

○Ordinance No. 2 of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport and Ministry of the Environment

Based on the provisions of Article 2 paragraph 7, paragraph 9 item 1 (d), Article 3 paragraph 1 item 7, paragraph 2 items 1, 2 and 3, Article 6-5 and the proviso of Article 10 of the Cabinet Order on Inward Direct Investment, etc. (Cabinet Order No. 261 of 1980), the Order to Partially Revise the Order on Inward Direct Investment, etc. shall be established as follows.

September 7, 2007

Shinzo Abe, Prime Minister
Hiroya Masuda, Minister of Internal Affairs and Communications
Fukushiro Nukaga, Minister of Finance
Bunmei Ibuki, Minister of Education, Culture, Sports, Science and Technology
Yoichi Masuzoe, Minister of Health, Labour and Welfare
Masatoshi Wakabayashi, Minister of Agriculture, Forestry and Fisheries
Shinya Izumi, Acting Deputy Minister of Economy, Trade and Industry
Tetsuzo Fuyushiba, Minister of Land, Infrastructure, and Transport
Ichiro Kamoshita, Minister of the Environment

The Order to Partially Revise the Order on Inward Direct Investment, etc.

The Order on Inward Direct Investment, etc. (Ordinance No. 1 of 1980 of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport and Ministry of the Environment) shall be revised as follows. In Article 2, paragraph 1: “Article 2 paragraph 7” shall be revised to “Article 2 paragraph 7, item 1”; “an amount equivalent to 200 million yen for a loan of money for which the loan period exceeds one year but does not exceed five years, and” and “for a loan of money for which the loan period exceeds five years” shall be deleted. In Article 2, paragraph 2, “Article 2:

paragraph 9, item 1 (d)” shall be revised to “Article 2, paragraph 9, item 1 (d) (1)”;

“an amount equivalent to 200 million yen for acquisition of a bond for which the period from the acquisition date until the redemption date exceeds one year but does not exceed five years, and” and “for acquisition of a bond for which said period exceeds five years” shall be deleted; this paragraph shall be changed to paragraph 3 of the same Article; and the following paragraph shall be added after paragraph 1 of the same Article:

- (2) The amount specified by the ordinance of the competent ministry prescribed in Article 2, paragraph 7 item 2 of the Cabinet Order is the total combining the amount appropriated in the liability section of the balance sheet as of the end of the fiscal year that directly precedes the fiscal year in which the date when the loan of money was made falls into (in the cases where a fiscal year that directly precedes such fiscal year does not exist, the balance sheet of the immediately preceding period) and the amount of the said loan of money. Provided however, in the cases where no balance sheet is prepared, such amount shall be the total combining the total amount of deficits featured in the list of assets as of the end of the fiscal year that directly precedes the fiscal year in which the date when the loan of money was made falls into and the amount of the said loan of money.

The following paragraph shall be added to Article 2:

- (4) The amount specified by the ordinance of the competent ministry prescribed in Article 2, paragraph 9 item 1 (d) (2) of the Cabinet Order is the total combining the amount appropriated in the liability section of the balance sheet as of the end of the fiscal year that directly precedes the fiscal year in which the date of the acquisition of the bonds falls into (in the cases where a fiscal year that directly precedes such fiscal year does not exist, the balance sheet of the immediately preceding period) and the amount of the acquired bonds.

In Article 3, paragraph 1, “Article 3, paragraph 1, item 3” shall be revised to “Article 3, paragraph 1, item 4”; and the following two items shall be added in paragraph 2 of the same Article:

- (5) Acquisition of shares through the Allotment of Shares without Contribution, prescribed in Article 185 of the Companies Act (Act No. 86 of 2005)
- (6) Acquisition of shares, equity interests, bonds, or investment securities, delivered as consideration for the acquisition, as the grounds for acquisition have risen

pertaining to Shares Subject to Call prescribed in Article 2, item 19 of the Companies Act or Share Options subject to Call, prescribed in Article 273, item 1 of the same Act

In Article 3, paragraph 7 shall be changed to paragraph 8, while each of paragraphs 4 to 6 shall be brought down by one paragraph and the following paragraph shall be added after paragraph 3:

- (4) Those entities specified by the ordinance of the competent ministry, as prescribed in Article 3, paragraph 2, item 1 of the Cabinet Order refer to such other corporation (limited to those corporations which have two shareholders or employees), in which, the corporation in question (including its subsidiary (subsidiary refers to the one prescribed in Article 2, item 3 of the Company Act. The same shall apply hereinafter in this paragraph) holds the number of voting rights equivalent to 50% of the voting rights held by such other corporation's total shareholders or total employees and which is not a subsidiary of such corporations in question.

Article 7 shall be changed to Article 7 paragraph 1, while the following three paragraphs are added after that:

- (2) Other than in the cases of requesting reporting through written reports prescribed in the preceding paragraph, in the cases where the Minister of Finance and the minister having jurisdiction over the business request reporting pursuant to the prescription of Article 6-5, paragraph 1 of the Cabinet Order, such ministries shall designate issues to be reported by notifying such designation to persons prescribed in the same Article, same paragraph or other relevant persons.
- (3) The procedures specified by the ordinance of the competent ministry, as designated in Article 6-5, paragraph 2 of the Cabinet Order encompass the place to submit the written reports on the content prescribed by the prescriptions of the same paragraph, same Article, the number of reports to submit and any other procedures specified by the Minister of Finance and the minister having jurisdiction over the business.
- (4) When the Minister of Finance and the minister having jurisdiction over the business carry out the notification prescribed in paragraph 2, such ministers must also notify the procedures specified in the preceding paragraph.

Article 10 shall be changed to Article 10, paragraph 2, while the following paragraph shall be added as paragraph 1 of the same Article:

Affairs conducted by the Minister of Finance and the minister having jurisdiction over the business on their own pursuant to the proviso of Article 10 of the Cabinet Order are such affairs that are concerning the acceptance of notifications and reports pertaining to the prescriptions of Article 7, paragraphs 2 to 4

The following one paragraph shall be added after paragraph 7 of the Appended Table 1:
7-2 Armenia

The following one paragraph shall be added after paragraph 15 of the Appended Table 1:
15-2 Ukraine

The following one paragraph shall be added after paragraph 91 of the Appended Table 1:
91-2 Tonga

1 to 7 of the Appendix Form shall be revised as follows:

Supplementary Provisions

(Effective Date)

Article 1

This Cabinet Order shall come into force on September 28, 2007.

(Partial Revision of the Implementation Rules of the Law concerning the Use of Information Communication Technologies in Administrative Procedures, etc. pertaining to Foreign Exchange Laws and Regulations)

Article 2

The Implementation Rules of the Law concerning the Use of Information Communication Technologies in Administrative Procedures, etc. pertaining to Foreign Exchange Laws and Regulations (Ordinance No. 2 of the Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Finance, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Health, Labour and Welfare,

Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport and Ministry of the Environment) shall be partially revised as follows:

In Appended Table 1, paragraph 77, “Article 7” shall be changed to “Article 7, paragraph 1”. In Appended Table 2, paragraph 7, “Article 3, paragraph 5” shall be changed to “Article 3, paragraph 6”; and in paragraph 8, same Table, “Article 3, paragraph 7” shall be changed to “Article 3, paragraph 8”. In Appended Table 3, paragraph 21, “Article 3, paragraph 6” shall be changed to “Article 3, paragraph 7”.