, forestry, and fisheries industry or food industry (referred to as "domestic business operators"

in Article 12, paragraph (1)) are to be stated as the criteria for selection prescribed in items (iii) through (v) of the same paragraph,

- (5) If an application has been filed for the approval referred to in paragraph (1) and the Minister of Agriculture, Forestry and Fisheries finds the business plan conforms to all of the following items, the minister is to approve the plan:
- (i) a stock company or an investment limited partnership engaged in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. is found to be capable of properly and reliably engaging in business that fosters investment in agricultural, forestry, and fisheries corporations, etc.;
 - (ii) if a corporation stated in paragraph (1), items (i) through (iv) of the preceding Article is included in agricultural, forestry, and fisheries corporations, etc. as provided for in paragraph (2), item (ii), the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. under the business plan is effective and appropriate in terms of ensuring the adequacy of equity capital of the corporation;
 - (iii) the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. relating to the business plan contributes to the sound growth and development of agriculture, forestry, and fisheries or the food industry;
 - (iv) the business plan is appropriate to execute the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. in a smooth and steady way.
 - (v) if the business plan contains the matters prescribed in paragraph (3) or the preceding paragraph, these matters are appropriate in light of the criteria specified by the Minister of Agriculture, Forestry and Fisheries as being necessary for ensuring that these matters contribute to the sustainable development of agriculture, forestry, and fisheries or the food industry in Japan.

(Change of the Business Plans)

- Article 4 (1) A person who has obtained the approval referred to in paragraph (1) of the preceding Article (including a stock company related to the establishment by the person referred to in that paragraph) must obtain the approval from the Minister of Agriculture, Forestry and Fisheries if the person intends to change the business plan relating to the approval.
- (2) The provisions of paragraph (5) of the preceding Article apply *mutatis mutandis* to the approval referred to in the preceding paragraph.

(Collection of Reports)

- Article 5 The Minister of Agriculture, Forestry and Fisheries may request the unlimited liability partner of a stock company that has obtained the approval

referred to in Article 3, paragraph (1) (including a stock company stated in that paragraph established by a person that has obtained the approval referred to in that paragraph; referred to below as an "approved company") or an investment limited partnership that has obtained the approval referred to in the same paragraph (referred to below as an "approved partnership") to report on the implementation status of the business that fosters investment in agricultural, forestry, and fisheries corporations, etc.

(Order for Improvement)

Article 6 If the Minister of Agriculture, Forestry and Fisheries finds that an approved company or an approved partnership is not engaging in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. in accordance with the business plan concerning the approval referred to in Article 3, paragraph (1) (when a change has been approved under the provisions of Article 4, paragraph (1), the changed business plan; referred to below as the "approved business plan"), the Minister may order the unlimited liability partner of the approved company or the approved partnership to take necessary measures for the improvement, by setting a reasonable period of time.

(Revocation of Approval of Business Plans)

Article 7 If the unlimited liability partner of the approved company or the approved partnership violates an order under the provisions of the preceding Article, the Minister of Agriculture, Forestry and Fisheries may revoke the approval referred to in Article 3, paragraph (1).

(Special Provisions for the Japan Finance Corporation Act)

Article 8 (1) In addition to the business provided for in Article 11 of the Japan Finance Corporation Act (Act No. 57 of 2007), in order to supplement private-sector investment in agricultural, forestry, and fisheries corporations, etc., the Japan Finance Corporation may engage in the business of contributing funds necessary for an approved company or the approved partnership to engage in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. in accordance with an approved business plan.

(2) The contribution of funds prescribed in the preceding paragraph may be made with the approval of the Minister of Agriculture, Forestry and Fisheries and the Minister of Finance only if it is found that profits enabling the payment of dividends are certain to accrue from the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. related to the contribution.

(3) With regard to the application of the provisions of Article 11, paragraph (1),

item (vi), Article 12, paragraph (1), Article 31, paragraph (2), item (i), (b), Article 41, item (ii), Article 58, Article 59, paragraph (1), Article 64, paragraph (1), item (iv), and Article 73, item (iii) of the Japan Finance Corporation Act to the contribution of funds pursuant to the provisions of paragraph (1) by the Japan Finance Corporation under the provisions of that paragraph, the term "business listed in item (vi) of paragraph (1)" in Article 11, paragraph (1), item (vi) of that Act is deemed to be replaced with "business listed in item (vi) of paragraph (1) of this Article and business prescribed in Article 8, paragraph (1) of the Act on Special Measures to Facilitate Investment in Agricultural, Forestry, and Fisheries Corporations (Act No. 52 of 2002; referred to below as the "Act on Special Measures")"; the term "business listed in item (v) of that paragraph" in Article 12, paragraph (1) of that Act is deemed to be replaced with "business listed in item (i) of paragraph (1) of this Article and business prescribed in Article 8, paragraph (1) of the Act on Special Measures"; the term "item (v) of that paragraph" in Article 31, paragraph (2), item (i), (b), Article 41, item (ii), and Article 64, paragraph (1), item (iv) of that Act is deemed to be replaced with "business prescribed in Article 8, paragraph (1) of the Act on Special Measures and Article 11, paragraph (1), item (v); the term "this Act" in Article 58 and Article 59 of that Act is deemed to be replaced with "this Act, the Act on Special Measures"; the term "Article 11" in Article 73, item (iii) of that Act is deemed to be replaced with "Article 11 and Article 8, paragraph (1) of the Act on Special Measures".

(Special Provisions for the Agricultural Cooperatives Act)

Article 9 With regard to the application of the provisions of Article 72-13, paragraph (1) of the Agricultural Cooperatives Act (Act No. 132 of 1947) to an approved company that engages in the business that fosters investments by agricultural, forestry, and fisheries corporations, etc. in accordance with an approved business plan, the phrase "the following persons" in the same paragraph is deemed to be replaced with "the following persons and an approved company as prescribed in Article 5 of the Act on Special Measures to Facilitate Investment in Agricultural, Forestry, and Fisheries Corporations (Act No. 52 of 2002) that has invested in the agricultural cooperative in relation to the business that fosters investments by agricultural, forestry, and fisheries corporations, etc. as prescribed in Article 2, paragraph (2) of that Act in accordance with an approved business plan as prescribed in Article 6 of the same Act".

(Special Provisions for the Cropland Act)

Article 10 Regarding the application of the provisions of Article 2, paragraph (3), item (ii) of the Cropland Act (Act No. 229 of 1952) to an approved company in

the case where the approved company, the majority of whose voting rights of all shareholders are held by a local government, an agricultural cooperative, a federation of agricultural cooperatives, the Norinchukin Bank, or the Japan Finance Corporation, engages in a business that fosters investment in agricultural, forestry, and fisheries corporations, etc. in accordance with an approved business plan, the phrase "shareholders who fall under any of the following categories of person" in that item is deemed to be replaced with "shareholders who fall under an approved company (meaning an approved company as prescribed in Article 5 of the Act on Special Measures to Facilitate Investment in Agricultural, Forestry, and Fisheries Corporations, etc. (Act No. 52 of 2002)) that has invested in a business that fosters investment in agricultural, forestry, and fisheries corporations, etc. (meaning a business that fosters investment in agricultural, forestry, and fisheries corporations, etc. as prescribed in Article 2, paragraph (2) of that Act) in accordance with an approved business plan (meaning an approved business plan as prescribed in Article 6 of that Act) for the following persons or their corporations" and the phrase "members who fall under any of the following categories" is deemed to be replaced with "members who fall under any of the following categories or the approved company".

(Special Provisions for the Fishery Industry Cooperative Act)

Article 11 Regarding the application of the provisions of Article 79 of the Fishery Industry Cooperative Act (Act No. 242 of 1948) to an approved company that engages in business that fosters investment in agricultural, forestry, and fisheries corporations, etc. in accordance with an approved business plan, the term "fishers" in that Article is deemed to be replaced with "fishers and an approved company as prescribed in Article 5 of the Act on Special Measures to Facilitate Investment in Agricultural, Forestry, and Fisheries Corporations (Act No. 52 of 2002) that has invested in a cooperative regarding the business that fosters investment in agricultural, forestry, and fisheries corporations, etc. as prescribed in Article 2, paragraph (2) of that Act in accordance with an approved business plan as prescribed in Article 6 of that Act".

(Special Provisions for the Limited Partnership Act for Investment)

Article 12 (1) If an approved partnership engages in a business that fosters investments in agricultural, forestry, and fisheries corporations, etc. in accordance with an approved business plan (limited to a business plan that includes the matters prescribed in Article 3, paragraph (4)), the partners of the approved partnership may, under a partnership agreement referred to in Article 3, paragraph (1) of the Limited Partnership Act for Investment, promise to jointly engage in the business of acquiring and holding shares, share options,

or bonds with share options, etc. of agricultural, forestry, and fisheries corporations, etc. that are foreign corporations (limited to cases in which the person has obtained confirmation from the Minister of Agriculture, Forestry and Fisheries regarding the finding that the agricultural, forestry, and fisheries corporations, etc. that are foreign corporations subject to the acquiring and holding are closely related to a domestic business operator and that the businesses or business activities conducted by the agricultural, forestry, and fisheries corporations, etc. that are foreign corporations contribute to the development of the businesses of the domestic business operator), beyond the businesses stated in the items of the same paragraph.

- (2) Regarding the application of the provisions of Article 7, paragraph (4) of the Limited Partnership Act for Investment to partners of an approved partnership that has promised to engage in the business prescribed in the preceding paragraph, the phrase "acts other than the business activities listed in Article 3, paragraph (1)" in Article 7, paragraph (4) of the same Act is deemed to be replaced with "acts other than the business activities stated in Article 3, paragraph (1) of the Act, and those prescribed in Article 12, paragraph (1) of the Act on Special Measures to Facilitate Investment in Agricultural, Forestry, and Fishery Corporations (Act No. 52 of 2002)"; and the phrase "a business activity other than those listed in the same paragraph" in Article 7, paragraph (4) of the same Act is deemed to be replaced with "acts other than the business stated in Article 3, paragraph (1) and the business prescribed in Article 12, paragraph (1) of the Act".

(Penal Provisions)

Article 13 (1) A person who has failed to make a report under the provisions of Article 5 or has made a false report is to be punished by a fine of not more than 300,000 yen.

- (2) If the representative of a corporation, or the agent, employee, or other worker of a corporation or an individual has committed a violation as referred to in the preceding paragraph in connection with the business of the corporation or individual, in addition to the offender being subject to punishment, the corporation or individual is subject to the punishment referred to in that paragraph.

Supplementary Provisions [Extract]

(Effective Date)

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

Supplementary Provisions [Act No. 87 of July 26, 2005 Extract] [Extract]

This Act comes into effect on the effective day of the Companies Act.

Supplementary Provisions [Act No. 58 of May 25, 2007 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect on October 1, 2008.

Supplementary Provisions [Act No. 57 of June 24, 2009 Extract] [Extract]

(Effective Date)

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

Supplementary Provisions [Act No. 39 of May 2, 2011 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect on the day of its promulgation; provided, however, that the provisions of paragraph (1) of Articles 6 and 47 and the provisions of Articles 22 through 51 of the Supplementary Provisions come into effect on April 1, 2012.

**Supplementary Provisions [Act No. 102 of December 13, 2013 Extract]
[Extract]**

(Effective Date)

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

- (i) the provisions of Article 11 of the Supplementary Provisions: the date of promulgation;
- (ii) the provisions of Article 3 of this Act and Article 7 of the Supplementary Provisions: the date specified by Cabinet Order within a period not exceeding six months from the date of promulgation.

**Supplementary Provisions [Act No. 63 of September 4, 2015 Extract]
[Extract]**

(Effective Date)

Article 1 This Act comes into effect on April 1, 2016; provided, however, that the provisions stated in the following items come into effect on the dates specified respectively in those items:

- (i) the provisions of Article 28, Article 29, paragraphs (1) and (3), Articles 30 through 40, Article 47 (limited to the parts relating to officers of prefectural agricultural councils and the National Chamber of Agriculture), and Article 50, Article 109, and Article 115: the date of promulgation (referred to below as the "date of promulgation").

Supplementary Provisions [Act No. 26 of April 28, 2021 Extract] [Extract]

(Effective Date)

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