Annex II
Reservations for Measures referred to in paragraph 2 of Article 7

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 2 of Article 7, the reservations taken by that Contracting Party with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

   (a) Article 2 (National Treatment);
   (b) Article 3 (Most-Favoured-Nation Treatment); or
   (c) Article 6 (Prohibition of Performance Requirements).

2. Each reservation sets out the following elements:

   (a) “Sector” refers to the general sector in which the reservation is taken;
   (b) “Sub-Sector” refers to the specific sector in which the reservation is taken;
   (c) “Industry Classification” refers, where applicable, and only for transparency purposes, to the activity covered by the reservation according to domestic or international industry classification codes;
   (d) “Type of Reservation” specifies the obligations referred to in paragraph 1 for which the reservation is taken;
   (e) “Description” sets out the scope of the sector, sub-sector or activities covered by the reservation; and
   (f) “Existing Measures” identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. The “Description” element shall prevail over all the other elements.

4. For the purposes of this Annex, “JSIC” means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007.
<table>
<thead>
<tr>
<th>Schedule of Japan</th>
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</thead>
<tbody>
<tr>
<td><strong>1 Sector:</strong></td>
</tr>
<tr>
<td><strong>Sub-Sector:</strong></td>
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<tr>
<td>**Industry</td>
</tr>
<tr>
<td><strong>Classification:</strong></td>
</tr>
<tr>
<td><strong>Type of Reservation:</strong></td>
</tr>
<tr>
<td><strong>Description:</strong></td>
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<td></td>
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<tr>
<td><strong>Existing Measures:</strong></td>
</tr>
</tbody>
</table>
2 Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

Description: In the event where the supply of telegraph services, postal services and betting and gambling services, manufacture of tobacco products, manufacture of Bank of Japan notes, minting and sale of coinage in Japan, which are restricted to designated enterprises or governmental entities, are liberalised to those other than the designated enterprises or governmental entities, or in the event where such designated enterprises or governmental entities no longer operate on a non-commercial basis, Japan reserves the right to adopt or maintain any measure relating to those activities.

Existing Measures:
3 Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Most-Favoured-Nation Treatment (Article 3)

Description: National Treatment and Most-Favoured-Nation Treatment may not be accorded to investors of the Republic of Mozambique and their investments with respect to subsidies.
4 Sector: Aerospace Industry
Sub-Sector: Aircraft Industry
Space Industry

Industry Classification:

Type of Reservation: National Treatment (Article 2)
Prohibition of Performance Requirements (Article 6)

Description: Japan reserves the right to adopt or maintain any measure relating to investment in aircraft industry and space industry.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5
5 Sector: Arms and Explosives Industry

Sub-Sector: Arms Industry

Explosives Manufacturing Industry

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

Description: Japan reserves the right to adopt or maintain any measure relating to investment in arms industry and explosives manufacturing industry.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5
6 Sector: Energy
Sub-Sector: Electricity Utility Industry
Gas Utility Industry
Nuclear Energy Industry

Industry Classification:

Type of Reservation: National Treatment (Article 2)
Prohibition of Performance Requirements (Article 6)

Description: Japan reserves the right to adopt or maintain any measure relating to investment in the energy industry listed in the “Sub-Sector” element.

Existing Measures:
Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5
7 Sector: Fisheries

Sub-Sector: Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf

Industry Classification:
- JSIC 031 Marine fisheries
- JSIC 032 Inland water fisheries
- JSIC 041 Marine aquaculture
- JSIC 042 Inland water aquaculture
- JSIC 8093 Recreational fishing guide business

Type of Reservation: National Treatment (Article 2), Most-Favoured-Nation Treatment (Article 3), Prohibition of Performance Requirements (Article 6)

Description: Japan reserves the right to adopt or maintain any measure relating to investment in fisheries in the territorial sea, internal waters, exclusive economic zone and continental shelf of Japan.

For the purposes of this reservation, the term “fisheries” means the work of taking and cultivation of aquatic resources, including the following fisheries related activities:

(a) investigation of aquatic resources without taking such resources;
(b) luring of aquatic resources;
(c) preservation and processing of fish catches;
(d) transportation of fish catches and fish products; and
Existing Measures:

- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
- Law for Regulation of Fishing Operation by Foreign Nationals (Law No. 60 of 1967), Articles 3, 4 and 6
- Law concerning the Exercise of Sovereign Rights concerning Fisheries in the Exclusive Economic Zones (Law No. 76 of 1996), Articles 4, 5, 7, 8, 9, 10, 11, 12 and 14
8 Sector: Information and Communications

Sub-Sector: Broadcasting Industry

Industry Classification:

- JSIC 380 Establishments engaged in administrative or ancillary economic activities
- JSIC 381 Public broadcasting, except cablecasting
- JSIC 382 Private-sector broadcasting, except cablecasting
- JSIC 383 Cablecasting

Type of Reservation:

- National Treatment (Article 2)
- Prohibition of Performance Requirements (Article 6)

Description:

Japan reserves the right to adopt or maintain any measure relating to investment in broadcasting industry.

Existing Measures:

- Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
- Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
- Radio Law (Law No. 131 of 1950), Article 5
- Broadcast Law (Law No. 132 of 1950), Articles 93, 116, 125, 159 and 161
Sector: Land Transaction

Type of Reservation: National Treatment (Article 2)

Most-Favoured-Nation Treatment (Article 3)

Description: With respect to the acquisition or lease of land properties in Japan, prohibitions or restrictions may be imposed by Cabinet Order on foreign nationals or legal persons, where Japanese nationals or legal persons are placed under identical or similar prohibitions or restrictions in the foreign country.

Existing Measures: Alien Land Law (Law No. 42 of 1925), Article 1
<table>
<thead>
<tr>
<th>Sector:</th>
<th>Public Law Enforcement and Correctional Services and Social Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Sector:</td>
<td></td>
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<tr>
<td>Industry Classification:</td>
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<tr>
<td>Type of Reservation:</td>
<td>National Treatment (Article 2)</td>
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<tr>
<td></td>
<td>Most-Favoured-Nation Treatment (Article 3)</td>
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<td></td>
<td>Prohibition of Performance Requirements (Article 6)</td>
</tr>
<tr>
<td>Description:</td>
<td>Japan reserves the right to adopt or maintain any measure relating to investment in public law enforcement and correctional services, and in social services such as income security or insurance, social security or insurance, social welfare, primary and secondary education, public training, health and child care.</td>
</tr>
<tr>
<td>Existing Measures:</td>
<td></td>
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</tbody>
</table>