



Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner

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Chapter I General Provisions

(Purpose)

Article 1 The Purpose of this Act is to comprehensively and effectively promote economic measures regarding security through the formulation of a basic policy on the promotion of ensuring security by taking economic measures in an

integrated manner, and the establishment of systems as economic measures to ensure security regarding the stable supply of Specified Critical Materials and the stable supply of Specified Social Infrastructure Services, and systems regarding development support for Specified Critical Technologies and non-disclosure of patent applications, in view of the increasing importance of preventing acts committed with regard to economic activity that harm the security of the national government or citizens to ensure security associated with increased complexity of the international situation, changes in socioeconomic structure, etc.

(Basic Policy)

- Article 2 (1) The Government must specify a basic policy regarding the promotion of ensuring security by taking economic measures in an integrated manner (hereinafter referred to as the “Basic Policy”).
- (2) The Basic Policy shall specify the following matters:
- (i) Basic matters on the promotion of ensuring security by taking economic measures in an integrated manner;
 - (ii) Basic matters on the implementation of economic measures in an integrated manner regarding ensuring the stable supply of Specified Critical Materials (meaning Specified Critical Materials provided in Article 7; the same applies in Article 6), ensuring the stable supply of Specified Social Infrastructure Services (meaning Specified Social Infrastructure Services provided in Article 50, Paragraph 1; the same applies in Article 49), development support for Specified Critical Technologies (meaning Specified Critical Technologies provided in Article 61; the same applies in Article 60), and non-disclosure of patent applications (meaning non-disclosure of patent applications provided in Article 65, Paragraph 1);
 - (iii) Basic matters on economic measures that should be promoted comprehensively and effectively regarding ensuring security (excluding what is set forth in the preceding Item); and
 - (iv) Beyond what is set forth in the preceding three items, matters necessary for the promotion of ensuring security by taking economic measures in an integrated matter.
- (3) The Prime Minister must prepare a draft of the Basic Policy and seek a Cabinet decision.
- (4) When the Cabinet decision under the provisions of the preceding Paragraph has been made, the Prime Minister must promptly publicize the Basic Policy.
- (5) The provisions of the preceding two Paragraphs shall apply mutatis mutandis to changes to the Basic Policy.

(Recommendations of the Prime Minister, etc.)

Article 3 (1) When the Prime Minister finds it necessary for the comprehensive and effective promotion of economic measures to ensure security, the Prime Minister may seek the provision of necessary materials or information, explanations, statements of opinion, or other necessary cooperation from the head of a relevant administrative organization.

(2) When the Prime Minister finds it particularly necessary for the comprehensive and effective promotion of economic measures to ensure security, the Prime Minister may issue necessary recommendations to the head of a relevant administrative organization and seek reports on measures taken as a result of such recommendation.

(3) When the Prime Minister finds it necessary for the comprehensive and effective promotion of economic measures to ensure security, the Prime Minister may provide the head of a relevant administrative organization with information that contributes to economic measures to ensure security.

(Responsibilities of the National Government)

Article 4 (1) The national government has a responsibility to comprehensively and effectively promote economic measures to ensure security in line with the Basic Policy.

(2) The national government's administrative organizations must mutually cooperate on implementation of economic measures to ensure security.

(3) The national government must endeavor to ensure necessary funding and take other measures to promote the comprehensive and effective promotion of economic measures to ensure security.

(Points of Attention in the Implementation of Control Measures under the Provisions of this Act)

Article 5 Control measures under the provisions of this Act must be taken in consideration of economic activity and to the extent determined to be reasonably necessary to ensure security.

Chapter II Ensuring Stable Supply of Specified Critical Materials

Section 1 Basic Guidelines on Ensuring Stable Supply, etc.

(Basic Guidelines on Ensuring Stable Supply)

Article 6 (1) The Government shall, pursuant to the Basic Policy, specify basic

guidelines on ensuring stable supply of Specified Critical Materials (hereinafter referred to as “ensuring stable supply” in this Chapter) to prevent a situation that will undermine the security of the national government or citizens due to actions taken outside of Japan (hereinafter referred to as the “Basic Guidelines on Ensuring Stable Supply” in this Chapter).

- (2) The Basic Guidelines on Ensuring Stable Supply shall specify the following matters:
- (i) Matters regarding the basic direction on ensuring stable supply of Specified Critical Materials;
 - (ii) Matters regarding measures implemented by the national government regarding ensuring stable supply of Specified Critical Materials;
 - (iii) Matters regarding designation of Specified Critical Materials;
 - (iv) Matters that should be used as criteria for preparing the Action Policy on Ensuring Stable Supply (meaning the Action Policy on Ensuring Stable Supply provided in Article 8, Paragraph 1);
 - (v) Matters regarding the basic direction to facilitate procurement of funds necessary for initiatives to ensure stable supply of Specified Critical Materials (including matters that should be used as criteria for preparing the Basic Guidelines on Operations to Facilitate Promotion of Ensuring Supply (meaning the Basic Guidelines on Operations to Facilitate Promotion of Ensuring Supply provided in Article 13, Paragraph 1));
 - (vi) Basic matters regarding the roles to be played by Corporations to Support Ensuring Stable Supply (meaning Corporations to Support Ensuring Stable Supply provided in Article 31, Paragraph 1; the same applies in Article 8, Paragraph 2, Item (iv) and Article 9, Paragraph 6) and Incorporated Administrative Agencies to Support Ensuring Stable Supply (meaning Incorporated Administrative Agencies to Support Ensuring Stable Supply provided in Article 42, Paragraph 2, Item (iv); the same applies in Article 8, Paragraph 2, Item (iv) and Article 9, Paragraph 6) regarding Operations to Support Ensuring Stable Supply (meaning Operations to Support Ensuring Stable Supply provided in Article 31, Paragraph 1; the same applies in Article 8, Paragraph 2 Item (iv) and Article 9, Paragraph 6), Funds for Corporations to Support Ensuring Stable Supply (meaning Funds for Corporations to Support Ensuring Stable Supply provided in Article 34, Paragraph 1; the same applies in Article 8, Paragraph 2, Item (iv) and Article 33, Paragraph 2, Item (v)), and Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply (meaning Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply provided in Article 43, Paragraph 1; the same applies in Article 8, Paragraph

- 2, Item (iv));
- (vii) Basic matters regarding designations under the provisions of Article 44, Paragraph 1;
- (viii) Basic matters to be considered in ensuring stable supply of Specified Critical Materials; and
- (ix) Beyond what is set forth in the preceding Items, matters necessary for ensuring stable supply of Specified Critical Materials;
- (3) The Prime Minister must prepare a draft Basic Guidelines on Ensuring Stable Supply and seek a Cabinet decision.
- (4) When preparing the draft Basic Guidelines on Ensuring Stable Supply under the provisions of the preceding Paragraph, the Prime Minister must, in advance, seek the opinions of persons with knowledge of economic measures to ensure security, industrial structure, and other knowledge of ensuring stable supply of Specified Critical Materials.
- (5) When a Cabinet decision has been made regarding the provisions of Article 3, the Prime Minister must, without delay, publicize the Basic Guidelines on Ensuring Stable Supply.
- (6) The provisions of the preceding three Paragraphs shall apply mutatis mutandis to modifications to the Basic Guidelines on Ensuring Stable Supply.

(Designation of Specified Critical Materials)

Article 7 When critical materials (including programs; the same applies hereinafter) or raw materials, parts, facilities, equipment, and devices necessary to the production thereof (hereinafter referred to as “Raw Materials, etc.”) upon which the citizenry’s livelihood and economic activity depend as well as being essential and broadly necessary for the people’s livelihoods, are excessively reliant or are likely to be reliant on external sources, to prevent a situation in which the security of the national government or citizens is undermined due to actions taken outside of Japan, the relevant materials or raw materials, etc. necessary for the production thereof (hereinafter referred to as “Materials, etc.” in this Article) shall be designated as Specified Critical Materials by Cabinet order when determined particularly necessary to ensure stable supply of the relevant materials, etc. through initiatives to enhance the development base, diversify supply sources, introduce stockpiling or production technology, development, improvement, or other initiatives to enhance resilience of the supply chain or rationalize the usage of the materials, etc, or initiatives to develop alternative materials or otherwise reduce reliance on the relevant materials, etc.

(Action Policy to Ensure Stable Supply)

Article 8 (1) The competent minister shall, pursuant to the Basic Guidelines on Ensuring Stable Supply, specify an action policy to ensure stable supply (hereinafter referred to as “Action Policy to Ensure Stable Supply” in this Chapter) pertaining to those Specified Critical Materials designated under the provisions of the preceding Article that are the Specified Critical Materials or Raw Materials, etc. necessary for the production thereof (hereinafter referred to as “Specified Critical Materials” in this Chapter and Article 86, Paragraph 1, Item (ii)) pertaining to businesses under the jurisdiction of the competent minister.

(2) The Action Policy to Ensure Stable Supply shall specify the following matters:

- (i) Matters on the basic direction of initiatives to ensure stable supply of covered individual Specified Critical Materials (hereinafter referred to as “Individual Specified Critical Materials, etc.” in this Chapter);
- (ii) Matters on measures to be implemented by the competent minister regarding initiatives to ensure stable supply of Individual Specified Critical Materials, etc.;
- (iii) Matters on the details of initiatives to ensure stable supply of individual Specified Critical Materials, etc., and, for each relevant initiative, the period to conduct the initiative and time limit to conduct the initiative;
- (iv) Matters on the roles to be played by Corporations to Support Ensuring Stable Supply and Incorporated Administrative Agencies to Support Ensuring Stable Supply regarding Operations to Support Ensuring Stable Supply, Funds for Corporations to Support Ensuring Stable Supply, or Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply;
- (v) Matters on designations under the provisions of Article 44, Paragraph 1 pertaining to Individual Specified Critical Materials subject to designation;
- (vi) Matters to be considered in ensuring stable supply of Individual Specified Critical Materials, etc.; and
- (vii) Beyond what is set forth in the preceding Items, matters necessary to ensure stable supply of Individual Specified Critical Materials, etc.

(3) When preparing the Basic Guidelines on Ensuring Stable Supply, the competent minister must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organizations.

(4) When the Basic Guidelines on Ensuring Stable Supply have been specified, the competent minister must publicize them without delay.

(5) The provisions of the preceding two Paragraphs apply mutatis mutandis to

modifications to the Basic Guidelines on Ensuring Stable Supply.

Section 2 Plans for Ensuring Stable Supply

(Certification of Plans for Ensuring Supply)

Article 9 (1) A person who intends to ensure stable supply of Specified Critical Materials may prepare a plan (hereinafter referred to as a “Plan for Ensuring Supply” in this Section and Article 29) for initiatives for implementation to ensure stable supply of Specified Critical Materials (hereinafter referred to as “Initiatives” in this Article), submit to the competent minister and obtain certification thereof as specified by Order of the Competent Ministry.

- (2) When two or more persons intend to jointly undertake Initiatives, the relevant two or more persons may jointly prepare a Plan for Ensuring Stable Supply and obtain certification under the preceding Paragraph.
- (3) A Plan for Ensuring Stable Supply must contain the matters listed as follows:
 - (i) Item of Specified Critical Material intended for ensuring stable supply;
 - (ii) Initiative objectives;
 - (iii) Details and implementation period of Initiatives;
 - (iv) Implementation framework for Initiatives;
 - (v) Amount of funding required for the Initiatives and the procurement method thereof;
 - (vi) Measures to ensure smooth and reliable implementation of the Initiatives;
 - (vii) Framework to manage information on the Initiatives;
 - (viii) The preparer of the Plan for Ensuring Stable Supply’s current status of procurement, supply, or usage of the relevant Specified Critical Materials; and
 - (ix) Beyond what is set forth in the preceding Items, matters specified by Order of the Competent Ministry.
- (4) When there has been an application for the certification under Paragraph 1, the competent minister shall give such certification when the competent minister determines that the Plan for Ensuring Supply pertaining to the relevant application meets all of the following Items:
 - (i) The Initiative details are appropriate in light of the Action Policy to Ensure Stable Supply;
 - (ii) It is deemed that the Initiatives will be implemented for a period longer than, or within the time limit specified in the Action Policy to Ensure Stable Supply;

- (iii) The Initiatives' implementation framework, amount of funding necessary, and procurement method thereof for the Initiatives are appropriate for the smooth and reliable implementation of the Plan for Ensuring Supply;
- (iv) It is deemed that in case of shortage of supply and demand of the Specified Critical Materials, investments to contribute to maintain or strengthen the supply capacity of the Specified Critical Materials or measures to reduce reliance, or other measures specified by Order of the Competent Ministry as measures for smooth and reliable implementation are likely to be taken;
- (v) A framework has been established to appropriately manage information regarding the Initiatives; and
- (vi) When two or more persons engaged in businesses that fall within the same industry have jointly applied for the certification of Paragraph 1 pertaining to a jointly prepared Plan for Ensuring Supply, (a) and (b) apply as follows:
 - (a) In light of domestic and external market conditions, proper competition is ensured between the enterprises that filed the relevant application and other enterprises that engage in businesses that fall within the same industry; and
 - (b) It is not likely to cause unjust damage to the interest of general consumers and related businesses;
- (5) When granting the certification in Paragraph 1, the competent minister must, in advance, consult with the Prime Minister and the heads of other relevant administrative organizations.
- (6) When having granted the certification in Paragraph 1, the competent minister shall give notice to that effect to the Corporations to Support Ensuring Stable Supply and Incorporated Administrative Agencies to Support Ensuring Stable Supply regarding Operations to Support Ensuring Stable Supply of the Specified Critical Materials pertaining to the relevant certification.

(Modification of Plans for Ensuring Supply)

- Article 10 (1) When person who has obtained the certification of Paragraph 1 of the preceding Article (hereinafter referred to as a "Certified Enterprise to Ensure Supply" in this Chapter) modifies the Plan for Ensuring Supply pertaining to the relevant certification, the person must, in advance, obtain the certification of the competent minister as specified by the Order of the Competent Ministry. Provided, however, that this shall not apply to minor modifications as specified by the Order of the Competent Ministry.
- (2) When having made minor modifications as specified by the Order of the Competent Ministry in the proviso to the preceding Paragraph, a Certified

Enterprise to Ensure Supply must make notification to that effect to the competent minister.

- (3) The provisions of Paragraphs 4 through 6 of the preceding Article apply mutatis mutandis to certifications of modifications under the provisions of Paragraph 1.

(Rescission of Certification of Plan for Ensuring Supply)

Article 11 (1) When the competent minister determines that a Certified Enterprise to Ensure Supply is not undertaking Initiatives to ensure stable supply of Specified Critical Materials in accordance with a certified Plan for Ensuring Supply (in the case of a certification of modifications under the provisions of Paragraph 1 of the preceding Article or a notification of a modification has been made under the provisions of Paragraph 2 of the preceding Article, the modified plan; hereinafter referred to as “Certified Plan for Ensuring Supply” in this Chapter), the competent minister may rescind the certification.

- (2) When the competent minister determines that a Certified Plan for Ensuring Supply no longer meets an Item of Article 9, Paragraph 4, the competent minister may instruct the Certified Enterprise to Ensure Supply to modify the relevant Certified Plan for Ensuring Supply or rescind the certification.

- (3) The provisions of Article 9, Paragraph 6 apply mutatis mutandis to rescissions of certifications under the provisions of the preceding two Paragraphs.

(Regular Reporting)

Article 12 A Certified Enterprise to Ensure Supply must, each fiscal year, report to the competent minister the implementation status of the Certified Plan for Ensuring Supply as specified by Order of the Competent Ministry.

Section 3 Special Provisions for the Japan Finance Corporation Act

(Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply)

Article 13 (1) The competent minister shall, pursuant to the Basic Guidelines on Ensuring Stable Supply, specify basic guidelines (hereinafter referred to as the “Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply” in this Section) on the implementation of operations listed as follows of the Japan Finance Corporation (hereinafter referred to as “JFC” in this Section and Article 98) or a person who has been

designated under the provisions of Article 16, Paragraph 1 (hereinafter referred to as “Designated Financial Institution” in this Section and Article 48, Paragraph 5):

- (i) Operations for JFC to lend Designated Financial Institutions funds necessary to lend funds necessary for Certified Enterprises to Ensure Supply to conduct certified business to ensure supply (meaning business regarding Initiatives to ensure stable supply of Specified Critical Materials undertaken in accordance with a Certified Plan for Ensuring Supply; the same applies hereinafter in this Chapter) and operations incidental thereto (hereinafter referred to as “Operations to Facilitate Promotion of Ensuring Supply” in this Section); and
 - (ii) Operations for Designated Financial Institutions to lend to Certified Enterprises to Ensure Supply funds necessary to conduct certified business to ensure supply for which the funds necessary for the relevant lending are lent by JFC (hereinafter referred to as “Operations to Promote Ensuring Supply” in this Chapter and Article 96, Item (ii)).
- (2) The Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply shall specify the following matters:
- (i) Matters on the basic direction of Operations to Facilitate Promotion of Ensuring Supply and Operations to Promote Ensuring Supply;
 - (ii) Matters on the roles to be played by JFC and Designated Financial Institutions regarding facilitation of procuring funds necessary for Certified Enterprises to Ensure Supply to carry out certified business to ensure supply;
 - (iii) Matters on the details of Operations to Facilitate Promotion of Ensuring Supply to be conducted by JFC and the implementation framework thereof;
 - (iv) Matters on the details of Operations to Facilitate Promotion of Ensuring Supply to be conducted by Designated Financial Institutions and the implementation framework thereof; and
 - (v) Beyond what is set forth in the preceding Items, matters necessary for the implementation of Operations to Facilitate Promotion of Ensuring Supply and Operations to Promote Ensuring Supply.
- (3) When preparing the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply, the competent minister must, in advance, consult with the heads of relevant administrative organizations.
- (4) When the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply have been specified, the competent minister must publicize them without delay.

(5) The provisions of the preceding two Paragraphs apply mutatis mutandis to modifications to the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply.

(Operations to Facilitate Promotion of Ensuring Supply to be Conducted by JFC)

Article 14 Notwithstanding the provisions of Articles 1 and 11 of the Japan Finance Corporation Act (Act No. 57 of 2007), JFC may conduct Operations to Facilitate Promotion of Ensuring Supply.

(Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply)

Article 15 (1) JFC must, pursuant to the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply, specify a policy on the implementation method and implementation conditions for Operations to Facilitate Promotion of Ensuring Supply, and other matters necessary for implementation of Operations to Facilitate Promotion of Ensuring Supply as specified by Order of the Competent Ministry (hereinafter referred to as the “Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply”).

(2) When specifying the Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply, JFC must, in advance, obtain the authorization of the competent minister. The same applies to any modifications thereof.

(3) After having obtained the authorization of the preceding Paragraph, JFC must, without delay, publicize the Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply.

(4) JFC must conduct Operations to Facilitate Promotion of Ensuring Supply in accordance with the Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply.

(Designation of Designated Financial Institutions)

Article 16 (1) The competent minister may, as specified by Order of the Competent Ministry, designate a person determined to meet all of the following Items regarding Operations to Facilitate Promotion of Ensuring Supply upon the person’s application:

(i) The person is a bank or other financial institution as specified by Cabinet order;

(ii) The person’s implementation framework for Operations to Facilitate Promotion of Ensuring Supply and Business Regulations on Promotion of

Ensuring Supply set forth in the next Paragraph are in conformity with laws and regulations, the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply, and the Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply, and are sufficient to implement Operations to Facilitate Promotion of Ensuring Supply properly and reliably; and

(iii) In light of the person's personnel structure, the person has knowledge and experience that enable it to properly and reliably implement Operations to Facilitate Promotion of Ensuring Supply.

(2) A person who intends to obtain the designation under the provisions of the preceding Paragraph (hereinafter referred to as "Designation" in this Section") must specify regulations on Operations to Promote Ensuring Supply as specified by Order of the Competent Ministry pursuant to the Basic Guidelines for Implementation of Operations, etc. to Facilitate Promotion of Ensuring Supply and the Implementation Policy for Operations to Facilitate Promotion of Ensuring Supply (hereinafter referred to as "Business Regulations on Promotion of Ensuring Supply" in the following Paragraph and Article 18), and submit these to the competent minister accompanied with a Designation application and other documentation as specified by Order of the Competent Ministry.

(3) The Business Regulations on Promotion of Ensuring Supply must specify matters on the implementation framework, implementation method, and other matters as specified by Order of the Competent Ministry.

(4) A person who falls under any of the following Items may not obtain Designation:

(i) A person who has violated this Act, the Banking Act (Act No. 59 of 1981), or other Act as specified by Cabinet order, or an order or disposition pursuant thereto and was sentenced to a fine or severer punishment when a five-year period has not elapsed since the day the person completed the sentence or ceased to be subject to the sentence;

(ii) A person whose Designation was rescinded under the provisions of Article 23, Paragraph 1 or 2, and five years have not elapsed since the day of the rescission; and

(iii) A corporation that has an officer who falls under any of the following:

(a) A person as specified by Order of the Competent Ministry as being unable to properly perform their duties due to mental or physical disorder or has received an order for the commencement of bankruptcy proceedings and has not had their rights restored; and

(b) When a Designated Financial Institution's Designation has been

rescinded under the provisions of Article 23, Paragraph 1 or 2, a person who was an officer of that Designated Financial Institution no later than sixty days prior to the public notification of the date and location of hearings pertaining to the relevant rescission of designation, and five years have not elapsed since the day of the relevant rescission of Designation.

(Public Notification, etc. of Designation of Designated Financial Institutions)

Article 17 (1) When the competent minister has made a Designation, the competent minister shall make a public notification of the trade name or name, address, and location of the business office or office that will conduct the Operations to Promote Ensuring Supply.

(2) When changing trade name or name, address, or location of the business office or office that will conduct the Operations to Promote Ensuring Supply, a Designated Financial Institution must notify, in advance, the competent minister to that effect.

(3) When there has been a notification under the provisions of the preceding Paragraph, the competent minister shall make a public notification to that effect.

(Authorization, etc. of Modifications to Business Regulations on Promotion of Ensuring Supply)

Article 18 (1) When modifying the Business Regulations on Promotion of Ensuring Supply, a Designated Financial Institution must, in advance, obtain the authorization of the competent minister.

(2) When the competent minister determines that a Designated Financial Institution's Business Regulations on Promotion of Ensuring Supply have become inappropriate for proper and reliable implementation of Operations to Promote Ensuring Supply, the competent minister may order the Business Regulations on Promotion of Ensuring Supply to be modified.

(Agreements)

Article 19 (1) JFC shall conclude agreements with Designated Financial Institutions that include matters listed as follows, and conduct its operations in accordance thereto:

- (i) Matters on criteria for lending conditions pertaining to Operations to Promote Ensuring Supply conducted by Designated Financial Institutions;
- (ii) Designated Financial Institutions shall prepare and submit to JFC reports on their financial status and the implementation status of Operations to

Promote Ensuring Supply; and

- (iii) Beyond what is set forth in the preceding two Items, details, implementation method, and other matters as specified by Order of the Competent Ministry of the Operations to Promote Ensuring Supply conducted by Designated Financial Institutions and Operations to Facilitate Promotion of Ensuring Supply conducted by JFC.
- (2) When concluding an agreement of the preceding Paragraph, JFC must, in advance, obtain the authorization of the competent minister. The same applies when modifications are made thereto.

(Bookkeeping)

Article 20 Designated Financial Institutions must prepare books as specified by Order of the Competent Ministry, enter in the books matters to be specified by Order of the Competent Ministry, and keep the books.

(Supervision Orders)

Article 21 When the competent minister determines it necessary for enforcing the provisions of this Section, the competent minister may issue orders to a Designated Financial Institution necessary for supervision regarding Operations to Promote Ensuring Supply.

(Suspension or Discontinuation of Operations to Promote Ensuring Supply)

Article 22 (1) When suspending or discontinuing, in whole or in part, Operations to Promote Ensuring Supply, a Designated Financial Institution must, in advance, make a notification to that effect to the competent minister as specified by Order of the Competent Ministry.

- (2) When there has been a notification under the provisions of the preceding Paragraph, the competent minister shall make public notification to that effect.
- (3) When a Designated Financial Institution has discontinued in whole the Operations to Promote Ensuring Supply, the Designation of the relevant Designated Financial Institution shall cease to be effective.

(Rescission, etc. of Designations of Designated Financial Institutions)

Article 23 (1) When a Designated Financial Institution falls under Article 16, Paragraph 4, Item (i) or (iii), the competent minister shall rescind the Designation thereof.

- (2) When a Designated Financial Institution falls under any of the following Items, the competent minister may rescind the Designation thereof:
 - (i) When the Designated Financial Institution is determined to be unable to

- properly and reliably implement the Operations to Promote Ensuring Supply;
- (ii) When the Designated Financial Institution has committed a wrongful act in connection with the Designation; or
 - (iii) When the Designated Financial Institution has violated this Act, an order pursuant to this Act, or a disposition based on either of these.
- (3) When the competent minister has rescinded a Designation under the provisions of Paragraph 2, the competent minister shall make a public notification to that effect.

(Completion of Operations due to Rescission of Designation)

Article 24 If the Designation of a Designated Financial Institution ceases to be effective under the provisions of Article 22, Paragraph 3, or has been rescinded under the provisions of Paragraph 1 or 2 of the preceding Article, the person that was the Designated Financial Institution or its general successor is deemed to be the Designated Financial Institution within the context of its purpose of completing transactions based on the agreement on the Designated Financial Institution's Operations to Promote Ensuring Supply.

(Application of the Japan Finance Corporation Act)

Article 25 (1) When conducting Operations to Facilitate Ensuring Supply, such operations shall be deemed Operations to Facilitate Specified Business Promotion under the provisions of Article 6 of the Act on the Promotion of Business Development and Manufacturing Energy-Environment Friendly Products (Act No. 38 of 2010) regarding JFC's finances, accounting, and competent minister, and the provisions of the Japan Finance Corporation Act shall apply with terms replaced pursuant to Article 17 of the Act on the Promotion of Business Developing and Manufacturing Energy-Environment Friendly Products (excluding portions of rows pertaining to Article 11, Paragraph 1, Item (v), Article 58 and Article 59, Paragraph 1, Article 71, Article 73, Item (i), Article 73, Item (iii), Article 73, Item (vii), and Supplementary Provisions Article 47, Paragraph 1 in the table in Article 17). In such cases, "Minister of Economy, Trade and Industry" in the row for Article 64 in the table shall be read over as "Prime Minister."

(2) Beyond what is set forth in the preceding Paragraph, with regard to the application of provisions of the Japan Finance Corporation Act when conducting Operations to Facilitate Ensuring Supply, the terms and phrases set forth in the middle column of the following table in the provisions of the same Act set forth in the left column of the table are replaced with the terms and phrases set forth respectively in the right column of the table. In such

cases, any necessary technical replacement of terms shall be specified by Cabinet order.

Article 11, Paragraph 1, Item (v)	Operations conducted	Operations conducted (excluding Operations to Facilitate Ensuring Supply (hereinafter referred to as “Operations to Facilitate Ensuring Supply”) under the provisions of Article 13, Paragraph 1, Item (i) of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner)
Article 58 and Article 59, Paragraph 1	This Act	This Act and the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner
Article 71	Article 59, Paragraph 1	Article 59, Paragraph 1 as applied following the replacement of terms under the provisions of Article 25, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner
Article 73, Item (i)	This Act	This Act (including cases when applied following the replacement of terms under the provisions of Article 25, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner)
Article 73, Item (iii)	Article 11	Article 11 and Article 13, Paragraph 1, Item (i) of the Act on

		Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner
Article 73, Item (vii)	Article 58, Paragraph 2	Article 58, Paragraph 2 as applied following the replacement of terms under the provisions of Article 25, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner
Supplemental Provisions Article 47, Paragraph 1	JFC operations	JFC operations (excluding Operations to Facilitate Ensuring Supply)

Section 4 Special Provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act and the Small and Medium-Sized Enterprise Credit Insurance Act

(Definition of Small and Medium-Sized Enterprises)

Article 26 In this Section, “Small and Medium-Sized Enterprises” shall mean a person who falls under any of the following Items:

- (i) Any company or individual whose amount of stated capital or the total amount of capital contribution is 300,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 300 or less, which mainly engages in the business classified under manufacturing industry, construction, transportation or other business categories (excluding business categories provided in the next Item through Item (iv) and business categories in Item (v) as specified by Cabinet order);
- (ii) Any company or individual whose amount of stated capital or the total amount of capital contribution is 100,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 100 or less, which mainly engages in the business classified under wholesale business (excluding business categories in Item (v) as specified by Cabinet order);
- (iii) Any company or individual whose amount of stated capital or the total amount of capital contribution is 50,000,000 yen or less and any corporation or individual whose number of regularly hired employees is 100 or less, which mainly engages in business classified under service industry

- (excluding business categories in Item (v) as specified by Cabinet order);
- (iv) Any company or individual whose amount of stated capital or the total amount of contributions is not more than 50,000,000 yen, or a company or an individual whose number of regularly hired employees is 50 or less, which mainly engages in business classified under retail industry (excluding business categories in the following Item as specified by Cabinet order);
 - (v) Any company or individual whose amount of stated capital or the total amount of contributions is not more than an amount specified by Cabinet order for each business category as specified by Cabinet order whose number of regularly hired employees is not more than a number specified by Cabinet order for each business category which mainly engages in business in that business category;
 - (vi) Enterprise cooperatives;
 - (vii) Cooperative partnerships;
 - (viii) Business cooperatives, federations of cooperatives, or other partnerships or federations thereof established pursuant to a special Act, as specified by Cabinet order; and
 - (ix) Any corporation which mainly engages in medical practice whose number of regularly hired employees is 300 or less (excluding what has been set forth in the preceding Items).

(Special Provisions for the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act)

Article 27 (1) The Small and Medium-Sized Enterprise Investment & Consultation Corporation may undertake businesses listed as follows beyond the businesses listed in the Items of Article 5, Paragraph 1 of the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act (Act No. 101 of 1963):

- (i) Subscription for shares issued to establish a stock company with an amount of stated capital exceeding 300,000,000 yen to conduct certified business to ensure supply, and the holding of shares pertaining to the relevant subscription; and
- (ii) Subscription for shares, share options (excluding those attached to bonds with share options), or bonds with share options, etc. (meaning bonds with share options, etc. as provided in Article 5, Paragraph 1, Item (ii) of the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act; the same applies hereinafter in this Item) issued to raise funds necessary to conduct certified business to ensure supply, and the holding of shares, share options (including shares issued or transferred due to the

exercise thereof), or bonds with share options, etc. (including shares issued or transferred due to the exercise of the share options attached to the bonds with share options, etc.) pertaining to the relevant subscription.

(2) Regarding the application of the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act, the businesses listed in the preceding Items shall be respectively deemed businesses under Article 5, Paragraph 1, Items and Item 2 of the Small and Medium-Sized Enterprise Investment & Consultation Corporation Act.

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

Article 28 (1) With regard to the application of the provisions of the Small and Medium-Sized Enterprise Credit Insurance Act (Act No. 264 of 1950) that are listed in the left-hand column of the table below pertaining to insurance relationships of ordinary insurance provided in Article 3, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act (hereinafter referred to as “Ordinary Insurance” in Paragraphs 4 and 5), unsecured insurance provided in Article 3-2, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act (hereinafter referred to as “Unsecured Insurance” in Paragraph 5), or special petty insurance provided in Article 3-3, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act (hereinafter referred to as “Special Petty Insurance” in Paragraph 5) of the Small and Medium-Sized Enterprise Credit Insurance Act for which small and medium-sized businesses have received a guarantee related to ensuring supply (meaning guarantees of obligations provided in Article 3, Paragraph 1, Article 3-2, Paragraph 1, or Article 3-3, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to funds necessary for certified business to ensure supply; the same applies hereinafter in this Article), each term or phrase listed in the middle column of the same table is deemed to be replaced with the corresponding term or phrase listed in the right hand column of the same table.

Article 3, Paragraph 1	the total insurance value	the total insurance value pertaining to the guarantees related to ensuring supply under the provisions of Article 28, Paragraph 1 of the Act on Promotion of Ensuring Security by
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		Taking Economic Measures in an Integrated Manner (hereinafter referred to as “Guarantee Related to Ensuring Supply”) and the total insurance value of other insurance relationships, respectively
Article 3-2, Paragraph 1 and Article 3-3, Paragraph 1	the total insurance value	the total insurance value pertaining to Guarantees Related to Ensuring Supply and the total insurance value of other insurance relationships, respectively
Article 3-2, Paragraphs 2 and 3; Article 3-2	out of the respective amount of the relevant borrowings	out of the respective amount of the relevant borrowings for each Guarantee Related to Ensuring Supply and other guarantee
	the relevant obligor	the relevant obligor for each Guarantee Related to Ensuring Supply and other guarantee for each Guarantee Related to Ensuring Supply and other guarantee

(2) Regarding the application of the provisions of Article 3-7, Paragraph 1 and Article 3-7, Paragraph 2 of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to small and medium-sized enterprises that have received a Guarantee Related to Ensuring Supply for insurance relationships in overseas investment-related insurance under the provisions of Article 3-7, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act, the term “200,000,000 yen” in Article 3-7, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act is deemed to be replaced with “300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds necessary for certified business to ensure supply under the provisions of Article 13, Paragraph 1, Item (i) of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (hereinafter referred to as “Funds for

Business to Ensure Supply”)), and the term “400,000,000 yen” shall be deemed to be replaced with “600,000,000 yen (400,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply), and the term “200,000,000” in Article 3-7, Paragraph 2 shall be deemed to be replaced with “300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds for business to ensure supply”).

(3) Regarding the application of the provisions of Article 3-8, Paragraph 1 And Paragraph 2 of the Small and Medium-Sized Enterprise Credit Insurance Act provided in Article 3-8, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act pertaining to a small or medium-sized business that has received a guarantee related to ensuring supply for a new business development insurance relationship under the provisions of Article 3-8, Paragraph 1 of the Small and Medium-Sized Enterprise Credit Insurance Act, the term “200,000,000 yen” shall be deemed to be replaced with “300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than funds necessary for certified business to ensure supply provided in Article 13, Paragraph 1, Item (i) of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (hereinafter referred to as “Funds for Business to Ensure Supply”),” the term “400,000,000 yen” shall be deemed to be replaced with “600,000,000 yen (400,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than Funds for Business to Ensure Supply),” and the term “200,000,000 yen” in Article 8, Paragraph 2 shall be deemed to be replaced with “300,000,000 yen (200,000,000 yen for insurance relationships pertaining to guarantees of obligations pertaining to funds other than Funds for Business to Ensure Supply).”

(4) Regarding the application of the provisions of Article 3, Paragraph 2 and Article 5 of the Small and Medium-Sized Enterprise Credit Insurance Act in an ordinary insurance relationship pertaining to guarantees related to ensuring supply, the terms “70 percent” in Paragraph 3 of the Small and Medium-Sized Enterprise Credit Insurance Act and “70 percent (80 percent for unsecured insurance, special petty insurance, current assets insurance, pollution prevention insurance, energy conservation insurance, overseas investment-related insurance, new business development insurance, business reconstruction insurance, and specific corporate bond insurance)” shall be deemed to be replaced with “80 percent.”

(5) Regarding the amount of insurance premiums in an ordinary insurance, unsecured insurance, or special petty insurance relationship pertaining to a

Guarantee Related to Ensuring Supply, the amount shall be the number arrived at by multiplying the insurance amount by the rate specified by Cabinet order that is set within two percent per annum, notwithstanding the provisions of Article 4 of the Small and Medium-sized Enterprise Credit Insurance Act.

Section 5 Development of Market Environment Pertaining to Specified Critical Materials, etc.

(Relationship with Fair Trade Commission Pertaining to Specified Critical Materials, etc.)

Article 29 (1) When intending to grant a certification under Article 9, Paragraph 1 (including certifications of modifications under the provisions of Article 10, Paragraph 1; the same applies in the next Paragraph) to a Plan for Ensuring Supply pertaining to an application by two or more persons engaged in businesses that fall within the same industry, the competent minister may, when the competent minister determines it to be necessary, seek the opinion of the Fair Trade Commission on the Plan for Ensuring Supply pertaining to the relevant application.

(2) When the Fair Trade Commission determines it to be necessary, the Fair Trade Commission may state an opinion on a Plan for Ensuring Supply for which an opinion has been sought under the provisions of the preceding Paragraph that the competent minister has certified under Article 9, Paragraph 1.

(Relationship with the Customs Tariff Act Pertaining to Specified Critical Materials, etc.)

Article 30 (1) When the competent minister considers there to be sufficient evidence regarding matters pertaining to Specified Critical Materials, etc. within industries under the administrative jurisdiction thereof of facts that the importation of cargo that has directly or indirectly received subsidies (meaning subsidies provided in Article 7, Paragraph 2 of the Customs Tariff Act (Act No. 54 of 1910); the same applies hereinafter in this Paragraph) in a foreign country for production or export, and the relevant importation will or is likely to substantially damage Japanese industry (limited to Japanese industries producing the same type of material as the cargo that has received the relevant subsidy; the same applies hereinafter in this Paragraph) or substantially impede the establishment of Japanese industry, and the competent minister determines it necessary to prevent a situation that would undermine the security of the national government or citizens due to actions taken from

outside of Japan, the competent minister may, as specified by Cabinet order, request that an investigation as provided in Article 7, Paragraph 6 of the Customs Tariff Act be conducted by the minister with jurisdiction over the administrative processes regarding the relevant investigation.

- (2) When the competent minister considers there to be sufficient evidence regarding matters pertaining to Specified Critical Materials, etc. within industries under the administrative jurisdiction thereof of facts that the importation of cargo that has been dumped (meaning dumping provided in Article 8, Paragraph 1 of the Customs Tariff Act; the same applies hereinafter in this Paragraph), and the relevant importation will or is likely to substantially damage Japanese industry (limited to Japanese industries producing the same type of material as the cargo that has been dumped; the same applies hereinafter in this Paragraph) or substantially impede the establishment of Japanese industry, and the competent minister determines it necessary to prevent a situation that would undermine the security of the national government or citizens due to actions taken from outside of Japan, the competent minister may, as specified by Cabinet order, request that an investigation as provided in Article 8, Paragraph 5 of the Customs Tariff Act be conducted by the minister with jurisdiction over the administrative processes regarding the relevant investigation.
- (3) When the competent minister considers there to be sufficient evidence regarding matters pertaining to Specified Critical Materials, etc. within industries under the administrative jurisdiction thereof of facts of an increase in imports of a specific type of cargo due to a decline in prices in a foreign state or other unanticipated change in circumstances (including increases in the ratio in relation to Japanese domestic production volume), and that the importation of the relevant cargo will or is likely to cause serious damage Japanese industry regarding production of the same type of material or other materials whose application is in direct competition, and the competent minister determines it necessary to prevent a situation that would undermine the security of the national government or citizens due to actions taken from outside of Japan, the competent minister may, as specified by Cabinet order, request that an investigation as provided in Article 9, Paragraph 6 of the Customs Tariff Act be conducted by the minister with jurisdiction over the administrative processes regarding the relevant investigation.
- (4) When the competent minister has made the request to investigate under the provisions of the preceding three Paragraphs, and the decision has been made to commence the relevant investigation, the competent minister shall publicize to the effect that the relevant request has been made and an overview of the

facts pertaining to the request.

Section 6 Support by Corporations to Support Ensuring Stable Supply

(Designation and Operations of Corporations to Support Ensuring Stable Supply)

Article 31 (1) The competent minister may, pursuant to the Basic Guidelines on Ensuring Stable Supply and Action Policy to Ensure Stable Supply, designate a General Incorporated Association, General Incorporated Foundation, or other corporation specified by Order of the Competent Ministry at the application thereof that is found to be in conformity to all the following Items regarding operations provided in Paragraph 3 (hereinafter referred to as “Operations to Support Ensuring Stable Supply” in this Chapter and Article 96, Item (ii)) as a Corporation to Support Ensuring Stable Supply for each Specified Critical Material.

- (i) The corporation has the financial base and technical capability sufficient to properly carry out the Operations to Support Ensuring Stable Supply;
 - (ii) The corporation’s implementation framework for Operations to Support Ensuring Stable Supply is appropriate in light of the Basic Guidelines on Ensuring Stable Supply;
 - (iii) If the corporation conducts operations other than Operations to Support Ensuring Stable Supply, conducting those operations is not likely to impede the proper and reliable implementation of the Operations to Support Ensuring Stable Supply; and
 - (iv) Beyond what is set forth in the preceding three Items, the corporation conforms to the criteria specified by Order of the Competent Ministry to be able to properly and reliably implement the Operations to Support Ensuring Stable Supply.
- (2) A person who falls under any of the following Items may not receive the designation under the provisions of the preceding Paragraph (hereinafter referred to as “Designation” in this Section):
- (i) A person who has violated this Act and was sentenced to a fine or severer punishment when a two-year period has not elapsed since the day the person completed the sentence or ceased to be subject to the sentence;
 - (ii) A person whose Designation was rescinded under the provisions of Article 41, Paragraph 1 or 2, and two years have not elapsed since the day of the rescission; or
 - (iii) A corporation that has an officer that falls under Item (i).

(3) A Corporation to Support Ensuring Stable Supply shall conduct the following

operations as specified by Order of the Competent Ministry:

- (i) Providing subsidies to be allocated to funds necessary for Certified Enterprises to Ensure Supply to conduct certified business to ensure supply;
 - (ii) Grant compensation for interest to financial institutions that lend funds necessary for Certified Enterprises to Ensure Supply to conduct certified business to ensure supply;
 - (iii) Collect information on ensuring stable supply of Specified Critical Materials, etc. covered under the Operations to Support Ensuring Stable Supply;
 - (iv) Respond to inquiries and requests for consultation regarding matters necessary to ensure stable supply of Specified Critical Materials, etc. covered under the Operations to Support Ensuring Stable Supply from persons intending to ensure stable supply of the relevant Specified Critical Materials, etc.; and
 - (v) Conduct operations incidental to the operations listed in the preceding Items.
- (4) In making a designation, the competent minister shall specify, as specified by Order of the Competent Ministry, criteria to be followed when the relevant Corporation to Support Ensuring Stable Supply implements Operations to Support Ensuring Stable Supply (hereinafter referred to as “Implementation Criteria to Support Ensuring Supply” in this Section).
- (5) When specifying the Implementation Criteria to Support Ensuring Supply, the competent minister must, in advance, consult with the Minister of Finance and the heads of other relevant administrative organizations.
- (6) When the competent minister has specified the Implementation Criteria to Support Ensuring Supply, the competent minister must publicize the Criteria.
- (7) The provisions of the preceding two Paragraphs apply mutatis mutandis to modifications to the Implementation Criteria to Support Ensuring Supply.

(Public Notice, etc. of Designation of Corporations to Support Ensuring Stable Supply)

- Article 32 (1) When the competent minister has made a Designation, the competent minister shall make a public notification of the trade name or name, address, location of the business office or office that will conduct the Operations to Support Ensuring Stable Supply, and the Specified Critical Materials pertaining to the Designation of the Corporation to Support Ensuring Stable Supply pertaining to the relevant Designation.
- (2) When changing trade name or name, address, and location of the business office or office that will conduct the Operations to Support Ensuring Stable

Supply, a Corporation to Support Ensuring Stable Supply must notify, in advance, the competent minister to that effect.

- (3) When there has been a notification under the provisions of the preceding Paragraph, the competent minister shall make a public notification to that effect.

(Business Regulations on Operations to Support Ensuring Supply)

Article 33 (1) When conducting Operations to Support Ensuring Supply, a Corporation to Support Ensuring Stable Supply must, prior to commencing the relevant operations, specify regulations on Operations to Support Ensuring Supply (hereinafter referred to as “Business Regulations on Operations to Support Ensuring Supply” in this Article) and obtain the authorization of the competent minister. The same applies to modifications to the regulations.

- (2) Matters to be specified in the Business Regulations on Operations to Support Ensuring Supply shall be as follows:

(i) Specified Critical Materials pertaining to the designation;

(ii) Matters on certified business to ensure stable supply covered by the Operations to Support Ensuring Supply;

(iii) The following matters on operations listed in Article 31, Paragraph 3, Item (i):

(a) Matters on requirements for providing subsidies to Certified Enterprises to Ensure Supply;

(b) Matters for Certified Enterprises to Ensure Supply to state in applications for issuance of subsidies;

(c) Matters on conditions to be attached to decisions on the issuance of subsidies to Certified Enterprises to Ensure Supply; and

(d) Beyond what is set forth in (a) through (c), matters to be specified by Order of the Competent Ministry as matters necessary for issuance of subsidies;

(iv) The following matters on operations listed in Article 31, Paragraph 3, Item (ii):

(a) Matters on requirements for granting compensation for interest to financial institutions that lend funds necessary to conduct certified business to ensure supply;

(b) Matters for financial institutions that lend funds necessary to conduct certified business to ensure supply to state in applications to grant compensation for interest;

(c) Matters on conditions to be attached to decisions on granting compensation for interest to financial institutions that lend funds

- necessary to conduct certified business to ensure supply; and
- (d) Beyond what is set forth in (a) through (c), matters to be specified by Order of the Competent Ministry as matters necessary for granting compensation for interest;
- (v) When establishing a Fund for Corporations to Support Ensuring Stable Supply, matters on management of the Fund for Corporations to Support Ensuring Stable Supply; and
- (vi) Beyond what is set forth in the preceding Items, matters to be specified by Order of the Competent Ministry as matters necessary for Operations to Support Ensuring Stable Supply.
- (3) When the competent minister determines that the application for authorization of Paragraph 1 is in conformity with the Basic Guidelines on Ensuring Stable Supply, Action Policy for Ensuring Stable Supply, and the Implementation Criteria to Support Ensuring Supply, and is sufficient to properly and reliably implement Operations to Support Ensuring Stable Supply, the competent minister shall give authorization.
- (4) When giving the authorization of Paragraph 1, the competent minister must, in advance, consult with the Minister of Finance and other heads of relevant administrative organizations.
- (5) When a Corporation to Support Ensuring Stable Supply has received the authorization under Paragraph 1, it must, without delay, publicize the Business Regulations on Operations to Support Ensuring Supply.
- (6) When the competent minister determines that a Corporation to Support Ensuring Stable Supply's Business Regulations on Operations to Support Ensuring Supply are no longer in conformity with Basic Guidelines on Ensuring Stable Supply, Action Policy for Ensuring Stable Supply, or the Implementation Criteria to Support Ensuring Supply, the competent minister may order the Business Regulations on Operations to Support Ensuring Supply to be modified.

(Funds for Corporations to Support Ensuring Stable Supply)

Article 34 (1) When the competent minister has specified that a Corporation to Support Ensuring Stable Supply falls under both of the following Items as Operations to Support Ensuring Supply conducted by the relevant Corporation to Support Ensuring Stable Supply and has specified matters on operations incidental thereto, the Corporation to Support Ensuring Stable Supply shall establish a fund to allocate the costs required for such operations (hereinafter referred to as "Fund for Corporations to Support Ensuring Stable Supply" in this Section and Article 99) and, under the provisions of the following Paragraph, allocate subsidies that have been received to the fund:

- (i) The operation is an operation pertaining to initiatives to ensure stable supply of Specified Critical Materials, etc. implemented to prevent a situation in which the security of the national government or citizens is undermined due to actions taken outside of Japan, and is urgent to ensure stable supply of Specified Critical Materials, etc.; and
 - (ii) The operation is an operation over multiple fiscal years for which it is impossible to forecast in advance the amount needed in each fiscal year, there is a need for flexible expenditures, or there are other special circumstances, and it is determined that there is a need to secure a source of funds in advance for the relevant multiple fiscal years for the stable and efficient implementation thereof.
- (2) The national government may subsidize funds to a Corporation to Support Ensuring Stable Supply to be allocated to a Fund for Corporations to Support Ensuring Stable Supply.
- (3) Interest and other income arising from the operation of a Fund for Corporations to Support Ensuring Stable Supply shall be allocated to the relevant Fund for Corporations to Support Ensuring Stable Supply.
- (4) A Corporation to Support Ensuring Stable Supply must not invest surplus funds from operations pertaining to a Fund for Corporations to Support Ensuring Stable Supply using any method other than the following methods:
- (i) Acquisition of Japanese Government Bonds or other negotiable instruments as specified by the competent minister;
 - (ii) Depositing to a bank or other financial institution as specified by the competent minister; or
 - (iii) Money trust with a financial institution engaged in the trust business (meaning a financial institution authorized under Article 1, Paragraph 1 of the Act on Engagement in Trust Business by a Financial Institution (Act No. 43 of 1943) with a contract agreement on compensation of principal.
- (5) When specifying a negotiable instrument under the provisions of Item (i) of the preceding Paragraph or a financial institution under the provisions of Item (ii) of the preceding Paragraph, the competent minister must, in advance, consult with the Minister of Finance. The same applies for any modifications thereto.
- (6) When the competent minister has made a notification under the provisions of Article 10, Paragraph 3 or Article 9, Paragraph 6 applied mutatis mutandis from Article 11, Paragraph 3, and determines it necessary, the competent minister shall order the Corporation to Support Ensuring Stable Supply that received the relevant notification (limited to Corporations to Support Ensuring Stable Supply that have received subsidies under the provisions of Paragraph 2) to pay to the national treasury an amount equivalent to all or part of the subsidies received

under the provisions of the same Paragraph.

(7) Procedures for making payments, the account to which payment monies are attributed, and other matters necessary regarding payments to the national treasury shall be specified by Cabinet order.

(8) When a Corporation to Support Ensuring Stable Supply has established a Fund for Corporations to Support Ensuring Stable Supply, the Corporation to Support Ensuring Stable Supply must, each business year, prepare a report on operations pertaining to the relevant Fund for Corporations to Support Ensuring Stable Supply and submit it to the competent minister no later than six months after the end of the relevant business year.

(9) When the competent minister has received a submission of a report in the preceding Paragraph, the competent minister must report to the Diet, attaching opinions thereon.

(Business Plans, etc.)

Article 35 (1) Corporations to Support Ensuring Stable Supply must, as specified by Order of the Competent Ministry, each business year prepare a business plan and budget for revenue and expenditure regarding the Operations to Support Ensuring Stable Supply and obtain the authorization of the competent minister. The same applies when intending to make modifications thereto.

(2) When the authorization of the preceding Paragraph has been obtained, a Corporation to Support Ensuring Stable Supply must, without delay, publicize the business plan and budget for revenue and expenditure.

(3) Corporations to Support Ensuring Stable Supply must, no later than three months after the end of each business year, as specified by Order of the Competent Ministry, prepare a business report and statement of accounts regarding the Operations to Support Ensuring Stable Supply, submit them to the competent minister, and publicize them.

(Separate Accounting)

Article 36 (1) Corporations to Support Ensuring Stable Supply must, as specified by Order of the Competent Ministry, separate the accounting for each of the following operations. Provided, however, that accounting pertaining to operations listed in Item (ii) shall be separated limited to cases when the Corporation to Support Ensuring Stable Supply has established a Fund for Corporations to Support Ensuring Stable Supply under the provisions of Article 34, Paragraph 1:

- (i) Operations to Support Ensuring Stable Supply (excluding operations listed in the next Item);
- (ii) Operations pertaining to a Fund for Corporations to Support Ensuring

Stable Supply; and
(iii) Other operations.

(Duty of Confidentiality)

Article 37 An officer or an employee of a Corporation to Support Ensuring Stable Supply, or a person who was formerly in that position, must not divulge or misappropriate any confidential information learned in the course of Operations to Support Ensuring Stable Supply to any person without justifiable grounds.

(Bookkeeping)

Article 38 Corporations to Support Ensuring Stable Supply must prepare books as specified by Order of the Competent Ministry, enter in the books matters to be specified by Order of the Competent Ministry, and keep the books.

(Supervision Orders)

Article 39 When the competent minister determines it necessary for enforcing the provisions of this Section, the competent minister may issue orders to a Corporation to Support Ensuring Stable Supply necessary for supervision regarding Operations to Support Ensuring Stable Supply.

(Suspension or Discontinuation of Operations to Support Ensuring Stable Supply)

Article 40 (1) When suspending or discontinuing, in whole or in part, Operations to Support Ensuring Stable Supply, a Corporation to Support Ensuring Stable Supply must, in advance, make a notification to that effect to the competent minister as specified by Order of the Competent Ministry.
(2) When there has been a notification under the provisions of the preceding Paragraph, the competent minister shall make public notification to that effect.
(3) When a Corporation to Support Ensuring Stable Supply has discontinued in whole the of Operations to Support Ensuring Stable Supply, the Designation of the relevant Corporation to Support Ensuring Stable Supply shall cease to be effective.

(Rescission, etc. of Designations of Corporations to Support Ensuring Stable Supply)

Article 41 (1) When a Corporation to Support Ensuring Stable Supply falls under Article 31, Paragraph 2, Item (i) or Item (iii), the competent minister shall rescind the Designation thereof.
(2) When a Corporation to Support Ensuring Stable Supply falls under any of the

following Items, the competent minister may rescind the Designation thereof:

- (i) When the Corporation to Support Ensuring Stable Supply is determined to be unable to properly and reliably implement the Operations to Support Ensuring Stable Supply;
 - (ii) When the Corporation to Support Ensuring Stable Supply has committed a wrongful act in connection with the Designation; or
 - (iii) The Corporation to Support Ensuring Stable Supply has violated this Act, an order pursuant to this Act, or a disposition based on either of these.
- (3) When the competent minister has rescinded a Designation under the provisions of the preceding two Paragraphs, the competent minister shall make a public notification to that effect.

Section 7 Support by Incorporated Administrative Agencies to Support Ensuring Stable Supply

(Designation and Operations of Incorporated Administrative Agencies to Support Ensuring Stable Supply)

Article 42 (1) When an Incorporated Administrative Agency listed in the Appended Table (meaning an Incorporated Administrative Agency under the provisions of Article 2, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies (Act No 103 of 1999); the same applies in the next Paragraph and Article 86, Paragraph 1, Item (iv)) has received a designation as an Incorporated Administrative Agencies to Support Ensuring Stable Supply under the provisions of the next Paragraph, the Incorporated Administrative Agency may conduct Operations to Support Ensuring Stable Supply pertaining to the relevant designation (limited to operations set forth in Article 31, Paragraph 3, Item (i) and Item (ii) and operations incidental thereto; the same applies in Paragraph 1 of the next Article) to achieve the purpose of this Act, strictly for the purpose specified in the relevant individual acts under the provisions of Article 5 of the Act on General Rules for Incorporated Administrative Agencies, as specified by the relevant individual Acts under the provisions of Article 1, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies (hereinafter referred to as the “Relevant Individual Acts” in this Paragraph and Paragraph 1 of the next Article).

(2) The competent minister may, pursuant to the Action Policy to Ensure Stable Supply, designate administrative agencies under the competent minister’s jurisdiction pertaining to Specified Critical Materials pertaining to the business under the competent minister’s jurisdiction as Incorporated Administrative Agencies to Support Ensuring Stable Supply for each Specified Critical Material.

(3) The provisions of Article 32 apply mutatis mutandis to Incorporated Administrative Agencies to Support Ensuring Stable Supply.

(Establishment of Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply at Incorporated Administrative Agencies to Support Ensuring Stable Supply)

Article 43 (1) An Incorporated Administrative Agency to Support Ensuring Stable Supply may, as specified by the Relevant Individual Act, establish a fund to allocate costs required for Operations to Support Ensuring Stable Supply pertaining to the designation under the provisions of Paragraph 2 of the preceding Article that fall under all the following Items and operations incidental thereto (hereinafter referred to as a “Fund for Incorporated Administrative Agencies to Support Ensuring Stable Supply” in this Article and Article 99):

- (i) The operation is an operation pertaining to initiatives to ensure stable supply of Specified Critical Materials, etc. implemented to prevent a situation in which the security of the national government or citizens is undermined due to actions taken outside of Japan, and is urgent to ensure stable supply of Specified Critical Materials, etc.; and
- (ii) The operation is an operation over multiple fiscal years for which it is impossible to forecast in advance the amount needed in each fiscal year, there is a need for flexible expenditures, or there are other special circumstances, and it is determined that there is a need to secure a source of funds in advance for the relevant multiple fiscal years for the stable and efficient implementation thereof.

(2) The provisions of Article 34, Paragraphs 3, 8, and 9 apply mutatis mutandis to Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply established by Incorporated Administrative Agencies to Support Ensuring Stable Supply.

(3) The provisions of Articles 47 and 67 of the Act on General Rules for Incorporated Administrative Agencies (limited to portions pertaining to Item (vii) shall apply mutatis mutandis to the operation of Funds for Incorporated Administrative Agencies to Support Ensuring Stable Supply established by Incorporated Administrative Agencies to Support Ensuring Stable Supply. In such cases, the term “money trust” under Article 47, Item (iii) of the Act on General Rules for Incorporated Administrative Agencies shall be deemed to be replaced with “money trust with a contract agreement on compensation of principal.”

Section 8 Specified Critical Materials for which Special Measures are Required

(Designation, etc. of Specified Critical Materials for which Special Measures are Required)

Article 44 (1) When the competent minister determines it will be impossible to ensure stable supply of a Specified Critical Materials under the competent minister's jurisdiction with the measures under the provisions of Section 3 through the preceding Section, the competent minister may, pursuant to the Basic Guidelines on Ensuring Stable Supply and Action Policy on Ensuring Stable Supply, designate Specified Critical Materials for which special measures are required to ensure stable supply of the relevant Specified Critical Materials.

(2) When making a designation under the provisions of the preceding Paragraph, the competent minister must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organizations.

(3) When the competent minister has made a designation under the provisions of Paragraph 1, the competent minister shall make a public notification of the Specified Critical Materials pertaining to the relevant designation.

(4) When the competent minister has determined that the reason for the designation under the provisions of Paragraph 1 ceases to exist, the competent minister shall cancel the designation under the provisions of Paragraph 1.

(5) The provisions of Paragraphs 2 and 3 shall apply mutatis mutandis to a cancellation under the provisions of the preceding Paragraph.

(6) The competent minister shall engage in stockpiling, international coordination, outreach to curtail usage, and take other measures necessary to ensure stable supply of a Specified Critical Material designated under the provisions of Paragraph 1 or the raw materials, etc. necessary for the production thereof.

(7) The stockpiling under the provisions of the preceding Paragraph may serve as stockpiling pursuant to Article 49 of the Basic Act on Disaster Control Measures (Act No. 223 of 1961), Article 10 of the Act on Special Measures for Novel Influenza (Act No. 31 of 2012), or the provisions of other Acts as specified by Cabinet order, and vice versa.

(8) In cases where, due to actions taken outside of Japan, there will be or there will likely be a supply shortage of a Specified Critical Material designated under the provisions of Paragraph 1 (limited to those specified by Cabinet order as indispensable to the citizens' survival; hereinafter the same applies in this Paragraph and the next Paragraph) or the raw materials, etc. necessary for the production thereof, and a significant increase in the price thereof is highly likely

to cause a situation that undermines the security of the national government or citizens, and the competent minister finds it especially necessary to deal with the relevant situation, the competent minister shall be able to transfer, lend, or allow the use of the relevant Specified Critical Material or raw material, etc. necessary for the production thereof at a price lower than the market price as specified by Cabinet order with the price prior to the significant increase as a standard price.

(9) When transferring, lending, or allowing to use a Specified Critical Material or raw material, etc. necessary for the production thereof under the provisions of the preceding Paragraph, the competent minister must, in advance, consult with the Prime Minister, Minister of Finance, and the heads of other relevant administrative organizations.

(Entrusted Facility Managers)

Article 45 (1) When the competent minister determines it is necessary to effectively implement the measures under the provisions of Paragraph 6 of the preceding Article, the competent minister may, as specified by Cabinet order, entrust the management of facilities (including sites thereof) necessary for measures under the provisions of Paragraph 6 of the preceding Article to a corporation designated by the competent minister (hereinafter referred to as “Entrusted Facility Manager” in this Article and Article 48, Paragraph 7).

(2) The Cabinet order of the preceding Paragraph shall specify the procedures for designating an Entrusted Facility Manager, procedures for entrusting management, and other necessary matters.

(3) An Entrusted Facility Manager must, as specified by Order of the Competent Ministry, specify regulations on entrusted facility management operations (hereinafter referred to as “Business Regulations on Entrusted Facility Management” in Paragraphs 5 and 6) and obtain the authorization of the competent minister. The same applies to modifications to the regulations.

(4) When granting the authorization under the provisions of the preceding Paragraph, the competent minister must, in advance, consult the Prime Minister, the Minister of Finance, and the heads of other relevant administrative organizations.

(5) The Business Regulations on Entrusted Facility Management must specify the method of implementation of the entrusted facility management operations and other matters as specified by Order of the Competent Ministry.

(6) When the competent minister determines that the Business Regulations on Entrusted Facility Management authorized under the provisions of Paragraph 3 have become inappropriate for the proper and reliable implementation of

entrusted facility management operations, the competent minister may order an Entrusted Facility Manager to modify the regulations.

- (7) An Entrusted Facility Manager must, as specified by Order of the Competent Ministry, no later than three months after the end of each business year, prepare a business report and statement of accounts regarding the entrusted facility management operations under the provisions of Paragraph 3 and submit them to the competent minister.
- (8) An Entrusted Facility Manager must, as specified by Order of the Competent Ministry, separate the accounting for entrusted facility management operations and operations other than entrusted facility management operations.
- (9) When the competent minister determines it necessary for enforcing the provisions of this Section, the competent minister may issue orders to an Entrusted Facility Manager necessary for supervision regarding entrusted facility management operations.
- (10) When an Entrusted Facility Manager has violated an order under the preceding Paragraph or it has otherwise been determined that the relevant Entrusted Facility Manager is unable to properly and reliably implement management, the competent minister may order the Entrusted Facility Manager to suspend, in whole or in part, the entrusted facility management operations within a specified period.

Section 9 Miscellaneous Provisions

(Cooperation of Relevant Administrative Organizations)

Article 46 When the competent minister determines it necessary for enforcing the provisions of this Chapter, the competent minister may seek from the Prime Minister and heads of relevant administrative organizations the provision of materials or information, explanations, statements of opinion, or other necessary cooperation.

(Securing of Funds)

Article 47 The national government shall endeavor to secure the necessary funding for Certified Enterprises to Ensure Supply to conduct certified business to ensure supply.

(Collection of Reports and On-Site Inspections)

Article 48 (1) The competent minister may, to the extent necessary for enforcement of the provisions of this Chapter, seek from individuals,

- corporations, or other organizations that engage in the business of producing, importing, or selling a material pertaining to business under the competent minister's administrative jurisdiction the submission of reports or materials necessary regarding the status of production, import, sale, procurement, or storage of the relevant material or raw materials, etc. necessary for the production thereof.
- (2) The competent minister may, to the extent necessary for enforcement of the provisions of Article 30, Paragraphs 1 through 3, seek from individuals, corporations, or other organizations that engage in the business of producing, importing, or selling a Specified Critical Material, etc. pertaining to business under the competent minister's administrative jurisdiction the submission of reports or materials necessary on matters necessary for a request for investigation under these provisions.
- (3) A person who has received a request to submit reports or materials under the provisions of the preceding two Paragraphs must endeavor to respond to said request.
- (4) The competent minister may, to the extent necessary for enforcement of the provisions of this Chapter, seek from Certified Enterprises to Ensure Supply the submission of reports or materials on the status of the Plan for Ensuring Stable Supply or other necessary matters.
- (5) The competent minister may, to the extent necessary for enforcement of the provisions of this Chapter, seek from Designated Financial Institutions the submission of necessary reports or materials on Operations to Promote Ensuring Supply, or have officials of the competent minister enter the business office, office, or other necessary places of the Designated Financial Institution and have them ask questions on Operations to Promote Ensuring Supply or inspect books, document, and other articles.
- (6) The competent minister may, to the extent necessary for enforcement of the provisions of this Chapter, seek from Corporations to Support Ensuring Stable Supply the submission of necessary reports or materials on Operations to Support Ensuring Stable Supply, or have officials of the competent minister enter the business office, office or other necessary places of the Corporation to Support Ensuring Stable Supply and have them ask questions on Operations to Support Ensuring Stable Supply or inspect books, document, and other articles.
- (7) The competent minister may, to the extent necessary for enforcement of the provisions of this Chapter, seek from Entrusted Facility Managers the submission of necessary reports or materials on entrusted facility management operations, or have officials of the competent minister enter the business office,

office or other necessary places of the Entrusted Facility Manager and have them ask questions on entrusted facility management operations or inspect books, document, and other articles.

- (8) The officials who conduct the on-site inspection under the provisions of the preceding three Paragraphs must carry an identification card and produce it to the people concerned when requested.
- (9) The authority for the on-site inspections under the provisions of Paragraphs 5 through 7 must not be construed as having been granted for criminal investigation.

Chapter III Ensuring the Stable Provision of Specified Social Infrastructure Services

(Basic Guidelines on Specified Social Infrastructure Services)

Article 49 (1) The Government shall, pursuant to the Basic Policy, specify basic guidelines on ensuring the stable provision of Specified Social Infrastructure Services by preventing Specified Interference Actions (meaning Specified Interference Actions provided in Article 52, Paragraph 2, Item (ii)-(c); the same applies in the next Paragraph) (hereinafter referred to in this Article as the “Basic Guidelines on Specified Social Infrastructure Services”).

- (2) The Basic Guidelines on Specified Social Infrastructure Services shall specify the following matters:
- (i) Matters on the basic direction to secure stable supply of Specified Social Infrastructure Services by preventing Specified Interference Actions (including matters regarding details of Specified Interference Actions);
 - (ii) Basic matters on designation of Specified Social Infrastructure Enterprises (meaning Specified Social Infrastructure Enterprises provided in Paragraph 1 of the next Article; the same applies in the next Item and Item (v)) (including points of attention regarding the relevant designation from an economic and social viewpoint);
 - (iii) Basic matters regarding recommendations and orders to Specified Social Infrastructure Enterprises;
 - (iv) Matters to be considered in ensuring the stable provision of Specified Social Infrastructure Services by preventing Specified Interference Actions (including matters to be considered in the drafting of Orders of the Competent Ministry to specify critical facilities (meaning Specified Critical Facilities provided in Paragraph 1 of the next Article) and critical maintenance and management (meaning Critical Maintenance and Management provided in Article 52, Paragraph 1));

- (v) Matters on necessary coordination with Specified Social Infrastructure Enterprises and other relevant persons regarding ensuring stable supply of Specified Social Infrastructure Services by preventing Specified Interference Actions; and
 - (vi) Beyond what is set forth in the preceding Items, matters necessary to ensure stable supply of Specified Social Infrastructure Services by preventing Specified Interference Actions.
- (3) The Prime Minister must prepare a draft Basic Guidelines on Specified Social Infrastructure Services and seek a Cabinet decision.
- (4) When the Prime Minister prepares the draft Basic Guidelines on Specified Social Infrastructure Services under the provisions of the preceding Paragraph, the Prime Minister must, in advance, seek the opinions of persons with knowledge of economic measures to ensure security and ensuring the stable supply of information and communications technology and other Specified Social Infrastructure Services, and give consideration to the impact on economic activity regarding Specified Social Infrastructure Services.
- (5) When the Cabinet decision under the provisions of Paragraph 3 has been made, the Prime Minister shall, without delay, publicize the Basic Guidelines on Specified Social Infrastructure Services.
- (6) The provisions of the preceding three Paragraphs shall apply *mutatis mutandis* to modifications to the Basic Guidelines on Specified Social Infrastructure Services.

(Designation of Specified Social Infrastructure Enterprises)

Article 50 (1) The competent minister may designate as a Specified Social Infrastructure Services Enterprise a person who falls under the criteria specified by Order of the Competent Ministry as a person who engages in Specified Social Infrastructure Business (meaning a business set forth as follows that provides Specified Social Infrastructure Services (meaning services that form the infrastructure for the lives of the citizenry or economic activity, and for which disruption that arises to their stable provision is likely to cause a situation that damages the security of the national government or citizens; hereinafter the same in this Paragraph and Article 52) specified by Cabinet order; hereinafter the same in this Chapter and Article 86, Paragraph 2) for which disruption or reduction in function of the Specified Critical Facilities in use (meaning facilities, devices, equipment, or programs specified by Order of the Competent Ministry that are critical for the stable provision of Specified Social Infrastructure Services and are likely to be used as a means for actions taken from outside of Japan to interfere with the stable provision of Specified

Social Infrastructure Services; hereinafter the same in this Chapter and Article 92, Paragraph 1) are highly likely to cause a situation that damages the security of the national government or citizens.

- (i) Electricity Business provided in Article 2, Paragraph 1, Item (xvi) in the Electricity Business Act (Act No. 170 of 1964);
- (ii) Gas Business provided in Article 2, Paragraph 11 in the Gas Business Act (Act No. 51 of 1954);
- (iii) Oil Refinery Business provided in Article 2, Paragraph 5 and Petroleum Gas Importer Business provided in Article 2, Paragraph 9 of the Oil Stockpiling Act (Act No. 96 of 1975);
- (iv) Water Supply Business provided in Article 3, Paragraph 2 and Water Utility Business provided in Article 3, Paragraph 4 of the Waterworks Act (Act No. 177 of 1957);
- (v) Type I Railway Business provided in Article 2, Paragraph 2 of the Railway Business Act (Act No. 92 of 1986);
- (vi) General Motor Truck Transportation Business provided in Article 2, Paragraph 2 of the Motor Truck Transportation Act (Act No. 83 of 1989);
- (vii) Cargo Liner Service Business provided in Article 2, Paragraph 4 and Irregular Route Business, which mainly transports between Japanese ports and ports in regions outside of Japan, provided in Article 2, Paragraph 6 of the Marine Transportation Act (Act No. 187 of 1949);
- (viii) International Air Transport Services Business provided in Article 2, Paragraph 19 and Domestic Scheduled Air Transport Services Business provided in Article 2, Paragraph 20 of the Aviation Act (Act No. 231 of 1952);
- (ix) Business to Establish and Manage Airports (meaning Airports provided in Article 2 of the Airport Act (Act No. 80 of 1956); hereinafter the same in this Item) or Public Facility, etc. Operating Project Business pertaining to airports provided in Article 2, Paragraph 6 of the Act on Promotion of Private Finance Initiative (Act No. 107 of 1999);
- (x) Telecommunications Business provided in Article 2, Item (iv) of the Telecommunications Business Act (Act No. 86 of 1984);
- (xi) Broadcast Business that conducts basic broadcasting provided in Article 2, Item (ii) of the Broadcast Act (Act No. 132 of 1950);
- (xii) Postal Business;
- (xiii) Businesses pertaining to finance set forth as follows:
 - (a) Businesses that engage in actions listed in any Item of Article 2, Paragraph 2 of the Banking Act;
 - (b) Insurance business provided in Article 2, Paragraph 1 of the Insurance Business Act (Act No. 105 of 1995);

- (c) Business to open a Financial Instruments Exchange Market provided in Article 2, Paragraph 17, Financial Instruments Obligation Assumption Service Business provided in Article 2, Paragraph 28, and Type 1 Financial Instruments Business provided in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948);
 - (d) Trust Business provided in Article 2, Paragraph 1 of the Trust Business Act (Act No. 154 of 2004);
 - (e) Payment Services Business provided in Article 2, Paragraph 10, and Business of Issuing Prepaid Payment Instruments for Third-Party Business provided in Article 3, Paragraph 5 (excluding Items listed in Article 4) of the Payment Services Act (Act No. 59 of 2009);
 - (f) Business to conduct services provided in Article 34 of the Deposit Insurance Act (Act No. 34 of 1971) and business to conduct services provided in Article 34 of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973);
 - (g) Book-Entry Business provided in Article 3, Paragraph 1 of the Act on Transfer of Bonds, Shares, etc. (Act No. 75 of 2001); and
 - (h) Monetary Claims Recording Business provided in Article 51, Paragraph 1 of the Electronically Recorded Monetary Claims Act (Act No. 102 of 2007); and
 - (xiv) Business to conduct comprehensive credit purchase intermediary services provided in Article 2, Paragraph 3 of the Installment Sales Act (Act No. 159 of 1961).
- (2) When the competent minister has designated a Specified Social Infrastructure Enterprise, the competent minister must give public notice of the relevant designated person's name, address, type of Specified Social Infrastructure Business pertaining to the designation, and date on which the designation was made. The same applies when there are modifications to these matters.
- (3) A Specified Social Infrastructure Enterprise must notify the competent minister when there is a change in name or address no later than two weeks prior to the date of the change.

(Cancellation of Designation)

Article 51 When the competent minister determines that a Specified Social Infrastructure Enterprise no longer falls under the criteria specified by Order of the Competent Ministry in Paragraph 1 of the preceding Article, the competent minister shall cancel the designation provided in Paragraph 1. In this case, the provisions of Paragraph 2 of the preceding Article shall apply *mutatis mutandis*.

(Introduction of Specified Critical Facilities, etc.)

Article 52 (1) When a Specified Social Infrastructure Enterprise introduces Specified Critical Facilities from another enterprise (excluding cases when introducing Specified Critical Facilities supplied by a person determined to be substantially equivalent to the relevant Specified Social Infrastructure Enterprise or another person specified by Cabinet Order (excluding cases when Specified Critical Facilities supplied by a person other than the relevant person specified by the relevant Cabinet Order are incorporated into the relevant Specified Critical Facilities)) or entrusts another enterprise to maintain, manage, or operate Specified Critical Facilities (limited to those specified by Order of the Competent Ministry as critical for maintaining the function of the relevant Specified Critical Facilities or the stable provision of Specified Social Infrastructure Services pertaining to the Specified Critical Facilities, and through which the relevant Specified Critical Facilities are likely to be used as a means for actions taken from outside of Japan to interfere with the stable provision of Specified Social Infrastructure Services; hereinafter referred to as “Critical Maintenance and Management, etc.” in this Chapter and Article 92, Paragraph 1), in accordance with the Order of the Competent Ministry, the Specified Social Infrastructure Enterprise must, in advance, prepare a plan regarding the introduction or entrustment of Critical Maintenance and Management, etc. of the relevant Specified Critical Facilities (hereinafter referred to as “Introduction Plan” in this Chapter) and notify the competent minister thereof accompanied by documents specified by Order of the Competent Ministry. Provided, however, that this shall not apply when specified by Order of the Competent Ministry when introducing Specified Critical Facilities from another enterprise or entrusting another enterprise to conduct Critical Maintenance and Management, etc. of Specified Critical Facilities in cases of urgent necessity.

(2) The Introduction Plan must contain the following matters:

- (i) Outline of the Specified Critical Facilities;
- (ii) The following matters when introducing Specified Critical Facilities:
 - (a) Details and timing of the introduction;
 - (b) Matters specified by Order of the Competent Ministry as matters regarding the supplier of the Specified Critical Facilities; and
 - (c) Matters specified by Order of the Competent Ministry as matters regarding facilities, equipment, devices, or programs that comprise part of the Specified Critical Facilities that are likely to be used as a means for Specified Interference Actions (meaning actions taken from outside of

- Japan to interfere with the stable provision of Specified Social Infrastructure Services regarding the introduction of or entrustment of Critical Maintenance and Management, etc. of Specified Critical Facilities; the same applies hereinafter in this Chapter);
- (iii) When having another party engage in Critical Maintenance and Management, etc. of Specified Critical Facilities, the following matters:
 - (a) Details and timing or duration of the entrustment of Critical Maintenance and Management, etc.;
 - (b) Matters specified by Order of the Competent Ministry as matters regarding the other party to the entrustment of Critical Maintenance and Management, etc.; and
 - (c) When the other party to the entrustment of Critical Maintenance and Management, etc. further entrusts Critical Maintenance and Management, etc. to another enterprise, matters specified by Order of the Competent Ministry as matters regarding the relevant further entrustment; and
 - (iv) Beyond the matters listed in the preceding three Items, matters specified by Order of the Competent Ministry as matters regarding the introduction or entrustment of Critical Maintenance and Management, etc. of Specified Critical Facilities.
- (3) A Specified Social Infrastructure Enterprise that has made notification of the Introduction Plan under Paragraph 1 must not introduce the Specified Critical Facilities or allow the Critical Maintenance and Management, etc. to be undertaken pertaining to the relevant Introduction Plan until 30 days have passed from the day the competent minister receives the relevant notification. Provided, however, that the period thereof may be shortened when the competent minister determines that an examination under the next Paragraph is not necessary in light of the scale, nature, etc. of the relevant introduction or entrustment of Critical Maintenance and Management, etc.
- (4) When there has been a notification of an Introduction Plan under the provisions of Paragraph 1, the competent minister may extend the period during which the Specified Critical Facilities must not be introduced and the Critical Maintenance and Management, etc. not be undertaken pertaining to the relevant Introduction Plan, limited to four months from the day the competent minister receives the relevant notification, when the competent minister determines that it is necessary to conduct an examination of whether or not it is highly likely that the Specified Critical Facilities pertaining to the relevant Introduction Plan will be used as a means for Specified Interference Actions, or to issue a recommendation under the provisions of Paragraph 6 or an order under the provisions of Paragraph 10.

- (5) When the competent minister has extended the period during which the Specified Critical Facilities must not be introduced and the Critical Maintenance and Management, etc. not be undertaken pertaining to the relevant Introduction Plan under the provisions of the preceding Paragraph, and the competent minister determines before the final day of the relevant extended period that, as a result of the examination under the provisions of the preceding Paragraph, the Specified Critical Facilities cannot be regarded to be highly likely to be used as a means for Specified Interference Actions, the competent minister may shorten the relevant extended period.
- (6) When the competent minister determines that, as a result of the examination under Paragraph 4, that the Specified Critical Facilities pertaining to the Introduction Plan are highly likely to be used as a means for Specified Interference Actions, the competent minister may recommend that the Specified Social Infrastructure Enterprise introduce or have another party conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pertaining to the relevant Introduction Plan after changing the details of the relevant Introduction Plan or having taken other measures necessary to prevent Specified Interference Actions, or that such activities should be suspended. Provided, however, that the period when the relevant recommendation may be made shall be until the day when 30 days have passed from the day on which the relevant notification has been received (when an extension has been made under the provisions of Paragraph 4, the final day of the relevant extended period).
- (7) A Specified Social Infrastructure Enterprise that has received a recommendation under the provisions of the preceding Paragraph must, within 10 days from the day on which the person is issued the recommendation, notify the competent minister of whether or not to accept the recommendation and, if not accepting, the reasons thereof.
- (8) A Specified Social Infrastructure Enterprise that has given notice of the acceptance of the recommendation under the provisions of the preceding Paragraph must introduce or have another party conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pursuant to the relevant Introduction Plan after having notified the competent minister of an Introduction Plan that has been amended pertaining to the relevant recommendation, or suspend introduction of or entrustment to conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pursuant to the Introduction Plan pertaining to the relevant recommendation.
- (9) A Specified Social Infrastructure Enterprise that has given notice of acceptance of the recommendation under the provisions of Paragraph 7 may,

notwithstanding the provisions of Paragraph 3 or Paragraph 4, introduce or have another party conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pursuant to the Introduction Plan notified under the provisions of the preceding Paragraph before 30 days have passed from the day the Introduction Plan under the provisions of Paragraph 1 was notified (when an extension has been made under the provisions of Paragraph 4, the final day of the relevant extended period).

- (10) When a Specified Social Infrastructure Enterprise that has received a recommendation under the provisions of Paragraph 6 has not given notice under the provisions of Paragraph 7 or has given notice of the refusal of the recommendation, and no justifiable grounds are found for refusing the relevant recommendation, the competent minister may, as specified by Order of the Competent Ministry, order the Specified Social Infrastructure Enterprise that received the relevant recommendation to introduce or have another party conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pursuant to the relevant Introduction Plan after having notified the competent minister of an Introduction Plan that has been amended pertaining to the relevant recommendation, or to suspend the introduction of or entrustment to conduct Critical Maintenance and Management, etc. of the Specified Critical Facilities pertaining to the Introduction Plan pertaining to the relevant recommendation. Provided, however, that the period during which the competent minister may order the introduction or having another party conduct Critical Maintenance and Management, etc. of Specified Critical Facilities pursuant to the Introduction Plan to which the relevant modifications have been made, or to suspend the introduction of or entrustment to conduct Critical Maintenance and Management, etc. of Specified Critical Facilities shall be until 30 days have passed from receiving the Introduction Plan under the provisions of Paragraph 1 (when an extension has been made under the provisions of Paragraph 4, the final day of the relevant extended period).
- (11) When a Specified Social Infrastructure Enterprise has introduced or had another party conduct Critical Maintenance and Management, etc. of Specified Critical Facilities in the case prescribed in the proviso to Paragraph 1, the Specified Social Infrastructure Enterprise must, without delay and as specified by Order of the Competent Ministry, submit to the competent minister written notice (hereinafter referred to as “Urgent Introduction Notice” in Article 54, Paragraph 5 and Article 55, Paragraph 2) including the matters listed in the items of Paragraph 2 accompanied by documentation specified by Order of the Competent Ministry under Paragraph 1.

(Transitional Measures on Introduction, etc. of Specified Critical Facilities)

- Article 53 (1) The provisions of Paragraph 1 of the preceding Article shall not apply to persons who have received designation under the provisions of Article 50, Paragraph 1 for six months only with respect to the introduction or entrustment of Critical Maintenance and Management, etc. of Specified Critical Facilities used for Specified Social Infrastructure Business pertaining to the relevant designation.
- (2) The provisions of Paragraph 1 of the preceding Article shall not apply to facilities, equipment, a device, or a program that newly became a Specified Critical Facility due to amendment to the Order of the Competent Ministry that specifies Specified Critical Facilities under Article 50, Paragraph 1 for six months from the day the relevant facilities, equipment, device, or program became Specified Critical Facilities.
- (3) The provisions of Paragraph 1 of the preceding Article shall not apply to Critical Maintenance and Management, etc. that newly became Critical Maintenance and Management, etc. due to amendment to the Order of the Competent Ministry under Paragraph 1 for six months from the day the relevant maintenance and management or operation became Critical Maintenance and Management, etc.

(Modifications, etc. to Introduction Plans)

- Article 54 (1) When a Specified Social Infrastructure Enterprise makes material modifications as specified by Order of the Competent Ministry to matters listed in Article 52, Paragraph 2 prior to introducing or having another party engage in or before the end of the period of having [the relevant other enterprises] engage in Critical Maintenance and Management, etc., of Specified Critical Facilities pertaining to an Introduction Plan notified under the provisions of Article 52, Paragraph 1 (in case of modifications made under the provisions of this Act, the modified Introduction Plan; the same applies hereinafter in this Article and Article 55, Paragraph 1), the Specified Social Infrastructure Enterprise must, in advance, prepare draft modifications to the relevant Introduction Plan and notify the competent minister thereof accompanied by documentation specified by Order of the Competent Ministry. Provided, however, that this shall not apply when specified by Order of the Competent Ministry as cases when making the relevant modifications is of urgent necessity.
- (2) The provisions of Article 52, Paragraphs 2 through 10 shall apply mutatis mutandis to notification of draft modifications under the provisions of the

preceding Paragraph.

- (3) When a Specified Social Infrastructure Enterprise has made modifications under the provisions of Paragraph 1 under the provisions of the proviso to Paragraph 1, the Specified Social Infrastructure Enterprise must, as specified by Order of the Competent Ministry, notify the competent minister of the details of the relevant modifications, accompanied by documentation specified by Order of the Competent Ministry in Paragraph 1.
- (4) When a Specified Social Infrastructure Enterprise makes modifications to matters listed in the Items of Article 52, Paragraph 2 (except for modifications under the provisions of Paragraph 1 and minor modifications as specified by Order of the Competent Ministry) prior to introducing or having another party engage in or before the end of the period of having the relevant party engage in Critical Maintenance and Management, etc. of Specified Critical Facilities pertaining to an Introduction Plan notified under the provisions of Article 52, Paragraph 1, or modifications specified by Order of the Competent Ministry as Items listed in Article 52, Paragraph 2, Item (c) after the relevant introduction, the Specified Social Infrastructure Enterprise must, without delay, report the details of the relevant modifications to the competent minister as specified by Order of the Competent Ministry.
- (5) The provisions of the preceding Paragraphs shall apply mutatis mutandis to Specified Social Infrastructure Enterprises pertaining to an Urgent Introduction Notice under the provisions of Article 52, Paragraph 11 (in case of modifications made under the provisions of this Act, the modified Urgent Introduction Plan; the same applies in Article 55, Paragraph 2). In such cases, the term “prior to introducing or having another party engage in or” in Paragraph 1 and the preceding Paragraph shall be deemed to be replaced with “Critical Maintenance and Management, etc.”

(Recommendations and Orders After Introduction of Specified Critical Facilities, etc.)

Article 55 (1) If, after a Specified Social Infrastructure Enterprise that has made notification of an Introduction Plan under the provisions of Article 52, Paragraph 1 has become able to introduce or entrust or has introduced or entrusted to engage in Critical Maintenance and Management, etc. of Specified Critical Facilities pertaining to the relevant Introduction Plan under the provisions of the preceding three Articles, the competent minister determines that the Specified Critical Facilities pertaining to the relevant Introduction Plan are highly likely to be used as means for Specified Interference Actions due to a shift in the international situation or other changes in circumstances,

the competent minister may recommend that the Specified Social Infrastructure Enterprise that made the relevant notification implement an inspection or maintenance check, change the other party to the entrustment of Critical Maintenance and Management, etc. of the relevant Specified Critical Facilities, or take other necessary measures to prevent Specified Interference Actions.

- (2) If, after a Specified Social Infrastructure Enterprise that has notified an Urgent Introduction Plan under the provisions of Article 52, Paragraph 11 has become able to introduce or entrust or has introduced or entrusted to engage in Critical Maintenance and Management, etc. of Specified Critical Facilities pertaining to the relevant Urgent Introduction Plan under the provisions of the preceding three Articles, the relevant minister determines that Specified Critical Facilities pertaining to the relevant Urgent Introduction Plan are used or are highly likely to be used as means to engage in Specified Interference Actions, the competent minister may recommend that the Specified Social Infrastructure Enterprise that made the relevant notification implement an inspection or maintenance check, change the other party to the entrustment of Critical Maintenance and Management, etc. of the relevant Specified Critical Facilities, or take other necessary measures to prevent Specified Interference Actions.
- (3) The provisions of Article 52, Paragraphs 7, 8, and 10 (excluding the proviso) shall apply mutatis mutandis to the recommendations under the provisions of the preceding two Paragraphs.

(Procedures, etc. for Recommendations and Orders)

- Article 56 (1) When making a recommendation under the provisions of Article 52, Paragraph 6 (including when applied mutatis mutandis to Article 54, Paragraph 2 (including when applied mutatis mutandis to Article 52, Paragraph 5; the same applies hereinafter in this Article); the same applies in the following Paragraph and Article 58, Paragraph 2) or Paragraph 1 or 2 of the preceding Article, or making an order under the provisions of Article 52, Paragraph 10 (including when applied mutatis mutandis to Article 54, Paragraph 2 and Paragraph 3 of the preceding Article; the same applies hereinafter in this Chapter and Article 88), the competent minister must, in advance, consult with the Prime Minister and other heads of relevant administrative organizations.
- (2) Beyond what is set forth in Article 52, Paragraphs 6 through 10, the preceding Article, and the preceding Paragraph, the procedures and other necessary matters for extensions under the provisions of Article 52, Paragraph

4 (including when applied mutatis mutandis to Article 54, Paragraph 2; the same applies in Article 88), shortening under the provisions of Article 52, Paragraph 5 (including when applied mutatis mutandis to Article 54, Paragraph 4), recommendations under the provisions of Article 52, Paragraph 6 and Paragraphs 1 and 2 of the preceding Article, and orders under the provisions of Article 52, Paragraph 10 shall be specified by Cabinet Order.

(Responsibilities of the Competent Minister)

Article 57 The competent minister shall endeavor to provide information that contributes to preventing Specified Interference Actions to Specified Social Infrastructure Enterprises.

(Orders for Production of Reports and On-Site Inspections)

Article 58 (1) The competent minister may, to the extent necessary for designation under the provisions of Article 50, Paragraph 1, seek from persons engaged in Specified Social Infrastructure Business the submission of reports or materials necessary for the relevant Specified Social Infrastructure Business.

(2) The competent minister may, to the extent necessary to execute the provisions of Article 51, Article 52, Paragraphs 6 and 10, and Article 55, Paragraphs 1 and 2, seek from Specified Social Infrastructure Enterprises the submission of reports or materials necessary for the Specified Social Infrastructure Business engaged in by the Specified Social Infrastructure Enterprises, or have officials thereof enter the Specified Social Infrastructure Enterprise's offices or other necessary places, ask questions regarding the Specified Social Infrastructure Business, or inspect books, documents, or other items.

(3) The officials who conduct the on-site inspection under the provisions of the preceding Paragraph must carry an identification card and produce it to the people concerned when requested.

(4) The authority for the on-site inspections under the provisions of Paragraph 2 must not be construed as having been granted for criminal investigation.

(Request of Document Submission)

Article 59 When the competent minister determines it necessary to execute the provisions of this Chapter, the competent minister may seek the provision of materials and information, explanations, statements of opinion, and other necessary cooperation from the Prime Minister, heads of relevant administrative organizations, and other relevant persons.

Chapter IV Support for Development of Specified Critical Technologies

(Basic Guidelines for Development of Specified Critical Technologies)

Article 60 (1) The Government shall specify, pursuant to the Basic Policy, basic guidelines on promotion of research and development of Specified Critical Technologies and the appropriate utilization of the results thereof (hereinafter referred to as “Basic Guidelines on Research and Development of Specified Critical Technologies” in this Chapter).

(2) The Basic Guidelines on Research and Development of Specified Critical Technologies shall specify the following matters:

- (i) Matters on the basic direction regarding promotion of research and development of Specified Critical Technologies and the appropriate utilization of the results thereof;
- (ii) Basic matters on the organization of councils (meaning councils under the provisions of Article 62, Paragraph 1);
- (iii) Basic matters on the designation of designated funds (meaning designated funds under the provisions of Article 63, Paragraph 1);
- (iv) Basic matters on the implementation of research and study (meaning research and study under the provisions of Article 64, Paragraph 1);
- (v) Matters to be considered in promotion of research and development of Specified Critical Technologies and the appropriate utilization of the results thereof; and
- (vi) Beyond what is set forth in the preceding Items, matters necessary for promotion of research and development of Specified Critical Technologies and the appropriate utilization of the results thereof.

(3) The Prime Minister must prepare a draft Basic Guidelines for Development of Specified Critical Technologies and seek a Cabinet decision.

(4) When preparing the draft Basic Guidelines for Development of Specified Critical Technologies of the preceding Paragraph, the Prime Minister must, in advance, hear the opinions of persons with knowledge of economic policy to ensure security, domestic and external trends in socioeconomic conditions and research and development, and other knowledge of development support for Specified Critical Technologies.

(5) When there has been a Cabinet decision under the provisions of Paragraph 3, the Prime Minister shall, without delay, publicize the Basic Guidelines on Research and Development of Specified Critical Technologies.

(6) The provisions of the preceding three Paragraphs shall apply *mutatis mutandis* to modifications to the Basic Guidelines on Research and

Development of Specified Critical Technologies.

(Policies of the National Government)

Article 61 The national government shall, pursuant to the Basic Guidelines on Research and Development of Specified Critical Technologies, endeavor to provide necessary information, secure funding, develop human resources and improve the quality thereof, and take other measures to promote research and development of Specified Critical Technologies and the appropriate utilization of the results thereof regarding Specified Critical Technologies (meaning advanced technology that could become critical to maintaining the lives of the citizenry and economic activity (hereinafter referred to as “Advanced Technology” in Article 64, Paragraph 2, Item (i) and Item (ii)) for which a situation is likely to arise in which the security of the national government or citizens is undermined if information used in research and development of the relevant technology is wrongfully used externally, or if it becomes impossible to use the relevant technology; the same applies hereinafter in this Chapter).

(Council)

Article 62 (1) To promote research and development of Specified Critical Technologies conducted via the relevant research and development, etc. and the appropriate utilization of the results thereof, the ministers who grant funds regarding research and development, etc. conducted with national government funding under the provisions of Article 12, Paragraph 1 of the Act on Vitalizing the Creation of Science, Technology, and Innovation (Act No. 63 of 2008; hereinafter referred to as the “Vitalization Act”) (hereinafter referred to as “Ministers for Research and Development” in this Article and Article 87, Paragraph 1) may, pursuant to the Basic Guidelines for Development of Specified Critical Technologies and after obtaining the consent of a person engaged in research and development, etc. on the relevant Specified Critical Technologies who is a person determined to be reasonable to represent the relevant research and development, etc., organize a council (hereinafter referred to as the “Council” in this Article) comprised of the relevant persons and the relevant Ministers for Research and Development.

(2) When organizing a Council, the Ministers for Research and Development must, in advance, consult the Prime Minister.

(3) The Ministers for Research and Development who organize a Council under the provisions of Paragraph 1 may, when determined to be necessary, add as members of the Council the heads of relevant national government

- administrative organizations, persons engaged in research and development, etc. of the relevant Specified Critical Technology, Specified Critical Technology research and development institutions (meaning Specified Critical Technology research and development institutions provided in Article 64, Paragraph 3; the same applies in Paragraph 6), and other persons determined to be necessary by the Ministers for Research and Development.
- (4) The Council shall consult on the following matters to achieve the objective of Paragraph 1:
- (i) Matters on collecting, organizing, and analyzing useful data for research and development of the relevant Specified Critical Technology;
 - (ii) Matters on means to effectively promote research and development of the relevant Specified Critical Technology;
 - (iii) Matters on the details and treatment of research and development of the relevant Specified Critical Technology;
 - (iv) Matters on measures necessary to properly manage information on research and development of the relevant Specified Critical Technology; and
 - (v) Beyond what is set forth in the preceding Items, matters necessary to promote research and development and the appropriate use of the results thereof of the relevant Specified Critical Technology.
- (5) Council members shall, pursuant to the results of the consultation in the preceding Paragraph, properly manage information on research and development of Specified Critical Technologies and undertake other necessary initiatives.
- (6) When the Council determines it necessary to conduct the consultation under Paragraph 4, the Council may seek from its members or Specified Critical Technology research and development institutions (excluding those who are members of the relevant Council; the same applies hereinafter in this Paragraph) the provision of materials, explanations, statements of opinion, or other cooperation necessary to promote research and development of Specified Critical Technologies and the appropriate use of the results thereof. In such cases, the relevant members and relevant Specified Critical Technology research and development institutions shall endeavor to respond to the request.
- (7) A person who is or has been engaged in the administrative processes of a Council must not divulge or misappropriate information learned in the course of the relevant administrative processes without justifiable grounds.
- (8) Beyond what is set forth in the preceding Paragraphs, the Council shall specify matters necessary for the Council's organization and operation.

(Designated Funds)

- Article 63 (1) The Prime Minister may, pursuant to the Basic Guidelines on Research and Development of Specified Critical Technologies, designate as designated funds those funds under the provisions of Article 27-2, Paragraph 2 of the Vitalization Act with the objective of the promotion of research and development of Specified Critical Technologies and the appropriate utilization of the results thereof.
- (2) When making a designation under the preceding Paragraph, the Prime Minister must, in advance, consult the Minister of Finance, the minister who has jurisdiction over the fund distribution institution pertaining to the relevant designated fund (meaning fund distribution institution under the provisions of Article 27-2, Paragraph 1 of the Vitalization Act) (referred to as “Minister with Jurisdiction over the Designated Fund” in Paragraph 4 and Article 87, Paragraph 1) and the heads of other relevant administrative organizations.
- (3) The national government may, within the limits of the budget, subsidize the funds allocated to a designated fund.
- (4) The Minister with Jurisdiction over a Designated Fund shall, jointly with the Prime Minister, organize a Council comprised of persons engaged in research and development, etc. of Specified Critical Technologies conducted under the relevant designated fund who is determined to be reasonable as a person to represent the relevant research and development, etc., the relevant Minister with Jurisdiction over the Designated Fund, and the Prime Minister (hereinafter referred to as a “Council for a Designated Fund” in the next Paragraph) to ensure the relevant designated fund’s promotion of research and development of Specified Critical Technologies and the appropriate use of the results thereof.
- (5) The provisions of Paragraphs 3 through 8 of the preceding Article shall apply mutatis mutandis to a Council for a Designated Fund. In such cases, the term “Paragraph 1” in Paragraphs 3 and 4 of the preceding Article shall be deemed to be replaced with “Paragraph 4 of the next Article,” and the term “Ministers for Research and Development” shall be deemed to be replaced with “Minister with Jurisdiction over a Designated Fund and the Prime Minister.”

(Research and Study)

- Article 64 (1) The Prime Minister shall, pursuant to the Basic Guidelines on Research and Development of Specified Critical Technologies, engage in research and study necessary for promotion of research and development of

Specified Critical Technologies and the appropriate utilization of the results thereof (hereinafter referred to as “Research and Study” in the next Paragraph and Paragraph 3).

- (2) The Prime Minister may entrust, in whole or in part, Research and Study to a person (limited to a corporation) who is in conformity with the following criteria as a person who can appropriately implement the Research and Study:
- (i) The person has the capability to perform specialized investigations and research on domestic and external socioeconomic conditions and trends in research and development regarding advanced technology;
 - (ii) The person has the capability to collect, organize, and store information on domestic and external information on advanced technology;
 - (iii) The person has the capability to collaborate with institutions that, domestically and externally, conduct investigation and research into science and technology, institutions that engage in research and development on science and technology, and other relevant domestic and external institutions; and
 - (iv) The person has the capability sufficient to properly implement measures for information security management.
- (3) The head of a relevant administrative organization may provide information and materials necessary to conduct the research and study pertaining to the relevant entrustment, in response to a request from a person entrusted under the provisions of the preceding Paragraph (referred to as “Specified Critical Technology Study and Research Institution” in the next Paragraph).
- (4) An officer or employee of a Specified Critical Technology Study and Research Institution, or a person who was formerly in that position, must not divulge or misappropriate any confidential information learned in the course of their duties without justifiable grounds.

Chapter V Non-Disclosure of Patent Applications

(Basic Guidelines on Non-Disclosure of Patent Applications)

Article 65 (1) The Government shall, pursuant to the Basic Policy, specify basic guidelines on measures regarding exceptions to publication of applications under the Patent Act (Act No. 121 of 1959), the proper management of information pertaining to inventions stated in descriptions, claims, or drawings (hereinafter referred to as “Descriptions, etc.” in this Chapter) pertaining to patent applications under the provisions of Article 36, Paragraph 1 of the Patent Act, and other measures to prevent the flowing out of information

pertaining to inventions that, if made known to the public, would be highly likely to create a situation to undermine the security of the national government or the citizens through actions taken outside of Japan (hereinafter referred to as “Non-Disclosure of Patent Applications” in this Article) (hereinafter referred to as “Basic Guidelines on Non-Disclosure of Patent Applications”).

- (2) The Basic Guidelines on Non-Disclosure of Patent Applications shall specify the following matters:
 - (i) Matters on the basic direction of Non-Disclosure of Patent Applications;
 - (ii) Basic matters on fields of technology to be specified by Cabinet order pursuant to the main clause of Paragraph 1 of the next Article; and
 - (iii) Matters on procedures regarding Protection Designations (meaning Protection Designations under the provisions of Article 70, Paragraph 2; the same applies in Paragraph 1 of the next Article and Article 67).
- (3) The Prime Minister must prepare a draft Basic Guidelines on Non-Disclosure of Patent Applications and seek a Cabinet decision.
- (4) When preparing the draft Basic Guidelines on Non-Disclosure of Patent Applications under the provisions of the preceding Paragraph, the Prime Minister must, in advance, seek the opinions of persons with knowledge of economic policy to ensure security, industrial technology, and other knowledge regarding Non-Disclosure of Patent Applications, and must consider impacts on industrial activity.
- (5) When there has been a Cabinet decision under the provisions of Paragraph 3, the Prime Minister must, without delay, publicize the Basic Guidelines on Non-Disclosure of Patent Applications.
- (6) The provisions of the preceding three Paragraphs apply mutatis mutandis to modifications to the Basic Guidelines on Non-Disclosure of Patent Applications.

(Sending to the Prime Minister)

Article 66 (1) When the Commissioner of the Japan Patent Office has received a patent application, and the Descriptions, etc. list an invention belonging to a field of technology in accordance with an international patent classification (meaning international patent classification under the provisions of Article 1 of the Strasbourg Agreement Concerning the International Patent Classification of March 24, 1971) or a classification divided in accordance thereto as specified by Cabinet order (hereinafter referred to as “Specified Field of Technology” in this Paragraph) that could include an invention (in cases when the invention’s field of technology has received a Protection Designation, limited to inventions

that fall under the requirements specified by Cabinet order when the invention belongs to a field of technology as specified by Cabinet order determined to have a significant impact on the development of industry) that, if made known to the public, would be highly likely to create a situation to undermine the security of the national government or the citizens through actions taken outside of Japan, the Commissioner of the Japan Patent Office shall send to the Prime Minister documentation pertaining to the relevant patent application as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry by the day on which the period specified by Cabinet order has elapsed not exceeding three months from the day of the relevant patent application. Provided, however, that when it is determined to be obviously unnecessary to proceed with a protection examination (meaning a protection examination under the provisions of Paragraph 1 of the next Article; the same applies hereinafter in next Paragraph) in light of the relevant invention's technology level, characteristics, or disclosure status, the Commissioner of the Japan Patent Office may choose not to send the documentation.

- (2) The preceding Paragraph also applies when the patent applicant has made a request along with the patent application seeking a Protection Examination as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry that the invention stated in the Descriptions, etc., if made known to the public, would be highly likely to create a situation to undermine the security of the national government or the citizens through actions taken outside of Japan. The preceding Paragraph also applies when it has been determined that a person that, in the past, underwent a Protection Examination based on such a statement and received a notification under the provisions of Paragraph 9 of the following Article, or when a person who is a successor to the right to the grant of a patent has made a patent application stating in the Descriptions, etc. an invention pertaining to the relevant notification.
- (3) When Commissioner of the Japan Patent Office has sent the documentation under the provisions of the main clause of Paragraph 1 or the preceding Paragraph, the Commissioner of the Japan Patent Office shall notify the patent applicant that the documentation has been sent.
- (4) Regarding the application of the provisions of Paragraph 1 when a patent application under the provisions of Paragraph 1 is a patent application in the lefthand column of the following table, the term "day of the relevant patent application" shall be deemed to be replaced with the day listed in the righthand column of the following table respectively corresponding to the

categories in the lefthand column (when the relevant patent application falls under two or more categories in the lefthand column, the latest day specified in the righthand column of the table pertaining to the relevant categories).

Application written in a foreign language under the provisions of Article 36-2, Paragraph 2 of the Patent Act	The day the translation pertaining to the relevant patent application under the provisions of Article 36-2, Paragraph 2 of the Patent Act has been submitted (When the relevant translation has been submitted under the provisions of Article 36-2, Paragraph 6, notwithstanding the provisions of Article 36-2, Paragraph 7, the day the relevant translation was actually submitted)
Patent application filed using a method under the provisions of Article 28-3, Paragraph 1 of the Patent Act	The day the descriptions and drawings under the provisions of Article 38-3, Paragraph 3 pertaining to the relevant patent application, and documentation on the earlier patent application have been submitted
In cases of the proviso to Article 38-4, Paragraph 4 of the Patent Act (excluding cases under the provisions of Article 38-4, Paragraph 5), patent application supplemented under Article 38-4, Paragraph 2	The day the written supplement of the description, etc. pertaining to the relevant patent application under the provisions of Article 38-4, Paragraph 3 of the Patent Act was submitted
New patent application under the provisions of Article 44, Paragraph 1 of the Patent Act	The day of the division of the patent application pertaining to the relevant patent application under the provisions of Article 44, Paragraph 1 of the Patent Act
Patent application pertaining to modification of application under the provisions of Article 46, Paragraph 1 of the Patent Act	The day of the modification of application pertaining to the relevant patent application under the provisions of Article 46, Paragraph 1 of the Patent Act

- (5) The main clause of Paragraph 1 and Paragraph 2 do not apply to international applications deemed to be patent applications under the provisions of Article 184-3, Paragraph 1 of the Patent Act.
- (6) When the Commissioner of the Japan Patent Office determines it necessary to judge whether or not to send documentation under the provisions of the main clause of Paragraph 1 or Paragraph 2, the Commissioner of the Japan Patent

Office may request the submission of materials and explanations from the patent applicant.

- (7) When the Commissioner of the Japan Patent Office judges that an application does not fall under cases to send documentation under the provisions of the main clause of Paragraph 1 or Paragraph 2, or until the term provided in the main clause of Paragraph 1 has elapsed without the relevant documents having been sent, or until the Prime Minister has made a notification under the provisions of Article 71 or Article 77, Paragraph 2, the provisions of Article 49, Article 51, and Article 64, Paragraph 1 shall not apply.
- (8) When there has been a waiver or withdrawal of patent application after the sending of documentation under the provisions of the main clause of Paragraph 1 and before a notification has been received under the provisions of Article 70, Paragraph 1 or Article 71, the Commissioner of the Japan Patent Office must notify the Prime Minister to that effect. The same applies when there has been a notification of succession under the provisions of Article 34, Paragraph 4 or Paragraph 5 of the Patent Act after the sending of documentation under the provisions of the main clause of Paragraph 1 and before a notification has been received under the provisions of Article 70.
- (9) When the Commissioner of the Japan Patent Office rejects a patent application after the sending of documentation under the provisions of the main clause of Paragraph 1 or Paragraph 2 and before a notification has been received under the provisions of Article 70, Paragraph 1 or Article 71, the Commissioner of the Japan Patent Office shall, in advance, notify the Prime Minister to that effect.
- (10) When the Commissioner of the Japan Patent Office has judged that sending documentation under the provisions of the main clause of Paragraph 1 or Paragraph 2 does not apply, and a patent applicant has made a request as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry, the Commissioner of the Japan Patent Office must notify the patent applicant to the effect that a judgment was made not to send documentation under these provisions.
- (11) The provisions of the main clause of Paragraph 1 shall not apply to patent applicants that have stated in the Descriptions, etc. an invention that newly falls under the provisions of the main clause of Paragraph 1 due to amendments to Cabinet orders pursuant to the provisions of the main clause of Paragraph 1, that is pending before the Japan Patent Office at the time of the amendments thereto.

(Protection Examinations by the Prime Minister)

- Article 67 (1) When the Prime Minister has received documentation sent pertaining to a patent application under the provisions of the main clause of Paragraph 1 or Paragraph 2 of the preceding Article, the Prime Minister shall conduct an examination (hereinafter referred to as a “Protection Examination” in this Chapter), as specified by Cabinet Office Order, to determine whether or not the Descriptions, etc. pertaining to the relevant patent application include an invention that, if made known to the public, would be highly likely to create a situation to undermine the security of the national government or the citizens through actions taken outside of Japan, and whether it is appropriate to protect information pertaining to the relevant invention (meaning measures to prevent outflow of the relevant information outside of Japan; the same applies in Article 70, Paragraph 1) in consideration of the extent of the likelihood thereof, the impact on industrial development if a protection designation is made, and other circumstances.
- (2) When the Prime Minister determines that a Protection Examination is necessary, the Prime Minister may seek from the patent applicant and other related persons the submission of materials and explanations.
- (3) In conducting a Protection Examination, the Prime Minister may seek from national government organizations that have the necessary expert knowledge the submission of materials and explanations necessary for the Protection Examination and other necessary cooperation.
- (4) When the Prime Minister is unable to obtain sufficient materials or information under the provisions of the preceding Paragraph, the Prime Minister may seek from persons other than national government organizations that have expert knowledge the submission of materials and explanations and other necessary cooperation. In such cases, the Prime Minister must give consideration to the selection of the relevant persons with expert knowledge so that disclosing the details of inventions to the relevant persons with expert knowledge does not damage the interests of the patent applicant.
- (5) When the Prime Minister determines it necessary when seeking from persons other than national government organizations that have expert knowledge the submission of materials and explanations and other necessary cooperation under the provisions of the preceding Paragraph, the Prime Minister may disclose the details of the invention stated in the Descriptions, etc. to that person (if a request is made to use an assistant, that person and the assistant thereof; hereinafter the same applies in this Paragraph). In such cases, the Prime Minister must, in advance, obtain that person’s consent to receive the disclosure after having explained that the person will be subject to the provisions of Paragraph 8.

- (6) When the Prime Minister determines it necessary in judging whether or not to make a Protection Designation, the Prime Minister may, in advance, consult with the heads of relevant administrative organizations.
- (7) The provisions of Paragraphs 4 and 5 apply mutatis mutandis to the heads of relevant administrative organizations who have been consulted under the provisions of the preceding Paragraph. In such cases, the term “unable to obtain sufficient materials or information under the provisions of the preceding Paragraph” in Paragraph 4 shall be deemed to be replaced with “does not have sufficient materials or information to respond to a consultation under the provisions of Paragraph 6.”
- (8) National government officials involved in a Protection Examination and persons who have received disclosure of the details of an invention under the provisions of Paragraph 5 (including cases when applied mutatis mutandis in the preceding Paragraph) must not disclose or misappropriate confidential information pertaining to the details of the relevant invention without justifiable grounds.
- (9) When the Prime Minister intends to make a protection designation, the Prime Minister must notify the patent applicant, as specified by Cabinet Office Order, of the details of the invention that could be a Protected Invention under the provisions of Article 70, Paragraph 1, and seek the submission of documentation stating matters listed in the following Items if the patent applicant will maintain the application:
 - (i) Status of information management pertaining to the invention pertaining to the relevant notification;
 - (ii) In cases where an enterprise other than the patent applicant has been permitted to handle information pertaining to the invention pertaining to the relevant notification, the relevant enterprise; and
 - (iii) Beyond what is set forth in the two preceding Items, matters to be specified by Cabinet Office Order.
- (10) If maintaining a patent application, a patent applicant must submit, as specified by Cabinet Office Order, to the Prime Minister within fourteen days of receiving the notification under the provisions of the preceding Paragraph documentation provided under the preceding Paragraph.
- (11) When the Prime Minister determines that the stated details of documentation submitted under the provisions of the preceding Paragraph are inappropriate, the Prime Minister may seek a correction thereof, specifying a reasonable period of time.

(Prohibition of Invention Publication During Protection Examination)

Article 68 (1) If a patent applicant has received a notification under the provisions of Paragraph 9 of the preceding Article, the patent applicant must not publish the details of the invention pertaining to the relevant notification under the provisions of Paragraph 9 of the preceding Article until receiving a notification under the provisions of Article 70, Paragraph 1 or Article 71. Provided, however, that this shall not apply if the patent applicant has waived or withdrawn the application or the application has been rejected.

(Discontinuance of Protection Examination)

Article 69 (1) The Prime Minister may discontinue a Protection Examination when a patent applicant has not submitted documentation under the provisions of Article 67, Paragraph 9 within the period time provided under Article 67, Paragraph 10, or has not made corrections under the provisions of Article 67, Paragraph 11 within the period of time specified under Article 67, Paragraph 11, the Prime Minister determine the patent applicant has violated the provisions of the preceding Article, or the Prime Minister determines that a patent applicant has made a request under the provisions of the first sentence of Article 66, Paragraph 2 for unjust purposes and without due cause.

(2) When discontinuing a Protection Examination under the provisions of the preceding Paragraph, the Prime Minister must, in advance, notify the patent applicant of the reasons thereof and give the opportunity to submit a document stating an explanation, specifying a reasonable period of time.

(3) When the Prime Minister has discontinued a Protection Examination under the provisions of Paragraph 1, the Prime Minister shall notify the Commissioner of the Japan Patent Office to that effect.

(4) The Commissioner of the Japan Patent Office shall reject the patent application after having received the notification under the provisions of the preceding Paragraph.

(Protection Designations)

Article 70 (1) When the Prime Minister finds, as a result of a Protection Examination, that an invention has been stated in the Descriptions, etc. under the provisions of Article 67, Paragraph 1 that, if made known to the public, would be highly likely to create a situation to undermine the security of the national government or the citizens through actions taken outside of Japan, and that it is appropriate to protect information pertaining to the relevant invention in consideration of the extent of the likelihood thereof, the impact on industrial development if a protection designation is made, and other circumstances, the Prime Minister shall designate the relevant invention as a

Protected Invention and notify the patent applicant and Commissioner of the Japan Patent Office.

- (2) When making a designation under the provisions of the preceding Paragraph (hereinafter referred to as “Protection Designation” in this Chapter and Article 88), the Prime Minister shall specify a period of time for the Protection Designation not exceeding one year from the day of the relevant Protection Designation.
- (3) The Prime Minister must judge whether or not it is necessary to continue a Protection Designation before the day the Protection Designation period (when the Protection Designation period has been extended under the provisions of this Paragraph, the extended period; the same applies hereinafter in this Chapter) expires. In such cases, when the Prime Minister determines it is necessary to continue, the Prime Minister may extend the Protection Designation period for no more than one year.
- (4) The provisions of Article 67, Paragraphs 2 through 8 shall apply *mutatis mutandis* to cases of the judgment under the provisions of the first sentence of the preceding Paragraph. In such cases, the term “invention” in Article 67, Paragraphs 4 and 8, and the term “invention stated in the Descriptions, etc.” shall be deemed to be replaced with “Protected Invention.”
- (5) When the Prime Minister has made an extension under the provisions of the second sentence of Paragraph 3, the Prime Minister shall notify to that effect the patent applicant who received the notification under the provisions of Paragraph 1 (if there has been a transfer of the right of grant of patent after the notification, the successor; hereinafter referred to as the “Designated Patent Applicant” in this Chapter) and the Commissioner of the Japan Patent Office.

(Notifications in Case of Non-Designation)

Article 71 When the Prime Minister determines that there is no need to make a Protection Designation as a result of a Protection Examination, the Prime Minister shall notify the patent applicant and the Commissioner of the Japan Patent Office.

(Restrictions on Withdrawing, etc. Patent Applications)

Article 72 (1) A Designated Patent Applicant may not waive or withdraw a patent application until receiving the notification under the provisions of Article 77, Paragraph 2.

- (2) Notwithstanding the provisions of Article 10, Paragraph 1 of the Utility Model Act (Act No. 123 of April 13, 1959) and Article 13, Paragraph 1 of the

Design Act (Act No. 125 of 1959, a Designated Patent Applicant may not file an application for utility model registration or application for design registration until receiving the notification under the provisions of Article 77, Paragraph 2.

(Restrictions on Working Protected Inventions)

Article 73 (1) A person to whom a patent applicant has disclosed the details of a Designated Patent Applicant or Protected Invention or other person who has acquired knowledge of the details of a Protected Invention in the course of duties and who knows the relevant Protected Invention has received a Protection Designation must not work the relevant Protected Invention (meaning work under the provisions of Article 2, Paragraph 3 of the Patent Act; the same applies hereinafter in this Chapter and Article 92, Paragraph 1, Item (vi)). Provided, however, that this shall not apply when the Designated Patent Applicant has received authorization from the Prime Minister for the relevant work.

(2) A Designated Patent Applicant who intends to obtain the authorization under the provisions of the proviso to the preceding Paragraph must submit to the Prime Minister an application document stating the details of the work for which the Designated Patent Applicant intends to receive authorization and other matters to be specified by Cabinet Office Order.

(3) When the Prime Minister determines that the work pertaining to the application for authorization under the provisions of the proviso to Paragraph 1 is not likely to cause persons other than those provided under the main clause of Paragraph 1 to know the details of a Protected Invention and otherwise determines it is appropriate from the perspective of preventing leaks of information pertaining to a Protected Invention, the Prime Minister shall give the authorization under the provisions of the proviso to Paragraph 1.

(4) Conditions necessary to prevent leakage of information pertaining to a Protected Invention may be attached to the authorization under the provisions of the proviso to Paragraph 1.

(5) The provisions of Article 67, Paragraphs 2 through 5 and Paragraph 8 shall apply mutatis mutandis to cases of judgments of whether or not to give authorization under the provisions of Paragraph 3. In such cases, the term “Invention” in Article 67, Paragraphs 4 and 8, and the term “invention stated in the Descriptions, etc.” in Article 67, Paragraph 5 shall be deemed to be replaced with “Protected Invention.”

(6) When the Prime Minister determines that a Designated Patent Applicant has worked a Protected Invention in violation of conditions attached to authorization under the provisions of Paragraph 1 or Paragraph 4 and that it

is appropriate for the patent application to be rejected, the Prime Minister shall notify the Commissioner of the Japan Patent Office and the Designated Patent Applicant to that effect. The same applies when a person other than the Designated Patent Applicant has worked a Protected Invention in violation of conditions attached to authorization under the provisions of Paragraph 1 or Paragraph 4 due to the Designated Patent Applicant not having taken sufficient measures under the provisions of Article 75, Paragraph 1.

- (7) When making the notification under the provisions of the preceding Paragraph, the Prime Minister must, in advance, notify the Designated Patent Applicant of the reasons thereof and give the opportunity to submit a document stating an explanation, specifying a reasonable period of time.
- (8) When the Commissioner of the Japan Patent Office has received a notification under the provisions of Paragraph 6, the Commissioner of the Japan Patent Office shall reject the patent application after waiting for the notification under the provisions of Article 77, Paragraph 2.

(Prohibition of Disclosure of Protected Inventions)

Article 74 (1) A person who has acquired knowledge of the details of a Protected Invention in the course of duties and who knows the relevant Protected Invention has received a Protection Designation must not disclose the details of the Protected Invention, excluding when there are justifiable grounds.

- (2) When the Prime Minister determines that a Designated Patent Applicant has disclosed the details of a Protected Invention in violation of the provisions of the preceding Paragraph, and determines that it is appropriate to reject the patent application, the Prime Minister shall notify the Commissioner of the Japan Patent Office and the Designated Patent Applicant to that effect. The same applies when a person other than the Designated Patent Applicant has disclosed the details of a Protected Invention in violation of the provisions of the preceding Paragraph due to the Designated Patent Applicant not having taken sufficient measures under the provisions of Paragraph 1 of the next Article.
- (3) The provisions of Paragraphs 7 and 8 of the preceding Article apply mutatis mutandis to notifications under the provisions of the preceding Paragraph.

(Measures for Proper Management of Protected Inventions)

Article 75 (1) A Designated Patent Applicant must properly manage persons who handle information pertaining to Protected Inventions and take other measures specified by Cabinet Office Order as necessary appropriate measures to prevent divulgence of information pertaining to Protected Inventions, and

must have enterprises permitted to handle information pertaining to Protected Inventions (hereinafter referred to as “Invention Sharing Enterprise” in this Chapter) take such measures.

- (2) An Invention Sharing Enterprise must take the measures under the provisions of the preceding Paragraph in accordance with the Designated Patent Applicant’s instructions.

(Modifications of Invention Sharing Enterprises)

Article 76 (1) When a Designated Patent Applicant permits an enterprise other than an enterprise stated as an enterprise provided under Article 67, Paragraph 9, Item (ii) in the documentation under the provisions of Article 67, Paragraph 9 to newly handle information pertaining to a Protected Invention, the Designated Patent Applicant must, in advance, obtain the permission of the Prime Minister as specified by Cabinet Office Order.

- (2) When a Designated Patent Applicant has ceased to permit an Invention Sharing Enterprise to handle information pertaining to a Protected Invention or if other modifications arise regarding Invention Sharing Enterprises, the Designated Patent Applicant shall, without delay, notify the Prime Minister of the details of the modification as specified by Cabinet Office Order.

(Cancellation, etc. of Protection Designations)

Article 77 (1) When the Prime Minister has determined that it is not necessary to continue a Protection Designation, the Prime Minister shall cancel the Protection Designation.

- (2) When the Prime Minister has cancelled a Protection Designation under the provisions of the preceding Paragraph, or when a Protection Designation period has expired, the Prime Minister shall notify the Designated Patent Applicant and the Commissioner of the Japan Patent Office to that effect.
- (3) The provisions of Article 67, Paragraphs 2 through 8 apply mutatis mutandis to cases when a Protection Designation is cancelled under the provisions of Paragraph 1. In such cases, the terms “invention” in Article 67, Paragraphs 4 and 8 and “invention stated in the Descriptions, etc.” in Article 67, Paragraph 5 shall be deemed to be replaced with “Protected Invention.”

(Prohibition of Foreign Applications)

Article 78 (1) When an invention made in Japan that has not been made public is an invention under the provisions of the main clause of Article 66, Paragraph 1, no person may make a foreign application (meaning an international application pursuant to the Patent Cooperation Treaty prepared in Washington

on June 19, 1970, excluding those specified by Cabinet order; the same applies in this Chapter and Article 94, Paragraph 1) stating the relevant invention, excluding cases when, under the provisions of Paragraph 4 of the next Article, the person has received a response that it is obvious that making the invention public will not impact the security of the national government or citizens due to actions taken outside of Japan. Provided, however, that this shall not apply to an invention stated in the Descriptions, etc. pertaining to the relevant patent application for which a patent application has been made in Japan stating the relevant invention in the Descriptions, etc. and the period specified by Cabinet order to not exceed ten months from the relevant patent application has elapsed (excluding when a notification under the provisions of Article 70, Paragraph 1 has been received, or the relevant patent application has been rejected, waived, or withdrawn before the relevant period has elapsed), the notification under the provisions of Article 66, Paragraph 3 has not been made within the period provided in the main clause of Article 66, Paragraph 1 (excluding when the relevant patent application has been rejected, waived, or withdrawn before the relevant period has elapsed), or a notification under the provisions of Article 70, Paragraph 10, Article 71, or Paragraph 2 of the preceding Article.

- (2) Regarding application of the provisions of the preceding Paragraph to Designated Patent Applicants, the term in the Paragraph “invention under the provisions of the main clause of Article 66, Paragraph 1” shall be deemed to be replaced with “invention under the provisions of the main clause of Article 66, Paragraph 1 (for an invention stated in the Descriptions, etc. of a patent application for which a notification has been received under the provisions of Article 70, Paragraph 1, Protected Invention).”
- (3) Regarding the application of the proviso to Paragraph 1 when a patent application under the provisions of the proviso to Paragraph 1 is a patent application listed in the lefthand column of the following table, the term “the day of the relevant patent application” in the proviso shall be deemed to be replaced with the day set forth in the righthand column of the same table corresponding to the category set forth in the lefthand column of the same table (when the relevant patent application falls under two or more of the categories set forth in the lefthand column of the same table, the latest day among days specified in the righthand column of the same table pertaining to the relevant category).

Application in a foreign language under the provisions of Article 36-2,	The day the translation under the provisions of Article 36-2, Paragraph
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Paragraph 2 of the Patent Act	2 of the Patent Act pertaining to the relevant patent application (in cases when the relevant translation has been submitted under the provisions of Article 36-2, Paragraphs 4 or 6 of the Patent Act, the day the relevant translation was actually submitted, notwithstanding the provisions of Article 36-2, Paragraph 7 of the Patent Act)
Patent application made using a method provided in Article 38-3, Paragraph 1 of the Patent Act	The day descriptions, drawings, and documentation on the earlier patent application under the provisions of Article 38-3, Paragraph 3 have been submitted.
Patent application that has been supplemented under the proviso to Article 38-4, Paragraph 4 of the Patent Act in a case under the proviso to Article 38-4, Paragraph 4 of the Patent Act (excluding cases under the provisions of Article 38-4, Paragraph 5)	The day the Written Supplement of the Descriptions, etc. under the provisions of Article 38-4, Paragraph 3 of the Patent Act pertaining to the relevant patent application
Patent application pertaining to modification of application under the provisions of Article 46, Paragraph 1 of the Patent Act	The day of the modification to the application under the provisions of Article 46, Paragraph 1 of the Patent Act pertaining to the relevant patent application

- (4) When the Commissioner of the Japan Patent Office has received an international application deemed to be a patent application under the provisions of Article 184-3, Paragraph 1 of the Patent Act, and an invention under the provisions of the main clause of Article 66, Paragraph 1 is stated in the Descriptions, etc. pertaining to the relevant patent application, the Commissioner of the Japan Patent Office shall notify the Prime Minister to that effect.
- (5) When the Prime Minister determines that a patent applicant whom the Commissioner of the Japan Patent Office has notified under the provisions of Article 66, Paragraph 3 (when there has been a transfer of right to grant of patent after the notification, including the successor thereof) has made a foreign application in violation of the provisions of Paragraph 1, or an international application under the provisions of the preceding Paragraph violates the provisions of Paragraph 1, the Prime Minister shall notify the Commissioner of the Japan Patent Office and the patent applicant to that

effect.

- (6) The provisions of Article 73, Paragraph 7 shall apply mutatis mutandis to notifications under the provisions of the preceding Paragraph.
- (7) When the Commissioner of the Japan Patent Office has received the notification under the provisions of Paragraph 5, the Commissioner of the Japan Patent Office shall reject the patent application. Provided, however, that when the patent application has received a Protection Designation, the Commissioner of the Japan Patent Office shall reject the patent application after waiting for the notification under the provisions of Paragraph 2 of the preceding Article.

(Prior Confirmation Regarding Prohibition of Foreign Applications)

- Article 79 (1) A person who intends to make a foreign application stating an invention that could fall under an invention under the provisions of the main clause of Article 66, Paragraph 1 may, only in cases when the person has not made a patent application in Japan that states the relevant invention in the Descriptions, etc., seek confirmation from the Commissioner of the Japan Patent Office as to whether or not the foreign application is prohibited under the provisions of Paragraph 1 of the preceding Article, as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry.
- (2) When the Commissioner of the Japan Patent Office has received a request under the provisions of the preceding Paragraph and the invention pertaining to the relevant request does not fall under an invention under the provisions of the main clause of Article 66, Paragraph 1, the Commissioner of the Japan Patent Office shall, without delay, respond to the person who made the relevant request to that effect.
- (3) When the Commissioner of the Japan Patent Office has received a request under the provisions of Paragraph 1 and the invention pertaining to the relevant request falls under an invention under the provisions of the main clause of Article 66, Paragraph 1, the Commissioner of the Japan Patent Office shall, without delay, seek confirmation from the Prime Minister as to whether it is obvious that making the invention public will not impact the security of the national government or citizens due to actions taken outside of Japan. In such cases, the Prime Minister, who has been requested to make the relevant confirmation, shall, without delay, respond to the Commissioner of the Japan Patent Office.
- (4) When the Commissioner of the Japan Patent Office has received the response under the provisions of the preceding Paragraph, the Commissioner of the Japan Patent Office shall, without delay, respond to the person who made the

request under the provisions of Paragraph 1 that the invention pertaining to the relevant request falls under an invention under the provisions of the main clause of Article 66, Paragraph 1 and the details of the relevant response.

- (5) A person who intends to seek confirmation under the provisions of Paragraph 1 must pay the national government a fee not exceeding 25,000 yen per case.
- (6) The payment of fees under the provisions of the preceding Paragraph must be made with revenue stamps, as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry. Provided, however, that when specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry, payment may be made in cash as specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry.
- (7) Regarding whether to apply the provisions of Paragraph 1 of the preceding Article, the provisions of Article 7 of the Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013) shall not apply.

(Compensation for Losses)

Article 80 (1) The national government shall compensate for losses that would ordinarily arise for persons due to having not received authorization under the provisions of the proviso to Article 73, Paragraph 1, due to having conditions attached to authorization under Article 73, Paragraph 4, or otherwise due to having incurred losses due to having received a Protection Designation with respect to a Protected Invention (including those for which Protection Designation has been cancelled or the Protection Designation period has expired).

- (2) A person who intends to receive the compensation under the provisions of the preceding Paragraph must make a request to the Prime Minister as specified by Cabinet Office Order.
- (3) When there has been a request under the provisions of the previous Paragraph, the Prime Minister must decide the amount to be compensated and notify the requesting person thereof.
- (4) The provisions of Article 67, Paragraphs 2 through 4 and the first sentence of Paragraph 5 (when during a Protection Designation period, beyond these provisions, the provisions of the second sentence of Paragraph 5 and Paragraph 8) shall apply mutatis mutandis to cases when the Prime Minister makes a decision under the provisions of the preceding Paragraph. In such cases, the term “invention” in Article 67, Paragraphs 4 and 8, and the term “invention stated in the Descriptions, etc.” shall be deemed to be replaced with “Protected Invention (including those for which Protection Designation has been cancelled or the Protection Designation period has expired).”

- (5) A person who disagrees with a decision under the provisions of Paragraph 3 may request an increase in the amount to be compensated by filing an action no later than six months from the day the notification was received.
- (6) In the action set forth in the preceding paragraph, the national government shall be the defendant.

(Non-Exclusive Licenses for Junior Parties)

Article 81 (1) A Designated Patent Applicant who is engaged in or is preparing to engage in business pertaining to working an invention pertaining to the Designated Patent Applicant's own patent application for which the Designated Patent Applicant does not know it cannot receive a patent for under the provisions of Article 29-2 of the Patent Act because another patent application has received a Protection Designation and the publication of the relevant application under the provisions of Article 66, Paragraph 7 was not made prior to the day of application publication, shall have patent rights for the relevant other patent application when the examiner's decision or trial or appeal decision to reject a patent application has become final and binding, or a non-exclusive license under an exclusive license existing at the time of rejection of the patent, but only within the scope of the of the invention or business that the person has been working or preparing to work.

- (2) A person who has patent rights or an exclusive license pertaining to the other patent application under the provisions of the preceding Paragraph shall have the right to receive reasonable compensation from a person who holds a non-exclusive license under the provisions of the preceding Paragraph.

(Special Provisions on the Patent Act, etc.)

Article 82 (1) Regarding patent applications containing a priority claim under the provisions of Article 41, Paragraph 1 of the Patent Act, if the Commissioner of the Japan Patent Office has rejected a patent application with a priority claim based on the provisions of Article 69, Paragraph 4, Article 73, Paragraph 8 (including cases when applied mutatis mutandis in Article 74, Paragraph 3) or Article 78, Paragraph 7, the relevant priority claim shall cease to be effective.

- (2) Regarding the application of the provisions of Article 42, Paragraph 1 in cases when a patent application contains a priority claim under the provisions of Article 41, Paragraph 1 based on a patent application that has received a Protection Designation, the term "when the period specified by Order of the Ministry of Economy, Trade and Industry has elapsed" in Paragraph 1 shall be deemed to be replaced with "when the period specified by Order of the Ministry of Economy, Trade and Industry has elapsed or when a notification under the

- provisions of Article 77, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner has been received regarding the relevant earlier patent application, whichever is later.”
- (3) Regarding the application of the provisions of Article 48-3, Paragraph 1 of the Patent Act in cases where a Protection Designation has been made, the term “no later than three years from that day” in Paragraph 1 shall be deemed to be replaced with “no later than three years from that day, or the day when three months have elapsed since the day a notification under the provisions of Article 77, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner was received, whichever is later.”
- (4) Regarding the application of the provisions of Article 67, Paragraph 3 of the Patent Act when a Protection Designation has been made, the term “the period set forth in the following Items” in Paragraph 3 shall be deemed to be replaced with “the period set forth in the following Items and the period from the day a notification was received under the provisions of Article 70, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner through the day a notification was received under Article 77, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner.”
- (5) When the Commissioner of the Japan Patent Office has received an application for utility model registration under the provisions of Article 5, Paragraph 1 of the Utility Model Act and the description, scope of claims for the utility model registration, or drawings pertaining to the relevant application for utility model registration state a Protected Invention, the Commissioner of the Japan Patent Office must not make a registration of establishment of utility under the provisions of Article 5, Paragraph 1 of the Utility Model Act until the Protection Designation has been cancelled or the Protection Designation period has expired.

(Collection of Reports and On-site Inspections)

Article 83 (1) The Prime Minister may, to the extent necessary for the enforcement of the provisions of this Chapter, seek from Designated Patent Applicants and Invention Sharing Enterprises the submission of reports or materials necessary for the handling of Protected Inventions, or have officials thereof enter the relevant person’s offices or other necessary places, ask questions regarding the Protected Invention, or inspect books, documents, or other items.

- (2) The officials who conduct the on-site inspection under the provisions of the preceding Paragraph must carry an identification card and produce it to the people concerned when requested.
- (3) The authority for the on-site inspections under the provisions of Paragraph 1 must not be construed as having been granted for criminal investigation.

(Recommendations and Improvement Orders)

Article 84 (1) When the Prime Minister determines it to be necessary to prevent the divulgence of information pertaining to a Protected Invention when a Designated Patent Applicant or Invention Sharing Enterprise has violated the provisions of Article 75, the Prime Minister may recommend that the relevant person take measures under the provisions of Article 75, Paragraph 1.

- (2) When a person who has received a recommendation under the provisions of the preceding Paragraph has not taken the measures pertaining to the recommendation without justifiable grounds, the Prime Minister may order the relevant person to take the measures pertaining to the recommendation.
- (3) Notwithstanding the provisions of the preceding two Paragraphs, when the Prime Minister determines that the likelihood of divulgence of a Protected Invention is imminent in a case when a Designated Patent Applicant or Invention Sharing Enterprise has violated the provisions of Article 75, the Prime Minister may order the relevant person to take the measures provided under Article 75, Paragraph 1.

(Service)

Article 85 (1) Beyond what is provided in this Act, the documentation to be served regarding procedures provided in this Chapter shall be specified by Cabinet Office Order or Order of the Ministry of Economy, Trade and Industry.

- (2) The provisions of Articles 190 through 192 of the Patent Act shall apply *mutatis mutandis* to the service under the preceding Paragraph.

Chapter VI Miscellaneous Provisions

(Competent Minister, etc.)

Article 86 (1) The competent minister in Chapter 2 shall be the minister who has jurisdiction over the production, import, or sale of Specified Critical Materials. Provided, however, that the competent minister in the provisions of the following Items shall be the minister specified in the relevant Item:

- (i) Provisions of Chapter II, Section 3 and Article 48, Paragraph 5: Prime Minister and Minister of Finance;

- (ii) Provisions of Article 30 and Article 48, Paragraph 2: The minister who has jurisdiction over the production, import, or sale of Specified Critical Materials;
 - (iii) Provisions of Chapter II, Section 6 (excluding Article 34, Paragraph 6) and Article 48, Paragraph 6: Prime Minister and the minister who has jurisdiction over the production, import, or sale of Specified Critical Materials;
 - (iv) Provisions of Chapter II, Section 7: Minister who has jurisdiction over the incorporated administrative agencies listed in the appended table (limited to the minister who has jurisdiction over the production, import, or sale of Specified Critical Materials); and
 - (v) Provisions of Article 46 and Article 48, Paragraph 1: Minister who has jurisdiction over the production, import, or sale of materials.
- (2) The competent minister in Chapter III shall be the minister who has jurisdiction over Specified Social Infrastructure Business.
- (3) Orders of the Competent Ministry in Chapters II and III shall be orders of the competent minister specified in the preceding two Paragraphs.

(Delegation of Authority)

- Article 87 (1) The authority of the competent minister, Minister in Charge of Research and Development, and Minister with Jurisdiction over Designated Funds under the provisions of this Act may delegate a portion thereof to the head of a subdivision or head of an organization as specified by Cabinet order.
- (2) The Prime Minister shall delegate authority under the provisions of this Act to the Commissioner of the Financial Services Agency (limited to matters pertaining to the Financial Services Agency's jurisdiction, excluding where specified by Cabinet order).
- (3) The Commissioner of the Financial Services Agency may delegate a portion of the authority delegated under the provisions of the preceding Paragraph to a Director of a Finance Bureau or Local Finance Branch Bureau as specified by Cabinet order.

(Exclusion from Application of the Administrative Procedure Act)

Article 88 The provisions of Chapter II and III of the Administrative Procedure Act (Act No. 88 of 1993) shall not apply to extensions under the provisions of Article 52, Paragraph 4, orders or Protection Designations under the provisions of Article 52, Paragraph 10, extensions under the provisions of Article 70, Paragraph 3, authorizations under the provisions of the proviso to Article 73, Paragraph 1, and approvals under the provisions of Article 76, Paragraph 1.

(Transitional Measures)

Article 89 When an order is established, revised, or abolished pursuant to the provisions of this Act, the order may provide necessary transitional measures (including transitional measures concerning penal provisions) to the extent that it is judged reasonably necessary for their establishment, revision or abolishment.

(Sincere Implementation of Treaties and Other International Commitments)

Article 90 In the enforcement of this Act, care must be taken not to prevent the sincere implementation of treaties and other international agreements which Japan has concluded.

(Delegation to Orders)

Article 91 Beyond what is set forth in this Act, matters necessary to implement this Act shall be specified by order.

Chapter VII Penal Provisions

Article 92 (1) If a person falls under any of the following Items, the person who committed the relevant violation shall be punished by imprisonment for not more than two years, a fine of not more than one million yen, or both.

- (i) When a person has failed to make a notification or makes a false notification in violation of the provisions of Article 52, Paragraph 1 or Article 54, Paragraph 1 (including cases when applied mutatis mutandis to Article 54, Paragraph 5) and introduced Specified Critical Facilities or had another party engage in Critical Maintenance and Management, etc.;
- (ii) When a person has introduced Specified Critical Facilities or had another party engage in Critical Maintenance and Management, etc. during the period provided in the main clause of Article 52, Paragraph 3 (if extended under the provisions Article 52, Paragraph 4 (including cases when applied mutatis mutandis to Article 54, Paragraph 2) or shortened under the provisions of the proviso to Article 52, Paragraph 3 or Article 52, Paragraph 5 (including cases when these provisions are applied mutatis mutandis to Article 54, Paragraph 2), the relevant extended or shortened period) in violation of the provisions of Article 52, Paragraph 3 (including cases when applied mutatis mutandis to Article 54, Paragraph 2 (including cases when applied mutatis mutandis to Article 54, Paragraph 5; the same applies in

- this Paragraph));
- (iii) When a person has introduced Specified Critical Facilities or had another party engage in Critical Maintenance and Management, etc. in violation of the provisions of Article 52, Paragraph 8 (including cases when applied mutatis mutandis to Article 54, Paragraph 2 and Article 55, Paragraph 3);
 - (iv) When a person has violated an order under the provisions of Article 52, Paragraph 10 (including when applied mutatis mutandis to Article 54, Paragraph 2 and Article 55, Paragraph 3) or Article 84, Paragraphs 2 or 3;
 - (v) When a person has failed to make a notification or made a false notification under the provisions of Article 52, Paragraph 11 or Article 54, Paragraph 3 (including cases when applied mutatis mutandis to Article 54, Paragraph 5);
 - (vi) When a person has worked a Protected Invention in violation of the conditions attached to permission under the provisions of Article 73, Paragraph 1 or the provisions of Article 73, Paragraph 4;
 - (vii) When a person has received permission under the provisions of the proviso to Article 73, Paragraph 1 or approval under the provisions of Article 76, Paragraph 1 through deception or other wrongful means; and
 - (viii) A person has disclosed the details of a Protected Invention in violation of the provisions of Article 74, Paragraph 1.
- (2) A person who attempts the crimes prescribed in Items (vi) and (viii) of the preceding Paragraph is subject to punishment.
- (3) The crimes prescribed in Paragraph 1, Items (vi) and (viii) also apply to persons who have committed the crimes prescribed in these Items outside Japan.

Article 93 A person who has disclosed or misappropriated without reasonable grounds any secret that the person has come to know in connection with affairs pertaining to seeking the submission of reports or materials under the provisions of Article 48, Paragraph 1 shall be punished by imprisonment for not more than two years or a fine of not more than one million yen.

Article 94 (1) When a person has made a foreign application in violation of the provisions of Article 78, Paragraph 1 (except in cases falling under Article 92, Paragraph 1, Item (viii)), the person who committed the relevant violation shall be punished by imprisonment for not more than one year, a fine of not more than five hundred thousand yen, or both.

(2) The crime prescribed in the preceding Paragraph also applies to persons who have committed the crime prescribed in the preceding Paragraph outside Japan.

Article 95 (1) A person who falls under any of the following Items shall be

punished by imprisonment for not more than one year or a fine of not more than five hundred thousand yen.

- (i) A person who has disclosed or misappropriated secrets in violation of the provisions of Article 37, Article 62, Paragraph 7 (including cases when applied mutatis mutandis to Article 63, Paragraph 5) or Article 64, Paragraph 4;
 - (ii) A person (excluding a person who has committed a violation falling under Article 92, Paragraph 1, Item (vi) or Item (viii)) who has disclosed or misappropriated secrets in violation of the provisions of Article 67, Paragraph 8 (including cases when applied mutatis mutandis to Article 70, Paragraph 4, Article 73, Paragraph 5, Article 77, Paragraph 3, and Article 80, Paragraph 4);
- (2) The crimes prescribed in the preceding two Items also apply to persons who have committed the crimes prescribed in the preceding two Items outside Japan.

Article 96 A person who has committed a violation that falls under any of the following Items shall be punished by a fine of not more than three hundred thousand yen.

- (i) When a person has failed to keep the books, fails to make entries in the books, makes false entries in the books, or fails to retain the books in violation of the provisions of Article 20 or Article 38;
- (ii) When a person has discontinued or abolished Operations to Promote Ensuring Supply or Operations to Support Ensuring Stable Supply in whole or in part without making notification or has made a false notification under the provisions of Article 22, Paragraph 1 or Article 40, Paragraph 1;
- (iii) When a person has failed to submit a report or materials, has made a false report, or has submitted false materials under the provisions of Article 48, Paragraph 4 or Article 58, Paragraph 1;
- (iv) When a person has failed to submit a report or materials, has made a false report, has submitted false materials, has failed to answer the questions of the relevant official, given a false answer, or has refused, obstructed, or avoided an inspection under the provisions of Article 48, Paragraphs 5 through 7, Article 58, Paragraph 2, or Article 83, Paragraph 1;
- (v) When a person has failed to make a notification or made a false notification under the provisions of Article 50, Paragraph 3; and
- (vi) When a person has failed to make a report or has made a false report under the provisions of Article 54, Paragraph 4 (including cases when applied mutatis mutandis to Article 54, Paragraph 5).

Article 97 When any representative of a corporation, any agent of a corporation of individual, any employee or other worker has committed a violation listed in the Items in Article 92, Paragraph 1, Article 94, Paragraph 1, or the Items in the preceding Paragraph with regard to the operations of the corporation or individual, not only the offender shall be punished but also the said corporation or individual shall be punished by the fine prescribed in the respective Articles.

Article 98 If a director or executive officer of the Japan Finance Corporation falls under any of the following Items, the director or executive officer who committed the relevant violation shall be punished by a fine of not more than one million yen.

- (i) When a person has specified or modified an Implementation Plan for Operations to Facilitate Promotion of Ensuring Supply without receiving authorization under the provisions of Article 15, Paragraph 2; and
- (ii) When a person has entered into or modified an agreement provided under Article 19, Paragraph 2 without receiving authorization under Article 19, Paragraph 2.

Article 99 When a person has operated the Fund for Corporations to Support Ensuring Stable Supply or the Fund to Support Incorporated Administrative Agencies to Support Ensuring Stable Supply in violation of the provisions of Article 17 of the Act for General Rules for Incorporated Administrative Agencies, as applied mutatis mutandis following the deemed replacement of terms in Article 34, Paragraph 4 or Article 43, Paragraph 3, the officers of the Corporation to Support Ensuring Stable Supply or Incorporated Administrative Agency to Support Ensuring Stable Supply shall be punished by a fine of not more than 200,000 yen.

Supplemental Provisions

(Effective Date)

Article 1 This Act shall take effect as of the date specified by Cabinet order within a period not exceeding nine months from the date of promulgation. Provided, however, that the provisions listed in the following Items shall take effect as of the date specified in the relevant Item:

- (i) Provisions of Article 1, Article 2, Supplemental Provisions Articles 3 and 9 through 11: Date specified by Cabinet order within a period not exceeding six months from the date of promulgation;
- (ii) Provisions of Article 49 and Article 65: Date specified by Cabinet order within

- a period not exceeding one year from the date of promulgation;
- (iii) Provisions of Articles 50, 51, 58, 59, Article 86, Paragraphs 2 and 3 (limited to portions pertaining to Chapter III), Article 96, Item (iii) (limited to portions pertaining to Article 58, Paragraph 1), Item (iv) (limited to portions pertaining to Article 58, Paragraph 2), and Item (v), Article 97 (limited to portions pertaining to Article 96, Item (iii) (limited to portions pertaining to Article 58, Paragraph 1), Item (iv) (limited to portions pertaining to Article 58, Paragraph 2), and Item (v)): Date specified by Cabinet order within a period not exceeding one year and six months from the date of promulgation;
- (iv) Provisions of Articles 52 through 57, Article 88 (excluding portions pertaining to Chapter V), Article 92 (excluding portions pertaining to Paragraph 1, Item (iv) (limited to portions pertaining to Article 84, Paragraphs 2 and 3), Items (vi) through (viii), Paragraph 2, and Paragraph 3), Article 96, Item (vi), and Article 97 (limited to portions pertaining to Article 92, Paragraph 1, Items (i) through (iii), Item (iv) (excluding portions pertaining to Article 84, Paragraphs 2 and 3), Item (v), and Article 96, Item (vi)): Date specified by Cabinet order within a period not exceeding one year and nine months from the date of promulgation; and
- (v) Provisions of Articles 66 through 85, Article 88 (limited to portions pertaining to Chapter V), Article 92, Paragraph 1, Item (iv) (limited to portions pertaining to Article 84, Paragraphs 2 and 3), and Items (vi) through (viii), Paragraphs 2 and 3, Article 94, Article 95, Paragraph 1, Item (ii) and Paragraph 2, Article 96, Item (iv) (limited to portions pertaining to Article 83, Paragraph 1), Article 97 (limited to portions pertaining to Article 92, Paragraph 1, Item (iv) (limited to portions pertaining to Article 84, Paragraphs 2 and 3) and Items (vi) through (viii), Article 94, Paragraph 1, and Article 96, Item (iv) (limited to portions pertaining to Article 83, Paragraph 1)), and the next Article: Date specified by Cabinet order within a period not exceeding two years from the date of promulgation.

(Transitional Measures)

Article 2 The provisions of Article 66, Paragraph 1 shall not apply to patent applications that are pending with the Japan Patent Office at the time of enforcement of provisions set forth in Item (v) of the preceding Article.

(Delegation to Cabinet Order)

Article 3 Beyond what is set forth in the provisions of the preceding Article, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet order.

(Review)

Article 4 The Government shall review the state of enforcement of this Act after approximately three years after enforcement of this Act and, when determined to be necessary, take necessary measures based on the results.

(Partial Amendment to the Act on the National Institute of Biomedical Innovation, Health, and Nutrition)

Article 5 The Act on the National Institute of Biomedical Innovation, Health, and Nutrition (Act No. 135 of 2004) shall be partially amended as follows:

The term “preceding Items” in Article 15, Paragraph 1, Item (vii) is revised to “Item (i), Item (ii), and from Item (iv) through the preceding Item,” Item (vii) shall be changed to Item (viii), Items (iii) through (v) are respectively changed to the next Item number, and the following shall be added after Item (ii):
(iii) Conduct Operations to Support Ensuring Stable Supply under the provisions of Article 42, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (Act No. [] of 2022) (limited to matters pertaining to a designation under the provisions of Article 42, Paragraph 2 the same Act; referred to as “Operations to Support Ensuring Stable Supply” in Article 15-3, Paragraph 1 and Article 21.

The following two Articles shall be added after Article 15-2:

“(Establishment of Funds, etc.)

Article 15-3 (1) When the Minister of Health, Labour and Welfare has specified matters on Operations to Ensure Stable Supply in the Medium to Long-term Objectives under the provisions of Article 35-4, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Institute shall establish a fund under the provisions of Article 43, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (referred to as “Fund” in the next Paragraph and next Article) and shall allocate subsidies received under the provisions of the next Paragraph.

(2) The Government may, within the limits of its budget, provide subsidies to the Institute for funds allocated to the Fund.

(3) When the Minister of Health, Labour and Welfare has made a notification under the provisions of Article 9, Paragraph 6 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner as applied mutatis mutandis to Article 10, Paragraph 3 or Article 11, Paragraph 3 and determines it to be necessary, the Minister of Health, Labour and Welfare

shall order the Institute to pay an amount equivalent to all or part of subsidies received under the provisions of the preceding Paragraph.

(4) Procedures for payment of monies, account to which payment monies are attributed, and other matters necessary regarding the payments to the national treasury under the provisions of the preceding Paragraph shall be specified by Cabinet order.

(Separate Accounting)

Article 15-4 (1) If the Institute has established a Fund under the provisions of Paragraph 1 of the preceding Article, the Institute must prepare a separate account for the operations pertaining to the relevant Fund.”

In Article 16, add “and Item (iii)” under “Article 15, Paragraph 1, Item (ii).”

In Article 19, Paragraph 1, change “and Item (ii)” to “through Item (iii)” and change “these” to “operations set forth in Items (i) and (ii) of the same Paragraph.”

Delete Article 22, change Article 21 in Chapter IV to Article 22, and add the following Article after Article 20:

“(Consultation with the Prime Minister, etc. on Medium to Long-term Objectives, etc.)

Article 21 (1) When the Minister of Health, Labour and Welfare specifies or modifies the medium to long-term objectives (limited to portions pertaining to Operations to Support Ensuring Stable Supply) under the provisions of Article 35-4, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Minister of Health, Labour and Welfare must, in advance, consult with the Prime Minister and other heads of relevant administrative organizations.

(2) When the Minister of Health, Labour and Welfare authorizes the medium to long-term objectives (limited to portions pertaining to Operations to Support Ensuring Stable Supply) under the provisions of Article 35-5, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Minister of Health, Labour and Welfare must, in advance, consult with the Prime Minister and other heads of relevant administrative organizations.”

(Partial Amendment to the Local Tax Act

Article 6 The Local Tax Act (Act No. 226 of 1950) shall be partially modified as

follows:

Amend “Article 15, Paragraph 1, Items (iii) through (v)” in Article 73-4, Paragraph 1, Item (xxxix) to “Article 15, Paragraph 1, Items (iv) through (vi).”
Amend “Items (iii) through (v)” in Article 348, Paragraph 2, Item (xlii) to “Items (iv) through (vi).”

(Partial Amendment to the Japan Oil, Gas and Metals National Corporation Act)
Article 7 (1) The Japan Oil, Gas and Metals National Corporation Act (Act No. 94 of 2002) shall be partially amended as follows:

Amend “Article 19” in the Table of Contents to “Article 19-2.”

As the following Item to Article 11, Paragraph 1:

“(xxi) Conduct Operations to Support Ensuring Stable Supply (limited to those pertaining to designations under the provisions of Article 42, Paragraph 2 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner; hereinafter referred to as “Operations to Support Ensuring Stable Supply”) under the provisions Article 42, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (Act No. [] of 2022.”

Under Article 21, Item (iii), add “operations listed in Item (xxi) of the same Paragraph (excluding those listed in Item (vi))” below “incidental operations” and add the following Item to Article 20:

“(vi) Operations listed in Article 11, Paragraph 1, Item (xxi) (limited to those pertaining to a Fund to Support Ensuring Stable Supply under the provisions of Article 19-2, Paragraph 1).”

Under Article 2-2, add “and Item (xxi)” below “Article 11, Paragraph 1, Item (vii).”

Add the following Article after Chapter III, Article 19:

“(Establishment of Fund to Support Ensuring Stable Supply, etc.)

Article 19-2 (1) When the Minister of Economy, Trade, and Industry has specified matters on Operations to Support Ensuring Stable Supply in the medium-term objectives under the provisions of Article 29, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Corporation shall establish a fund under the provisions of Article 43, Paragraph 1 of the Act on

Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (referred to as “Fund” in the next Paragraph and next Article) and shall allocate subsidies received under the provisions of the next Paragraph.

(2) The Government may, within the limits of its budget, provide subsidies to the Corporation for funds allocated to the Fund.

(3) When the Minister of Economy, Trade, and Industry has made a notification under the provisions of Article 9, Paragraph 6 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner as applied mutatis mutandis to Article 10, Paragraph 3 or Article 11 and determines it to be necessary, the Minister of Economy, Trade, and Industry shall order the Corporation to pay an amount equivalent to all or part of subsidies received under the provisions of the preceding Paragraph.

(4) Procedures for payment of monies, account to which payment monies are attributed, and other matters necessary regarding the payments to the national treasury under the provisions of the preceding Paragraph shall be specified by Cabinet order.”

Delete Article 23, change Chapter IV, Article 22 to Article 23, and add the following Article after Article 21:

“(Consultations with the Prime Minister, etc. on Medium-term Objectives, etc.)

Article 22 (1) When the Minister of Economy, Trade, and Industry specifies or modifies the medium-term objectives (limited to portions pertaining to Operations to Support Ensuring Stable Supply) under the provisions of Article 29, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Minister of Economy, Trade, and Industry must, in advance, consult with the Prime Minister and other heads of relevant administrative organizations.

(2) When the Minister of Economy, Trade, and Industry authorizes the medium-term objectives (limited to portions pertaining to Operations to Support Ensuring Stable Supply) under the provisions of Article 30, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Minister of Economy, Trade, and Industry must, in advance, consult with the Prime Minister and other heads of relevant administrative organizations.”

(Partial Amendment to the Act on the New Energy and Industrial Technology Development Organization)

Article 8 (1) The Act on the New Energy and Industrial Technology Development Organization (Act No. 145 of 2002) shall be partially amended as follows:

As the following Item to Article 5:

“(xiv) Conduct Operations to Support Ensuring Stable Supply under the provisions of Article 42, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (Act No. [] of 2022) (limited to matters pertaining to a designation under the provisions of Article 42, Paragraph 2 of the same Act; referred to as “Operations to Support Ensuring Stable Supply”)”

Add the following Article after Article 16-5:

(Establishment of Fund to Support Ensuring Stable Supply, etc.)

Article 16-6 (1) When the Minister of Economy, Trade, and Industry has specified matters on Operations to Support Ensuring Stable Supply in the medium to long-term objectives under the provisions of Article 35-4, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Organization shall establish a fund under the provisions of Article 43, Paragraph 1 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (referred to as “Fund” in the next Paragraph and Paragraph 2 of the next Article) and shall allocate subsidies received under the provisions of the next Paragraph.

(2) The Government may, within the limits of its budget, provide subsidies to the Organization for funds allocated to the Fund.

(3) When the Minister of Economy, Trade, and Industry has made a notification under the provisions of Article 9, Paragraph 6 of the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner as applied mutatis mutandis to Article 10, Paragraph 3 or Article 11 and determines it to be necessary, the Minister of Economy, Trade, and Industry shall order the Corporation to pay an amount equivalent to all or part of subsidies received under the provisions of the preceding Paragraph.

(4) Procedures for payment of monies, account to which payment monies are attributed, and other matters necessary regarding the payments to the national treasury under the provisions of the preceding Paragraph shall be specified by Cabinet order.”

Under Article 17, Paragraph 2, Amend “or Article 16-2, Paragraph 1” to “Article 16-4, Paragraph 1 or Paragraph 1 of the preceding Article” and “or Specified Semiconductor Fund” to “Specified Semiconductor Fund or Fund to Support Ensuring Stable Supply.”

Under Article 18, amend “and Item (xiv)” to “Item (xiv) and Item (xv)”

Delete Article 23, change Article 22 to Article 23, change Article 21 to Article 22,
and add the following Article after Article 20:

“(Consultation with the Prime Minister, etc. on Medium to Long-Term
Objectives, etc.)

Article 21 (1) When the Minister of Economy, Trade, and Industry specifies or
modifies the medium-term objectives (limited to portions pertaining to
Operations to Support Ensuring Stable Supply) under the provisions of Article
35-4, Paragraph 1 of the Act on General Rules for Incorporated Administrative
Agencies, the Minister of Economy, Trade, and Industry must, in advance,
consult with the Prime Minister and other heads of relevant administrative
organizations.

(2) When the Minister of Economy, Trade, and Industry authorizes the medium
to long-term objectives (limited to portions pertaining to Operations to Support
Ensuring Stable Supply) under the provisions of Article 35-5, Paragraph 1 of
the Act on General Rules for Incorporated Administrative Agencies, the
Minister of Economy, Trade, and Industry must, in advance, consult with the
Prime Minister and other heads of relevant administrative organizations.”

(Partial Amendment to the Cabinet Act)

Article 9 The Cabinet Act (Act No. 5 of 1947) shall be partially amended as
follows:

Under Article 16, Paragraph 2, Item (i), delete “the next Item and,” amend “and
defense policy” to “defense policy, and economic policy,” “Cabinet Public
Relations Secretary” to “and Cabinet Public Relations Secretary,” delete “and
listed in the following Items,” delete Article 16, Paragraph 2, Item (ii), change
Paragraph 2, Item (iii) to Paragraph 2, Item (ii), amend “the preceding three
Items” in Paragraph 2, Item (iv) to “the preceding two Items,” change Item (iv)
to Item (iii), and amend “Article 15, Paragraph 3” in Article 16, Paragraph 5 to
“Paragraph 3 of the preceding Article.”

(Partial Amendment to the Act to Establish the National Security Council)

Article 10 The Act to Establish the National Security Council (Act No. 71 of 1986)
shall be partially amended as follows:

Under Article 2, Paragraph 1, Item (xi), amend “and defense policy” to “defense

policy, and economic policy.”

Under Article 5, Paragraph 1, Item (ii), add “Minister of Finance” after “Minister for Foreign Affairs.”

(Partial Amendment of the Act for Establishment of the Cabinet Office)
Article 11 (1) The Act for Establishment of the Cabinet Office (Act No. 89 of 1999) shall be partially amended as follows:

Add the following Item under Article 4, Paragraph 1:

“(xxxii) Matters on basic policy to promote ensuring security by taking economic measures in an integrated matter pursuant to the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner (Act No. [] of 2022).”

Add the following Item after Article 4, Paragraph 3, Item (xxvii-7):

“(xxvii-8) Matters pursuant to the Act on Promotion of Ensuring Security by Taking Economic Measures in an Integrated Manner on ensuring stable supply of Specified Critical Materials, ensuring stable provision of Specified Social Infrastructure Services, supporting development of Specified Critical Technologies, and non-disclosure of patent applications (excluding those under the jurisdiction of other ministries or the Financial Services Agency), and matters on administrative affairs to comprehensively and effectively promote economic policy to ensure security.”

Under Article 4, Paragraph 3, Item (xviii), amend “deprive” to “deprive.”

Appended Table (Related to Articles 42 and 86)

- (i) National Institute of Biomedical Innovation, Health and Nutrition
- (ii) Japan Oil, Gas and Metals National Corporation
- (iii) New Energy and Industrial Technology Development Organization

Reason

There is a need to comprehensively and effectively promote economic measures regarding security through the formulation of a basic policy on the promotion of ensuring security by taking economic measures in an integrated manner, and the establishment of systems as economic measures to ensure security regarding the stable supply of Specified Critical Materials and the stable supply of Specified Social Infrastructure Services, and systems regarding development support for Specified Critical Technologies and non-disclosure of patent applications, in view of the increasing importance of preventing acts committed with regard to economic activity that harm the security of the national government or citizens to ensure security associated with increased complexity of the international situation, changes in socioeconomic structure, etc. This is the reason for submitting this bill to the Diet.