

# **Act on the New Energy and Industrial Technology Development Organization (Article 2 unenforced, etc.)**

(Act No. 145 of December 11, 2002)

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## **Chapter I General Provisions**

### (Purpose)

Article 1 The purpose of this Act is to provide the matters concerning the name, purpose, and the scope of functions, etc. of the New Energy and Industrial Technology Development Organization, Incorporated Administrative Agency.

### (Definitions)

- Article 2 (1) The term "non-fossil energy" as used in this Act means non-fossil energy as prescribed in Article 2 of the Act on Development and Introduction of Non-Fossil Energy (Act No. 71 of 1980; hereinafter referred to as the "Non-Fossil Energy Act").
- (2) The term "rational use of energy" as used in this Act means rational use of energy as prescribed in Article 2, paragraph (1) of the Act on the Rational Use of Energy (Act No. 49 of 1979).

### (Name)

Article 3 The name of the incorporated administrative agency prescribed in Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999; hereinafter referred to as the "Act on General Rules") that is to be established as provided by this Act and the Act on General Rules shall be the New Energy and Industrial Technology Development Organization, Incorporated Administrative Agency.

### (Purpose of the New Energy and Industrial Technology Development Organization)

Article 4 (1) The purpose of the New Energy and Industrial Technology

Development Organization, Incorporated Administrative Agency (hereinafter referred to as "NEDO") is to enhance industrial technology and to promote the commercialization thereof by comprehensively performing functions such as promoting R&D (meaning research and development; the same shall apply hereinafter) carried out using skills from the private sector; promoting R&D done by the private sector with regard to technology for non-fossil energies, combustible natural gas, and coal; promoting the technology required for the rational use of energy and technology in mining and industry; and promoting the utilization of such technology in cooperation with the international community; to thereby contribute to ensuring a stable and efficient energy supply in accordance with the changes in the domestic and foreign economic and social environments and to the development of the economy and industry.

- (2) In addition to what is provided in the preceding paragraph, NEDO shall participate in activities that will lead to the acquisition of emission reduction units as prescribed in Article 6, paragraph 3 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (hereinafter referred to as the "Kyoto Protocol"); shall participate in the acquisition of certified emission reductions as prescribed in Article 12, paragraph 9 of the Kyoto Protocol; shall participate in emissions trading as prescribed in Article 17 of the Kyoto Protocol; and shall thereby aim to contribute to performance of the commitment based on Article 3 of the Kyoto Protocol, while avoiding any significant restrictions on Japan's energy use and industrial activities.

(Office)

Article 5 The principal office of NEDO shall be located in Kanagawa Prefecture.

(Stated Capital)

Article 6 (1) The stated capital of NEDO shall be the total amount of capital contributions considered to have been made by the government and persons other than the government pursuant to the provisions of Article 2, paragraph (6) and paragraph (9) of the Supplementary Provisions.

- (2) The government may, when it deems necessary, make capital contributions to NEDO up to the amount specified in the budget.

- (3) When any capital contributions have been made by the government pursuant to the provisions of the preceding paragraph, NEDO shall increase its stated capital by the amount of said capital contributions.

(Capital Contribution Securities)

Article 7 (1) NEDO shall issue capital contribution securities for capital contributions received.

- (2) Capital contribution securities shall be registered.
- (3) In addition to what is provided in the preceding paragraph, necessary matters concerning capital contribution securities shall be specified by Cabinet Order.

(Prohibition on Redemption, etc. of Equity Interests)

Article 8 (1) NEDO may not redeem equity interests to contributors.

- (2) NEDO may neither acquire the equity interests of its contributors nor receive them as the collateral of a pledge.

## **Chapter II Officers and Employees**

(Officers)

Article 9 (1) NEDO shall have as its officers one chairperson as its head and two auditors.

- (2) NEDO may have as its officers one president and up to five executive directors.

(Duties and Authority, etc. of the President and Executive Directors)

Article 10 (1) The president shall, under the direction of the chairperson, represent NEDO and administer the functions of NEDO, assisting the chairperson.

- (2) The executive directors shall, under the direction of the chairperson, administer the functions of NEDO, assisting the chairperson (when there is a president, assisting the chairperson and the president).

- (3) An officer as set forth in the Acts Governing Individual Incorporated Administrative Agencies, specified in Article 19, paragraph (2) of the Act on General Rules shall be the president; provided, however, that when there is no president but there are executive directors, such officer shall be an executive director, and when there is no president nor executive director, such officer shall be an auditor.

- (4) In the case referred to in the proviso of the preceding paragraph, an auditor who represents or performs the duties of the chairperson pursuant to the provisions of Article 19, paragraph (2) of the Act on General Rules shall not perform his/her duties as an auditor at the same time.

(Term of Office for Officers)

Article 11 The term of office of the chairperson and the president shall be four years and that of an executive director and an auditor shall be two years.

(Special Exceptions to Disqualification as an Executive Director)

Article 12 (1) Civil servants in the field of education as specified by Cabinet

Order may become executive directors, notwithstanding the provisions of Article 22 of the Act on General Rules.

- (2) For the purpose of the provisions of Article 23, paragraph (1) of the Act on General Rules to the dismissal of executive directors of NEDO, the term "the preceding Article" in said paragraph shall be deemed to be replaced with "the preceding Article and Article 12, paragraph (1) of the Act on the New Energy and Industrial Technology Development Organization."

(Obligations of Confidentiality)

Article 13 Persons who are or who used to be officers or employees of NEDO shall not divulge or misappropriate any secret that has come to their knowledge in the course of their duties.

(Status of Officers and Employees)

Article 14 Officers and employees of NEDO shall be deemed to be employees engaging in public service pursuant to laws and regulations, with regard to the application of the Penal Code (Act No. 45 of 1907) and other penal provisions.

### **Chapter III Business Functions, etc.**

(Scope of Functions)

Article 15 (1) NEDO shall perform the following functions in order to achieve the purpose set forth in Article 4, paragraph (1):

- (i) Conducting the development of the following technology (excluding technology related to nuclear power), which can be developed effectively using skills from the private sector, and which is necessary to be commercialized, particularly from the perspective of the national economy:
  - (a) The technology to utilize the alternative energies listed in item (i) through item (iii) of Article 2 of the Non-Fossil Energy Act for power generation or to generate non-fossil energies listed in item (iv) of said Article, or technology to utilize electricity pertaining to such technology;
  - (b) Technology required for producing, generating, or utilizing non-fossil energy (excluding technology listed in (a));
  - (c) Technology required for utilizing combustible natural gas and coal (limited to technology required for significantly increasing the amount of electricity generated through the use of combustible natural gas and coal or other technology required for enhancing the use of combustible natural gas and coal); and
  - (d) Technology required for the rational use of energy.
- (ii) Conducting R&D concerning technology in mining and industry (excluding technology related to nuclear power; hereinafter referred to as "mining and

- industrial technology" in this Article) that can be carried out effectively using skills from the private sector (excluding the duties listed in the preceding item);
- (iii) Providing assistance for R&D concerning mining and industrial technology;
  - (iv) Conducting demonstrations in foreign countries of the effectiveness of the technology listed in item (i) (limited to demonstrations of the technology conducted in regions where the dissemination of such technology is particularly necessary for the purpose of ensuring a stable supply of non-fossil energy, combustible natural gas, and coal);
  - (v) Granting subsidies to be appropriated for the funds required for the introduction of technology listed in (c) and (d) of item (i), the dissemination of which is particularly necessary;
  - (vi) Performing the following functions concerning the collection and provision of information and the following functions concerning guidance:
    - (a) Collection and provision of information concerning the enhancement of the use of combustible natural gas and coal, and guidance concerning the technology listed in (c) of item (i) (excluding guidance listed in (b) of the following item); and
    - (b) Collection and provision of information concerning the rational use of energy, and guidance concerning the technology listed in (d) of item (i);
  - (vii) Performing the following functions concerning coal:
    - (a) Granting subsidies to be appropriated for the funds required for the surveys necessary for coal exploration in foreign countries or the development of coal resources in foreign countries; and
    - (b) Collection and provision of information concerning the geological surveys necessary for coal exploration in foreign countries and of other information that will contribute to ensuring a stable supply of coal, and guidance concerning the technology necessary for coal production.
  - (viii) Providing training for the purposes of fostering engineers in the field of mining and industrial technology and enhancing their qualifications;
  - (ix) Providing advice concerning the enhancement of technology management capabilities prescribed in Article 2, paragraph (2) of the Industrial Technology Enhancement Act (Act No. 44 of 2000);
  - (x) Performing functions incidental to the functions set forth in the preceding items;
  - (xi) Performing the functions prescribed in Article 11 of the Non-Fossil Energy Act;
  - (xii) Performing the functions prescribed in Article 11 of the Act on Facilitating Research and Development in Basic Technology (Act No. 65 of 1985; hereinafter referred to as the "Basic Technology Act");

- (xiii) Performing the functions prescribed in Article 20 of the Act on the Promotion of Research, Development and Dissemination of Assistive Products (Act No. 38 of 1993; hereinafter referred to as the "Assistive Products Act");
- (xiv) Performing the functions prescribed in Article 10 of the Act on Special Measures for the Promotion of New Energy Use, etc. (Act No. 37 of 1997).
- (2) NEDO shall perform the following functions for the purpose of achieving the purpose set forth in Article 4, paragraph (2):
  - (i) Participating in activities that will lead to the acquisition of emission reduction units as prescribed in Article 6, paragraph 3 of the Kyoto Protocol, participating in the acquisition of certified emission reductions as prescribed in Article 12, paragraph 9 of the Kyoto Protocol, and participating in emissions trading as prescribed in Article 17 of the Kyoto Protocol;
  - (ii) Where it is necessary for performing the functions listed in the preceding item, providing guidance concerning technology for non-fossil energy, combustible natural gas, and coal; technology required for the rational use of energy; and mining and industrial technology to persons who conduct business activities that contribute to the prevention of global warming (meaning global warming as prescribed in Article 2, paragraph (1) of the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998)); and
  - (iii) Performing functions incidental to the functions set forth in the preceding two items.

(Entrustment, etc. of Functions)

- Article 16 (1) NEDO may entrust a part of the functions listed in paragraph (1), item (xiv) of the preceding Article to a financial institution or other juridical person specified by Cabinet Order, with the authorization of the Minister of Economy, Trade and Industry.
- (2) Notwithstanding the provisions of other Acts, a financial institution may accept entrustment of authorized functions as set forth in the preceding paragraph and may perform said functions.
  - (3) Officers and employees of a financial institution or other juridical person specified by Cabinet Order that has accepted the entrustment of functions under paragraph (1) (hereinafter referred to as an "entrusted financial institution or juridical person") who engage in the said entrusted functions shall be deemed to be employees engaging in public service pursuant to laws and regulations, with regard to the application of the Penal Code and other penal provisions.
  - (4) When the Minister of Economy, Trade and Industry deems necessary for ensuring the sound and appropriate operation of the functions listed in

paragraph (1), item (xiv) of the preceding Article, he/she may have the entrusted financial institution or juridical person make a report on its entrusted functions, or have his/her officials enter the offices or places of business of the entrusted financial institution or juridical person to inspect its operating conditions or its books, documents, and other articles.

(5) When the officials conduct an on-site inspection pursuant to the provisions of the preceding paragraph, they shall carry a certificate of identification and shall present it to the relevant parties.

(6) The authority for on-site inspections under paragraph (4) shall not be construed as having been granted for criminal investigation.

(Separate Accounting)

Article 17 NEDO shall separate the accounting for each of the following functions and prepare an account for each of them for orderly disposition:

(i) Out of the functions listed in the items of Article 15, paragraph (1) (excluding (b) and (d) of item (i), item (iv), item (v) (limited to the functions pertaining to technology listed in (d) of item (i)), (b) of item (vi), item (vii), and from item (xii) to item (xiv)), the functions concerning measures for electric power use as prescribed in Article 85, paragraph (5) of the Act on Special Accounts (Act No. 23 of 2007);

(ii) Out of the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)) and the items of Article 15, paragraph (2), the functions concerning measures for a stable fuel supply as prescribed in Article 85, paragraph (2) of the Act on Special Accounts and the measures for the enhancement of the energy supply-demand structure as prescribed in paragraph (3) of said Article;

(iii) The functions listed in Article 15, paragraph (1), item (xii); and

(iv) Functions other than those listed in the preceding three items.

(Application Mutatis Mutandis of the Act on Rationalization of Budgetary Spending on Subsidies, etc.)

Article 18 The provisions of the Act on Rationalization of Budgetary Spending on Subsidies, etc. (Act No. 179 of 1955) (including penal provisions) shall apply mutatis mutandis to subsidies granted by NEDO pursuant to the provisions of Article 15, paragraph (1), item (iii), item (v), (a) of item (vii), item (xi) (limited to the part pertaining to Article 11, item (i) of the Non-Fossil Energy Act), and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act). In this case, the terms "ministries and agencies" and "the heads of ministries and agencies" in the Act on Rationalization of Budgetary Spending on Subsidies, etc. (excluding Article 2, paragraph (7)) shall be deemed to be replaced with "the New Energy and Industrial Technology

Development Organization, Incorporated Administrative Agency" and "the chairperson of the New Energy and Industrial Technology Development Organization, Incorporated Administrative Agency," respectively; the term "the State" in Article 2, paragraph (1) and paragraph (4), Article 7, paragraph (2), Article 19, paragraph (1) and paragraph (2), Article 24, and Article 33 of said Act shall be deemed to be replaced with "the New Energy and Industrial Technology Development Organization, Incorporated Administrative Agency"; and the term "fiscal year of the State" in Article 14 of said Act shall be deemed to be replaced with "business year of the New Energy and Industrial Technology Development Organization, Incorporated Administrative Agency."

(Special Provisions, etc. for Disposition of Profits and Losses)

- Article 19 (1) When NEDO has settled each account for the functions listed in Article 17, item (i), item (ii), and item (iv) pursuant to the provisions of paragraph (1) or paragraph (2) of Article 44 of the Act on General Rules for the final business year of the period for the mid-term target prescribed in Article 29, paragraph (2), item (i) of the Act on General Rules (hereinafter referred to as the "period for the mid-term target"), and there remain reserve funds as under Article 44, paragraph (1) of said Act, NEDO may appropriate the portion of the amount of reserve funds that has been approved by the Minister of Economy, Trade and Industry for the funds for functions prescribed in Article 15 during the next period for mid-term target following the period for the mid-term target in question, in accordance with the mid-term plan as set forth in Article 30, paragraph (1) of the Act on General Rules for the said next period for mid-term target (when having obtained approval for a change pursuant to the provisions of the second sentence of the said paragraph, in accordance with the mid-term plan after the change).
- (2) When intending to grant approval pursuant to the provisions of the preceding paragraph, the Minister of Economy, Trade and Industry shall hear the opinions of the Ministry of Economy, Trade and Industry's Evaluation Committee for Incorporated Administrative Agencies and consult with the Minister of Finance in advance.
- (3) When there remains any surplus after deducting the amount approved pursuant to the provisions of paragraph (1) from the amount equivalent to the amount of the reserve funds prescribed in said paragraph, NEDO shall pay the remaining surplus to the national treasury.
- (4) With regard to the application of the provisions of the proviso of Article 44, paragraph (1) of the Act on General Rules to the account for the functions listed in Article 17, item (iii) (hereinafter referred to as the "account for item (iii)"), the phrase "the case where such remaining surplus is to be appropriated for the purpose set forth in paragraph (3) pursuant to the provisions of said



paragraph" in said paragraph shall be deemed to be replaced with "the case where NEDO is to pay the amount calculated as specified by Cabinet Order to the national treasury or where such remaining surplus is to be appropriated for the purpose set forth in paragraph (3) pursuant to the provisions of said paragraph."

- (5) The provisions of paragraph (1) to paragraph (3) shall apply mutatis mutandis to the account for item (iii). In this case, the phrase "Article 44, paragraph (1) of the Act on General Rules" in paragraph (1) shall be deemed to be replaced with "Article 44, paragraph (1) of the Act on General Rules as deemed to be replaced pursuant to the provisions of paragraph (4)."
- (6) In addition to what is provided in the preceding paragraphs, the procedures for making payment and other necessary matters concerning the disposition of reserve funds shall be specified by Cabinet Order.

(State-Incurred Debt)

Article 19-2 In the case where the State incurs a debt regarding the functions prescribed in Article 15, paragraph (2), the debt shall be paid off within eight years from the relevant fiscal year.

#### **Chapter IV Miscellaneous Provisions**

(Competent Minister, etc.)

Article 20 (1) As it pertains to NEDO, the competent minister, competent ministry, and ordinances of the competent ministry in the Act on General Rules shall be the Minister of Economy, Trade and Industry, the Ministry of Economy, Trade and Industry, and Ordinances of the Ministry of Economy, Trade and Industry, respectively.

- (2) With regard to the matters concerning the functions prescribed in Article 15, paragraph (2), as it pertains to NEDO, the competent minister and ordinances of the competent ministry in the Act on General Rules shall be the Minister of Economy, Trade and Industry and the Minister of the Environment, and Ordinances of the Ministry of Economy, Trade and Industry and Ordinances of the Ministry of the Environment, respectively.

(Distribution of Residual Assets at the Time of Dissolution of NEDO)

Article 21 When NEDO has dissolved and has any residual assets after repaying all debts, it shall distribute such residual assets to each contributor, up to the amount of each contributor's capital contribution.

(Exemption from Application of the National Public Officers' Housing Act)

Article 22 The provisions of the National Public Officers' Housing Act (Act No.

117 of 1949) shall not apply to the officers and employees of NEDO.

Article 23 Deleted.

(Application Mutatis Mutandis of Other Laws and Regulations)

Article 24 The Real Estate Registration Act (Act No. 123 of 2004) and other laws and regulations specified by Cabinet Order shall apply mutatis mutandis to NEDO by deeming it to be an administrative organ of the State as specified by Cabinet Order.

## **Chapter V Penal Provisions**

Article 25 Any person who has divulged or misappropriated any secret in violation of Article 13 shall be punished by imprisonment with work for not more than one year or a fine of not more than 300,000 yen.

Article 26 Any officer or employee of an entrusted financial institution or juridical person who has failed to give the report under Article 16, paragraph (4) or has given a false report, or has refused, interfered with, or evaded inspections under said paragraph shall be punished by a fine of not more than 200,000 yen.

Article 27 In cases falling under any of the following items, any officer of NEDO who has committed any of the following violations shall be punished by a non-penal fine of not more than 200,000 yen:

- (i) Performance of functions other than those prescribed in Article 15;
- (ii) Failure to obtain the approval of the Minister of Economy, Trade and Industry where such approval is required pursuant to the provisions of Article 19, paragraph (1).

## **Supplementary Provisions [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of the day of promulgation; provided, however, that the provisions of Article 15 through Article 19, Article 26, and Article 27 of this Act and Article 6 through Article 34 of the Supplementary Provisions shall come into effect as of October 1, 2003.

(Repeal)

Article 1-2 The provisions of Article 4, paragraph (2), Article 15, paragraph (2), Article 19-2, and Article 20, paragraph (2) shall be repealed by March 31, 2016.

(Dissolution, etc. of the New Energy and Industrial Technology Development Organization)

Article 2 (1) The New Energy and Industrial Technology Development

Organization (hereinafter referred to as the "former Organization") shall dissolve as of the establishment of NEDO, and NEDO shall succeed to all the rights and obligations of the former Organization as of the time of its establishment, except for those assets to which the State succeeds pursuant to the provisions of the following paragraph.

- (2) Among the rights held by the former Organization as of the time of the establishment of NEDO, assets other than those necessary for NEDO to ensure performance of its functions shall be succeeded to by the State as of the time of the establishment of NEDO.
- (3) The scope of the assets that the State succeeds to pursuant to the provisions of the preceding paragraph and other necessary matters concerning the succession to said assets by the State shall be specified by Cabinet Order.
- (4) The former Organization's business year beginning April 1, 2003, shall end on the day preceding the date of the dissolution of the former Organization.
- (5) With regard to the statement of the settlement of accounts, the inventory of assets, the balance sheet, and the profit and loss statement for the former Organization's business year beginning April 1, 2003, the provisions then in force shall remain applicable; provided, however, that the provisions of Article 21, paragraph (1) of the Act on the Promotion of the Development and Introduction of Alternative Energy prior to the revision under Article 20 of the Supplementary Provisions (hereinafter referred to as the "Old Act on the Promotion of the Development and Introduction of Alternative Energy") shall not apply.
- (6) When NEDO has succeeded to the rights and obligations of the former Organization pursuant to the provisions of paragraph (1), the amount equivalent to the total of the following amounts shall be deemed to have been contributed to NEDO by the government as of the establishment of NEDO:
  - (i) The amount obtained by subtracting the amount of liabilities (excluding those included in the accounts listed in (a) through (c) below) from the value of the assets to be succeeded to by NEDO (excluding those included in the accounts listed in (a) through (c) below) (such value shall exclude the amount equivalent to that contributed to the former Organization by persons other than the government):
    - (a) The special account set forth in Article 6, paragraph (1) of the Act on Development of an R&D System for Industrial Technology prior to its repeal under Article 14 of the Supplementary Provisions (Act No. 33 of 1988; hereinafter referred to as the "Old Act on R&D System

- Development") that pertains to the functions related to capital contributions to the research infrastructure prescribed in said paragraph;
- (b) The account for the promotion of basic technology research prescribed in Article 13, paragraph (1) of the Basic Technology Act prior to its revision under Article 22 of the Supplementary Provisions (hereinafter referred to as the "Old Basic Technology Act"); and
  - (c) The account for functions related to mining and industry succession as prescribed in Article 9 of the Supplementary Provisions of the Act for the Partial Revision of the Act on Facilitating Research and Development in Basic Technology (Act No. 60 of 2001; hereinafter referred to as the "Revision of the Basic Technology Act") as applied mutatis mutandis by replacing certain terms pursuant to Article 13 of the Supplementary Provisions of the Revision of the Basic Technology Act (hereinafter referred to as the "succeeded former account for mining and industry").
- (ii) The amount contributed to the former Organization by the government up to the time of dissolution of the former Organization under paragraph (1) (hereinafter referred to as the "time of dissolution" in this Article) as the amount to be appropriated as funds necessary for the functions listed in Article 4, item (iii) of the Old Act on R&D System Development and the items of Article 11 of the Old Basic Technology Act; and
  - (iii) The amount deemed to have been contributed to the former Organization by the government under Article 3, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act (in the event that the stated capital has been increased or decreased pursuant to the provisions of Article 10 of the Supplementary Provisions of the Revised Basic Technology Act as applied mutatis mutandis by replacing certain terms pursuant to Article 13 of the Supplementary Provisions of the Revised Basic Technology Act, such amount shall include the amount deemed to have been contributed under said Article and shall exclude the amount deemed not to have been contributed under said Article).
- (7) The value of the assets set forth in item (i) of the preceding paragraph shall be as evaluated by the members of the evaluation committee on the basis of prevailing prices as of the date of establishment of NEDO.
  - (8) The members of the evaluation committee set forth in the preceding paragraph and other necessary matters concerning evaluation shall be specified by Cabinet Order.
  - (9) When NEDO has succeeded to the rights and obligations of the former Organization pursuant to the provisions of paragraph (1), the following amounts shall be deemed to have been contributed to NEDO by persons other than the government as set forth in the relevant item as of the time of NEDO's establishment, as amounts that were to be appropriated as the funds necessary

for the functions listed in the relevant item:

- (i) The amount equivalent to 50% of the amount contributed to the former Organization by persons other than the government up to the time of dissolution: The functions listed in Article 17, item (i);
  - (ii) The amount obtained by subtracting the amount listed in the preceding item from the amount contributed to the former Organization by persons other than the government up to the time of the dissolution: The functions listed in Article 17, item (ii);
  - (iii) The amount deemed to have been contributed to the former Organization by persons other than the government under Article 3, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act (in the case where the stated capital has been increased pursuant to the provisions of Article 10 of the Supplementary Provisions of the Revised Basic Technology Act as applied mutatis mutandis by replacing certain of its terms pursuant to Article 13 thereof, such amount shall include the amount deemed to have been contributed under said Article, and in the case where the stated capital has been decreased pursuant to the provisions of said Article or the provisions of paragraph (2) of the following Article, such amount shall exclude the amount deemed not to have been contributed under Article 10 of the Supplementary Provisions of the Revised Basic Technology Act as applied mutatis mutandis by replacing certain terms pursuant to Article 13 thereof or shall exclude the amount of capital contributions pertaining to equity interests redeemed under paragraph (2) of the following Article): The functions prescribed in Article 9, paragraph (1) through paragraph (3) of the Supplementary Provisions.
- (10) The pledge on investment securities issued by the former Organization shall exist on investment securities of NEDO to be received by capital investors pursuant to the provisions of Article 7, paragraph (1).
- (11) Upon the dissolution of the former Organization, the distribution of residual assets pursuant to the provisions of Article 55, paragraph (1) of the Old Act on the Promotion of the Development and Introduction of Alternative Energy shall not be carried out.
- (12) Matters concerning the registration of dissolution upon the dissolution of the former Organization under paragraph (1) shall be specified by Cabinet Order.

(Redemption of Equity Interests)

Article 3 (1) With regard to the amount deemed to have been contributed to the former Organization by persons other than the government pursuant to the provisions of Article 3, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act (in the case where stated capital has been increased or decreased pursuant to the provisions of Article 10 of the

Supplementary Provisions of the Revised Basic Technology Act as applied mutatis mutandis by replacing certain of its terms pursuant to Article 13 thereof, such amount shall include the amount deemed to have been contributed under said Article and exclude the amount deemed not to have been contributed under said Article), said persons other than the government may demand that the former Organization redeem their equity interests during the period specified by Cabinet Order only.

- (2) The former Organization shall, when it has received a demand under the preceding paragraph, redeem to persons who have made said demand, with the amount equivalent to their equity interests against the amount obtained by subtracting the amount of liabilities from the value of assets included in the succeeded former account for mining and industry as of the date specified by Cabinet Order, notwithstanding the provisions of Article 16, paragraph (1) of the Old Act on the Promotion of Development and Introduction of Alternative Energy. In this case, the former Organization shall reduce its stated capital by the amount of capital contributions pertaining to said equity interests.
- (3) The provisions of paragraph (7) and paragraph (8) of the preceding Article shall apply mutatis mutandis to the value of assets set forth in the preceding paragraph. In this case, the phrase "date of establishment of NEDO" in paragraph (7) of the said Article shall be deemed to be replaced with "date specified by Cabinet Order as prescribed in Article 3, paragraph (2) of the Supplementary Provisions."
- (4) With regard to the amount deemed to have been contributed to NEDO by persons other than the government pursuant to the provisions of paragraph (9) of the preceding Article (excluding item (iii)), said persons other than the government may demand that NEDO redeem their equity interests within the one month from the date of establishment of NEDO only.
- (5) NEDO shall, when it has received a demand under the preceding paragraph, refund the amount equivalent to the capital contributions pertaining to said equity interests, notwithstanding the provisions of Article 8, paragraph (1). In this case, NEDO shall reduce its stated capital by the amount refunded.

(Transitional Measures Concerning the Office)

Article 4 NEDO shall have its principal office in Tokyo up to the date specified by Cabinet Order, notwithstanding the provisions of Article 5.

Article 5 Deleted.

(Transitional Functions Related to Mining Exploration Loans)

Article 6 (1) In addition to the functions prescribed in Article 15, NEDO shall manage and collect claims on funds lent pursuant to the provisions of Article

39, paragraph (1), item (iv) of the Old Act on the Promotion of the Development and Introduction of Alternative Energy (limited to claims that NEDO has succeeded to under Article 2, paragraph (1) of the Supplementary Provisions) and shall perform other functions incidental thereto (hereinafter referred to as "transitional functions related to mining exploration loans") until the collection of said claims has been completed.

- (2) In the case where NEDO performs transitional functions related to mining exploration loans pursuant to the provisions of the preceding paragraph, the phrase "the functions listed in paragraph (1), item (xiv) of the preceding Article" in Article 16, paragraph (1) and paragraph (4) shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiv) of the preceding Article and transitional functions related to mining exploration loans as prescribed in Article 6, paragraph (1) of the Supplementary Provisions"; the phrase "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)) and the items of Article 15, paragraph (2)" in Article 17, item (ii) shall be deemed to be replaced with "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)), the items of Article 15, paragraph (2), and transitional functions related to mining exploration loans as prescribed in Article 6, paragraph (1) of the Supplementary Provisions"; the phrase "the functions prescribed in Article 15" in Article 19, paragraph (1) shall be deemed to be replaced with "the functions prescribed in Article 15 and transitional functions related to mining exploration loans as prescribed in Article 6, paragraph (1) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and transitional functions related to mining exploration loans as prescribed in Article 6, paragraph (1) of the Supplementary Provisions."

(Transitional Functions Related to Capital Contributions to the Research Infrastructure)

Article 7 (1) In addition to the functions prescribed in Article 15, NEDO shall perform functions related to disposition of the shares that the former Organization had acquired through capital contributions based on the provisions of Article 4, item (iii) of the Old Act on R&D System Development and that NEDO has succeeded to pursuant to the provisions of Article 2, paragraph (1) of the Supplementary Provisions, and other functions incidental thereto (hereinafter referred to as the "transitional functions related to capital contributions to the research infrastructure") until the date specified by Cabinet Order.

- (2) NEDO shall separate its accounting for transitional functions related to capital contributions to the research infrastructure from its other accounting,

and shall prepare a special account (hereinafter referred to as the "account for transitional functions related to capital contributions to the research infrastructure") for orderly disposition.

- (3) In the case where NEDO performs transitional functions related to capital contributions to the research infrastructure pursuant to the provisions of paragraph (1), the phrase "each account for the functions listed in Article 17, item (i), item (ii), and item (iv)" in Article 19, paragraph (1) shall be deemed to be replaced with "each account for the functions listed in Article 17, item (i), item (ii), and item (iv), and the account for transitional functions related to capital contributions to the research infrastructure as prescribed in Article 7, paragraph (2) of the Supplementary Provisions"; the phrase "the functions prescribed in Article 15" in said paragraph shall be deemed to be replaced with "the functions prescribed in Article 15 and the transitional functions related to capital contributions to the research infrastructure as prescribed in Article 7, paragraph (1) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and transitional functions related to capital contributions to the research infrastructure as prescribed in Article 7, paragraph (1) of the Supplementary Provisions."

(Elimination, etc. of the Account for Transitional Functions Related to Capital Contributions to the Research Infrastructure)

Article 8 (1) When NEDO has completed the transitional functions related to capital contributions to the research infrastructure, it shall eliminate the account for transitional functions related to capital contributions to the research infrastructure, and if, upon the elimination thereof, there are any residual assets in the account for transitional functions related to capital contributions to the research infrastructure after paying all debts, it shall turnover said residual assets to the national treasury.

- (2) When NEDO has eliminated the account for transitional functions related to capital contributions to the research infrastructure under the preceding paragraph, it shall reduce its stated capital by the amount of stated capital included in the account for transitional functions related to capital contributions to the research infrastructure as of the time of the account's elimination.

(Mining and Industry Successionary Functions)

Article 9 (1) In addition to the functions prescribed in Article 15, NEDO shall perform functions to dispose of the shares that the former Organization had succeeded to from the Japan Key Technology Center (hereinafter referred to as the "Center") under Article 2, paragraph (1) of the Supplementary Provisions of



the Revised Basic Technology Act, which NEDO then succeeded to under Article 2, paragraph (1) of the Supplementary Provisions, and other functions incidental thereto, until the date specified by Cabinet Order.

- (2) In addition to the functions prescribed in Article 15, NEDO shall perform functions to manage and collect claims on funds lent pursuant to the provisions of Article 31, paragraph (1), item (i) of the Basic Technology Act prior to its revision under Article 1 and Article 2 of the Revised Basic Technology Act, funds lent pursuant to the provisions of Article 14, paragraph (2) of the Supplementary Provisions of the Revised Basic Technology Act (limited to claims to which NEDO has succeeded under Article 2, paragraph (1) of the Supplementary Provisions), and funds lent pursuant to the provisions of the following paragraph, and other functions incidental thereto, until the collection of said claims has been completed.
- (3) If, as of March 31, 2001, there were any loan contracts that had been concluded by the Center pursuant to the provisions of Article 31, paragraph (1), item (i) of the Basic Technology Act prior to its revision under Article 1 of the Revised Basic Technology Act, (limited to loan contracts to which the former Organization succeeded under Article 2, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act) which remained unperformed as of the time of dissolution of the former Organization under Article 2, paragraph (1) of the Supplementary Provisions, NEDO may perform functions to make loans under said loan contracts and other functions incidental thereto, in addition to the functions prescribed in Article 15, until the date specified by Cabinet Order, for a period not exceeding one year from the date of dissolution of the Center under Article 2, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act.
- (4) NEDO shall separate its accounting for the functions prescribed in the preceding three paragraphs (hereinafter referred to as "functions related to mining and industry succession") from its other accounting, and prepare a special account (hereinafter referred to as the "account for functions related to mining and industry succession") for orderly disposition.
- (5) In the case where NEDO performs functions related to mining and industry succession pursuant to the provisions of paragraph (1) to paragraph (3), the phrase "each account for the functions listed in Article 17, item (i), item (ii), and item (iv)" in Article 19, paragraph (1) shall be deemed to be replaced with "each account for the functions listed in Article 17, item (i), item (ii), and item (iv), and the account for functions related to mining and industry succession as prescribed in Article 9, paragraph (4) of the Supplementary Provisions"; the phrase "the functions prescribed in Article 15" in said paragraph shall be deemed to be replaced with "the functions prescribed in Article 15 and functions related to mining and industry succession as prescribed in Article 9,

paragraph (4) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and functions related to mining and industry succession as prescribed in Article 9, paragraph (4) of the Supplementary Provisions."

- (6) In the case where NEDO performs the functions pursuant to the provisions of paragraph (2) and paragraph (3), the phrase "a part of the functions listed in paragraph (1), item (xiv) of the preceding Article" in Article 16, paragraph (1) shall be deemed to be replaced with "a part of the functions listed in paragraph (1), item (xiv) of the preceding Article and the whole or a part of the functions prescribed in Article 9, paragraph (2) and paragraph (3) of the Supplementary Provisions"; and the phrase "the functions listed in paragraph (1), item (xiv) of the preceding Article" in paragraph (4) of said Article shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiii) of the preceding Article and the functions prescribed in Article 9, paragraph (2) and paragraph (3) of the Supplementary Provisions."

(Elimination, etc. of the Account for Functions Related to Mining and Industry Succession)

Article 10 (1) When NEDO's functions related to mining and industry succession have been completed, NEDO shall eliminate the account for functions related to mining and industry succession, and if, after repaying all debts, there are any residual assets in the account for functions related to mining and industry succession upon the elimination thereof, it shall distribute the residual assets to the government and to persons other than the government as set forth in Article 3, paragraph (1) of the Supplementary Provisions of the Revised Basic Technology Act (excluding those who have received the return under Article 3, paragraph (2) of the Supplementary Provisions), in accordance with the amount of each contributor's capital contribution.

- (2) The amount that may be distributed to each contributor pursuant to the provisions of the preceding paragraph shall not exceed the amount of each contributor's capital contributions.
- (3) When NEDO has eliminated the account for functions related to mining and industry succession pursuant to the provisions of paragraph (1) and any residual assets still remain in said account, it shall pay the amount equivalent to those residual assets to the national treasury, as specified by Cabinet Order.
- (4) When NEDO has eliminated the account for functions related to mining and industry succession pursuant to the provisions of paragraph (1), it shall reduce its stated capital by the amount of stated capital included in the account for functions related to mining and industry succession as of the time of account's elimination.

Article 11 Deleted.

(Transitional Functions Related to the Coal Mining Industry)

Article 12 (1) In addition to the functions prescribed in Article 15, NEDO may, until otherwise provided for by law, perform the functions prescribed in Article 25, paragraph (1) of the Act on Temporary Measures Concerning the Structural Adjustment of the Coal Mining Industry (Act No. 156 of 1955; hereinafter referred to as the "Old Structural Adjustment Act") prior to its repeal under Article 2 of the Act on the Rearrangement of Relevant Acts Upon Completion of the Structural Adjustment of the Coal Mining Industry (Act No. 16 of 2000; hereinafter referred to as the "Rearrangement Act"), in the case where the provisions then in force are to be deemed to remain applicable pursuant to the provisions of Article 3, paragraph (1) through paragraph (3) and paragraph (5) through paragraph (7) of the Supplementary Provisions of the Rearrangement Act, or in the case where the relevant provisions of Article 25, paragraph (1) of the Old Structural Adjustment Act are to be deemed to remain effective pursuant to the provisions of Article 3, paragraph (4) of the Supplementary Provisions of the Rearrangement Act, and may perform the functions prescribed in Article 12, paragraph (1) of the Act on Temporary Measures Concerning Compensation, etc. for Coal Mine Damage (Act No. 97 of 1963; hereinafter referred to the "Old Compensation Act") prior to its repeal under Article 2 of the Rearrangement Act in the case where the relevant provisions of Article 12, paragraph (1) of the Old Compensation Act are to be deemed to remain effective pursuant to the provisions of Article 5, paragraph (1) and paragraph (3) through paragraph (5) of the Supplementary Provisions of the Rearrangement Act (hereinafter such functions shall be referred to as "transitional functions related to the coal mining industry").

(2) NEDO shall separate its accounting for transitional functions related to the coal mining industry from its other accounting, and shall prepare a special account (hereinafter referred to as the "account for transitional functions related to the coal mining industry") for orderly disposition.

(3) In the case where NEDO performs transitional functions related to the coal mining industry pursuant to the provisions of paragraph (1), the phrase "the functions listed in paragraph (1), item (xiv) of the preceding Article" in Article 16, paragraph (1) shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiv) of the preceding Article, and transitional functions related to the coal mining industry as prescribed in Article 12, paragraph (1) of the Supplementary Provisions (including functions incidental thereto) (limited to the functions listed in Article 12, paragraph (1), item (i) through item (iii) of the Temporary Measures Concerning Compensation, etc. for Coal Mine

Damage (Act No. 97 of 1963; hereinafter referred to the 'Old Compensation Act') prior to its repeal under Article 2 of the Act on the Rearrangement of Relevant Acts Upon Completion of the Structural Adjustment of the Coal Mining Industry (Act No. 16 of 2000; hereinafter referred to as the 'Rearrangement Act') in the case where the relevant provisions of Article 12, paragraph (1) of the Old Compensation Act are to be deemed to remain effective pursuant to the provisions of Article 5, paragraph (1) and paragraph (3) of the Supplementary Provisions of the Rearrangement Act"; the phrase "the functions listed in paragraph (1), item (xiv) of the preceding Article" in Article 16, paragraph (4) shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiv) of the preceding Article and transitional functions related to the coal mining industry as prescribed in Article 12, paragraph (1) of the Supplementary Provisions (limited to the functions related to exercising the right to obtain reimbursement as prescribed in Article 36-19, paragraph (1) of the Act on Temporary Measures Concerning the Structural Adjustment of the Coal Mining Industry (Act No. 156 of 1955; hereinafter referred to as the 'Old Structural Adjustment Act') prior to its repeal under Article 2 of the Rearrangement Act, which are to be deemed to remain effective pursuant to the provisions of Article 3, paragraph (4) of the Supplementary Provisions of the Rearrangement Act, and the functions listed in Article 12, paragraph (1), item (i) to item (iii) of the Old Compensation Act which are to be deemed to remain effective pursuant to the provisions of Article 5, paragraph (1) and paragraph (3) of the Supplementary Provisions of the Rearrangement Act (including functions incidental thereto))"; the phrase "the entrusted financial institution or juridical person" in Article 16, paragraph (4) shall be deemed to be replaced with "the entrusted financial institution or juridical person or the bank that has accepted the entrustment of functions under Article 36-19, paragraph (1) of the Old Structural Adjustment Act which are to be deemed to remain effective pursuant to the provisions of Article 3, paragraph (4) of the Supplementary Provisions of the Rearrangement Act (hereinafter referred to as the 'entrusted bank')"; the phrase "of the entrusted financial institution or juridical person" in Article 16, paragraph (4) shall be deemed to be replaced with "of the entrusted financial institution or juridical person or of the entrusted bank"; the phrase "and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act)" in Article 18 shall be deemed to be replaced with "item (xii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act), and Article 12, paragraph (1) of the Supplementary Provisions (limited to the part pertaining to Article 12, paragraph (1), item (v) of the Old Compensation Act which is to be deemed to remain effective pursuant to the provisions of Article 5, paragraph (5) of the Supplementary Provisions of the Rearrangement Act)"; the

phrase "the entrusted financial institution or juridical person" in Article 26 shall be deemed to be replaced with "the entrusted financial institution or juridical person or the entrusted bank"; the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and transitional functions related to the coal mining industry as prescribed in Article 12, paragraph (1) of the Supplementary Provisions"; and the phrase "and Cabinet Order based thereon" in Article 50 of the Act on General Rules shall be deemed to be replaced with ", the Act on Temporary Measures Concerning the Structural Adjustment of the Coal Mining Industry (Act No. 156 of 1955; limited to the part which is to be deemed to remain effective pursuant to the provisions of Article 3 of the Supplementary Provisions of the Rearrangement Act) prior to its repeal under Article 2 of the Act on the Rearrangement of Relevant Acts Upon Completion of the Structural Adjustment of the Coal Mining Industry (Act No. 16 of 2000; hereinafter referred to as the 'Rearrangement Act'), the Act on Temporary Measures Concerning Compensation, etc. for Coal Mine Damage (Act No. 97 of 1963; limited to the part which is to be deemed to remain effective pursuant to the provisions of Article 5 of the Supplementary Provisions of the Rearrangement Act) prior to its repeal under Article 2 of the Rearrangement Act, and orders based on these Acts."

(Payments, etc. in the Account for Transitional Functions Related to the Coal Mining Industry)

Article 13 (1) When NEDO has settled the account for transitional functions related to the coal mining industry as prescribed in Article 44, paragraph (1) or paragraph (2) of the Act on General Rules for the 2005 business year, and when the Minister of Economy, Trade and Industry has then determined, having taken into consideration the amount to be appropriated as funds necessary for transitional functions related to the coal mining industry, the amount that NEDO is to pay to the national treasury from among the amounts specified in the following items in accordance with the classification listed in the relevant item, NEDO shall pay said amount to the national treasury, as specified by Cabinet Order:

(i) In the case where there are reserve funds as prescribed in Article 44, paragraph (1) of the Act on General Rules: The amount obtained by adding the amount equivalent to said reserve funds to the total reimbursement made from the 2003 business year up to the 2005 business year of loans under Article 25, paragraph (1), item (viii), item (ix), item (xi) through item (xiii), item (xvi)-2, and item (xvi)-4 of the Old Structural Adjustment Act, which are to be deemed to remain effective with regard to the reimbursement of said loans pursuant to the provisions of Article 3, paragraph (4) of the

- Supplementary Provisions of the Rearrangement Act, and of loans under Article 12, paragraph (1), item (ii) and item (iii) of the Old Compensation Act which are to be deemed to remain effective with regard to the reimbursement of said loans pursuant to the provisions of Article 5, paragraph (3) of the Supplementary Provisions of the Rearrangement Act (hereinafter such loans shall be collectively referred to as "loans" in this Article); and
- (ii) In the case where there is a loss carried forward as prescribed in Article 44, paragraph (2) of the Act on General Rules (including the case where there are neither reserve funds as prescribed in paragraph (1) of said Article nor a loss carried forward as prescribed in paragraph (2) of the said Article): The total reimbursement of loans that was made from the 2003 business year up to the 2005 business year.
- (2) When NEDO has settled the account for transitional functions related to the coal mining industry as prescribed in Article 44, paragraph (1) or paragraph (2) of the Act on General Rules for the final business year of the period for the mid-term target, and when the Minister of Economy, Trade and Industry has then determined, having taken into consideration the amount to be appropriated as funds necessary for transitional functions related to the coal mining industry, the amount that NEDO is to pay to the national treasury from among the amounts specified in the following items in accordance with the classification listed in the relevant item, NEDO shall pay said amount to the national treasury, as specified by Cabinet Order:
- (i) In the case where there are reserve funds as prescribed in Article 44, paragraph (1) of the Act on General Rules: The amount obtained by adding the amount equivalent to said reserve funds to the total reimbursement of Loans that was made during said period for the mid-term target (in the first period for the mid-term target after the establishment of NEDO, excluding the amount reimbursed from the 2003 business year up to the 2005 business year); and
- (ii) In the case where there is a loss carried forward as prescribed in Article 44, paragraph (2) of the Act on General Rules (including the case where there are neither reserve funds as prescribed in paragraph (1) of the said Article nor a loss carried forward as prescribed in paragraph (2) of the said Article): The total reimbursement of loans that was made during said period for the mid-term target (in the first period for the mid-term target after the establishment of NEDO, excluding the amount reimbursed from the 2003 business year up to the 2005 business year).
- (3) When attempting to determine the amount pursuant to the provisions of the preceding two paragraphs, the Minister of Economy, Trade and Industry shall hear the opinions of the Ministry of Economy, Trade and Industry's Evaluation Committee for Incorporated Administrative Agencies and consult with the

Minister of Finance in advance.

- (4) NEDO shall, when it has made payments pursuant to the provisions of paragraph (1) or paragraph (2), reduce its stated capital by the amounts specified in the following items in accordance with the category listed in the relevant item:
- (i) In the case listed in paragraph (1), item (i) or paragraph (2), item (i): The amount obtained by subtracting the amount equivalent to reserve funds as set forth in paragraph (1), item (i) or paragraph (2), item (i) from the amount of the payment; and
  - (ii) In the case listed in paragraph (1), item (ii) or paragraph (2), item (ii): The amount obtained by adding the amount equivalent to the loss carried forward as set forth in paragraph (1), item (ii) or paragraph (2), item (ii) to the amount of the payment (in the case where there is no loss carried forward, the amount of the payment).
- (5) In addition to what is provided in the preceding paragraphs, procedures for making payments and other matters concerning the disposition of reserve funds and reimbursement of loans shall be specified by Cabinet Order.

(Functions Related to Promoting Specific Business Activities)

- Article 14 (1) In addition to the functions prescribed in Article 15, NEDO shall perform the functions prescribed in Article 10 of the Act on Temporary Measures to Promote Business Activities for the Rational Use of Energy and the Effective Utilization of Resources (Act No. 18 of 1993; hereinafter referred to as the "Specific Business Activities Promotion Act") (hereinafter such functions shall be referred to as the "functions related to promoting specific business activities").
- (2) In the event that NEDO performs the functions related to promoting specific business activities pursuant to the provisions of the preceding paragraph, the phrase "the functions listed in paragraph (1), item (xiii) of the preceding Article" in Article 16, paragraph (1) and paragraph (4) shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiii) of the preceding Article, and functions related to promoting specific business activities as prescribed in Article 14, paragraph (1) of the Supplementary Provisions"; the phrase "the functions listed in the items of Article 15, paragraph (1) (excluding item (xi) and item (xii)) and the items of Article 15, paragraph (2)" in Article 17, item (ii) shall be deemed to be replaced with "the functions listed in the items of Article 15, paragraph (1) (excluding item (xi) and item (xii)) and the items of Article 15, paragraph (2), and functions related to promoting specific business activities as prescribed in Article 14, paragraph (1) of the Supplementary Provisions"; the phrase "subsidies granted by NEDO pursuant to the provisions of Article 15, paragraph (1), item (iii), item (v), (a) of item (vii), item (xi)

(limited to the part pertaining to Article 11, item (i) of the Non-Fossil Energy Act), and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act)" in Article 18 shall be deemed to be replaced with "subsidies granted by NEDO pursuant to the provisions of Article 15, paragraph (1), item (iii), item (v), (a) of item (vii), item (xi) (limited to the part pertaining to Article 11, item (i) of the Non-Fossil Energy Act), and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act), and interest subsidies granted by NEDO pursuant to the provisions of Article 14, paragraph (1) (limited to the part pertaining to Article 10, item (ii) of the Supplementary Provisions of the Specific Business Activities Promotion Act)"; the phrase "the functions prescribed in Article 15" in Article 19, paragraph (1) shall be deemed to be replaced with "the functions prescribed in Article 15 and functions related to promoting specific business activities as prescribed in Article 14, paragraph (1) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and functions related to promoting specific business activities as prescribed in Article 14, paragraph (1) of the Supplementary Provisions."

(Transitional Functions Related to Promoting Specific Business Activities)

Article 15 (1) In addition to the functions prescribed in Article 15, NEDO shall, until otherwise stipulated, perform the functions set forth in Article 10, item (i) of the Specific Business Activities Promotion Act prior to its revision under Article 1 of the Act for Partial Revision of the Act on Temporary Measures to Promote Business Activities for the Rational Use of Energy and the Utilization of Recycled Resources and under the Act on Special Accounts for Measures for Advancing the Supply and Demand Structure of Petroleum and Energy (Act No. 37 of 2003) related to loan guarantee contracts that the Industrial Infrastructure Development Fund had concluded prior to the enforcement of said Act, and shall perform other functions incidental thereto (hereinafter referred to as the "transitional functions related to promoting specific business activities").

(2) NEDO shall separate its accounting for transitional functions related to promoting specific business activities (limited to the appropriation for the expenses necessary to perform said transitional functions, of an amount equivalent to the capital contributions from the investment account of the Special Account for the Fiscal Investment and Loan Program as listed in Article 4, paragraph (15), item (ii) of the Supplementary Provisions of the Act to Repeal the Small and Medium Sized Enterprise Corporation Act and the Machinery Credit Insurance Act (Act No. 146 of 2002) that are deemed to have been contributed to NEDO pursuant to the provisions of said paragraph; the



same shall apply in paragraph (1) of the following Article) from other accounting, and shall prepare a special account (hereinafter referred to as the "account for transitional functions related to promoting specific business activities") for orderly disposition.

- (3) In the case where NEDO performs transitional functions related to promoting specific business activities pursuant to the provisions of paragraph (1), the phrase "the functions listed in paragraph (1), item (xiv) of the preceding Article" in Article 16, paragraph (1) and paragraph (4) shall be deemed to be replaced with "the functions listed in paragraph (1), item (xiv) of the preceding Article, and transitional functions related to promoting specific business activities as prescribed in Article 15, paragraph (1) of the Supplementary Provisions"; the phrase "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)) and the items of Article 15, paragraph (2)" in Article 17, item (ii) shall be deemed to be replaced with "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)), the items of Article 15, paragraph (2), and the transitional functions related to promoting specific business activities as prescribed in Article 15, paragraph (1) of the Supplementary Provisions"; the phrase "each account for the functions listed in Article 17, item (i), item (ii), and item (iv)" in Article 19, paragraph (1) shall be deemed to be replaced with "each account for the functions listed in Article 17, item (i), item (ii), and item (iv), and the account for transitional functions related to promoting specific business activities as prescribed in Article 15, paragraph (2) of the Supplementary Provisions"; the phrase "the functions prescribed in Article 15" in Article 19, paragraph (1) shall be deemed to be replaced with "the functions prescribed in Article 15 and transitional functions related to promoting specific business activities as prescribed in Article 15, paragraph (1) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and transitional functions related to promoting specific business activities as prescribed in Article 15, paragraph (1) of the Supplementary Provisions."

(Elimination, etc. of the Account for Transitional Functions Related to Promoting Specific Business Activities)

- Article 16 (1) When transitional functions related to promoting specific business activities have been completed, NEDO shall eliminate the account for transitional functions related to promoting specific business activities, and if after repaying all debts, there are any residual assets in the account for transitional functions related to promoting specific business activities upon the elimination thereof, NEDO shall pay such amount of residual assets to the national treasury.

- (2) When NEDO has eliminated the account for transitional functions related to promoting specific business activities under the preceding paragraph, it shall reduce its stated capital by the amount of stated capital included in the account for transitional functions related to promoting specific business activities as of the time of the account's elimination.

(Transitional Measures Concerning the Investment of Surplus Funds)

Article 17 When NEDO has succeeded to the rights and obligations of the Industrial Infrastructure Development Fund pursuant to the provisions of Article 4, paragraph (1) of the Supplementary Provisions of the Act to Repeal the Small and Medium Sized Enterprise Corporation Act and the Machinery Credit Insurance Act, it may keep on deposit the amount of money that had already been deposited with the Fiscal Loan Fund as of the time of the succession, as surplus funds for its functions involving the Fiscal Loan Fund, up until the expiration of the contractual deposit period for said deposits with the Fiscal Loan Fund, notwithstanding the provisions of Article 47 of the Act on General Rules.

(Transitional Functions Related to Alternative Energy)

Article 18 (1) In addition to the functions prescribed in Article 15, NEDO may, until otherwise provided for by law, perform the functions listed in Article 11, item (i) of the Act on the Promotion of the Development and Introduction of Alternative Energy prior to its revision by the Act for Partial Revision of the Act on the Promotion of the Development and Introduction of Alternative Energy, etc. (Act No. 70 of 2009; hereinafter referred to as the "Revising Act"), and may perform other functions incidental thereto (limited to functions related to subsidies granted by NEDO pursuant to the provisions of said item prior to the enforcement of the Revising Act; hereinafter referred to as the "transitional functions related to alternative energy").

- (2) In the case where NEDO performs transitional functions related to alternative energy pursuant to the provisions of the preceding paragraph, the phrase "the functions listed in the items of Article 15, paragraph (1) (excluding (b) and (d) of item (i), item (iv), item (v) (limited to functions pertaining to technology listed in (d) of item (i)), (b) of item (vi), item (vii), and item (xii) through item (xiv))" in Article 17, item (i) shall be deemed to be replaced with "the functions listed in the items of Article 15, paragraph (1) (excluding (b) and (d) of item (i), item (iv), item (v) (limited to functions pertaining to technology listed in (d) of item (i)), (b) of item (vi), item (vii), and item (xii) through item (xiv)), and transitional functions related to alternative energy as prescribed in Article 18, paragraph (1) of the Supplementary Provisions"; the phrase "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii)

and item (xiii)) and the items of Article 15, paragraph (2)" in Article 17, item (ii) shall be deemed to be replaced with "the functions listed in the items of Article 15, paragraph (1) (excluding item (xii) and item (xiii)), the items of Article 15, paragraph (2), and transitional functions related to alternative energy as prescribed in Article 18, paragraph (1) of the Supplementary Provisions"; the phrase "subsidies granted by NEDO pursuant to the provisions of Article 15, paragraph (1), item (iii), item (v), (a) of item (vii), item (xi) (limited to the part pertaining to Article 11, item (i) of the Non-Fossil Energy Act), and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act)" in Article 18 shall be deemed to be replaced with "subsidies granted by NEDO pursuant to the provisions of Article 15, paragraph (1), item (iii), item (v), (a) of item (vii), item (xi) (limited to the part pertaining to Article 11, item (i) of the Non-Fossil Energy Act), and item (xiii) (limited to the part pertaining to Article 20, item (i) of the Assistive Products Act), and subsidies granted by NEDO pursuant to the provisions of Article 11, item (i) of the Act on the Promotion of the Development and Introduction of Alternative Energy prior to its revision by the Act for the Partial Revision of the Act on the Promotion of the Development and Introduction of Alternative Energy, etc. (Act No. 70 of 2009) prior to the enforcement of said Act"; the phrase "the functions prescribed in Article 15" in Article 19, paragraph (1) shall be deemed to be replaced with "the functions prescribed in Article 15 and transitional functions related to alternative energy as prescribed in Article 18, paragraph (1) of the Supplementary Provisions"; and the phrase "those prescribed in Article 15" in Article 27, item (i) shall be deemed to be replaced with "those prescribed in Article 15 and transitional functions related to alternative energy as prescribed in Article 18, paragraph (1) of the Supplementary Provisions."

### **Supplementary Provisions [Act No. 37 of May 9, 2003] [Extract]**

(Effective Date)

**Article 1** This Act shall come into effect as of October 1, 2003; provided, however, that the provisions listed in the following items shall come into effect as of the day or the time specified in the relevant item:

- (i) In Article 1, the provisions for revising Article 2 of the Supplementary Provisions of the Act on Temporary Measures to Promote Business Activities for the Rational Use of Energy and the Utilization of Recycled Resources (hereinafter referred to as the "Specific Business Activities Promotion Act") and the provisions of Article 3 of the Supplementary Provisions; and in Article 6 of the Supplementary Provisions, the provisions for revising Article 32 of the Supplementary Provisions of the Act on the New Energy and

Industrial Technology Development Organization (Act No. 145 of 2002) and the provisions of Article 8 and Article 9 of the Supplementary Provisions: The date of promulgation; and

- (ii) The provisions of Article 7 of the Supplementary Provisions: The time of establishment of the Organization for Small & Medium Sized Enterprises and Regional Innovation, JAPAN.

**Supplementary Provisions [Act No. 38 of May 9, 2003] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of October 1, 2003.

**Supplementary Provisions [Act No. 35 of April 21, 2004] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of the day or the time specified in the following items in accordance with the category listed in the relevant item:

- (ii) Provisions other than the provisions listed in the preceding item: The time of establishment of the Organization for Small & Medium Sized Enterprises and Regional Innovation, JAPAN (hereinafter referred to as "SMRJ").

**Supplementary Provisions [Act No. 124 of June 18, 2004] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of the day of enforcement of the New Real Estate Registration Act.

(Transitional Measures)

Article 2 In the case where the day of enforcement of this Act falls after the day of enforcement of the Act on the Protection of Personal Information Held by Administrative Organs, the term "Article 114-3" in the provisions of Article 52 for revising Article 114-3 and Article 117 through Article 119 of the Commercial Registration Act shall be deemed to be replaced with "Article 114-4."

**Supplementary Provisions [Act No. 130 of June 23, 2004] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of October 1, 2004; provided, however, that the provisions listed in the following items shall come into effect as of the day specified in the relevant item:

- (ii) The provisions of Article 2, Article 7, Article 10, Article 13, and Article 18, and the provisions of Article 9 through Article 15, Article 28 through Article 36, Article 38 through Article 76-2, Article 79, and Article 81 of the Supplementary Provisions: April 1, 2005.

**Supplementary Provisions [Act No. 32 of April 20, 2005] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of the date of promulgation; provided, however, that the provisions of Article 17, Article 19, Article 20, Article 21 (excluding the provisions for revising Article 5 of the Supplementary Provisions of the Act on the New Energy and Industrial Technology Development Organization (Act No. 145 of 2002)), Article 22, and Article 23 of the Supplementary Provisions shall come into effect as of April 1, 2006, and the provisions for revising Article 5 of the Supplementary Provisions of the Act on the New Energy and Industrial Technology Development Organization shall come into effect as of March 31, 2007.

(Transitional Measures Concerning the Application of the Act on Access to Information Held by Incorporated Administrative Agencies, etc.)

- Article 22 (1) With regard to any acts conducted by NEDO or any acts conducted against NEDO based on the provisions of the Act on Access to Information Held by Incorporated Administrative Agencies, etc. (Act No. 140 of 2001) prior to the enforcement of the provisions of Article 19 of the Supplementary Provisions (limited to acts concerning the rights and obligations that a company is to succeed to pursuant to the provisions of Article 13 of the Supplementary Provisions), the company shall be deemed to be an incorporated administrative agency, etc. as prescribed in Article 2, paragraph (1) of said Act.
- (2) With regard to any acts conducted by NEDO or any acts conducted against NEDO based on the provisions of the Act on the Protection of Personal Information Held by Incorporated Administrative Agencies, etc. (Act No. 59 of 2003) prior to the enforcement of the provisions of Article 19 of the Supplementary Provisions (limited to acts concerning the rights and obligations that a company is to succeed to pursuant to the provisions of Article 13 of the Supplementary Provisions), the company shall be deemed to be an incorporated administrative agency, etc. as prescribed in Article 2, paragraph (1) of said Act.

**Supplementary Provisions [Act No. 34 of April 28, 2006] [Extract]**

(Effective Date)

- (1) This Act shall come into effect as of the day specified by Cabinet Order, within a period not exceeding three months from the date of promulgation.

(Transitional Measures Concerning Penal Provisions)

- (2) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

### **Supplementary Provisions [Act No. 23 of March 31, 2007] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of April 1, 2007, and shall apply to the budget for fiscal 2007 and thereafter; provided, however, that the provisions listed in the following items shall come into effect as of the day specified in the relevant item, and the provisions of Article 2, paragraph (1), item (iv), item (xvi), and item (xvii), Chapter II, Section 4, Section 16, and Section 17, and the provisions of Article 49 through Article 65 of the Supplementary Provisions shall apply to the budget for fiscal 2008 and thereafter:

- (i) The provisions of Article 266, Article 268, Article 273, Article 276, Article 279, Article 284, Article 286, Article 288, Article 289, Article 291, Article 292, Article 295, Article 298, Article 299, Article 302, Article 317, Article 322, Article 324, Article 328, Article 343, Article 345, Article 347, Article 349, Article 352, Article 353, Article 359, Article 360, Article 362, Article 365, Article 368, Article 369, Article 380, Article 383, and Article 386 of the Supplementary Provisions: April 1, 2008.

(Transitional Measures Concerning Penal Provisions)

Article 391 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and to acts committed after the enforcement of this Act in the case where the provisions then in force are to remain applicable pursuant to the provisions of these Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 392 In addition to what is provided in Article 2 through Article 65, Article 67 through Article 259, and Article 382 through the preceding Article of the Supplementary Provisions, other transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

### **Supplementary Provisions [Act No. 36 of May 11, 2007] [Extract]**

(Effective Date)

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

(Transitional Measures Concerning the Application of Penal Provisions)

Article 7 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 8 In addition to what is provided in these Supplementary Provisions, other transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

### **Supplementary Provisions [Act No. 70 of July 8, 2009] [Extract]**

(Effective Date)

Article 1 This Act shall come into effect as of the day specified by Cabinet Order, within a period not exceeding two years from the date of promulgation.

(Transitional Measures Concerning the Application of Penal Provisions)

Article 3 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 4 In addition to what is provided in these Supplementary Provisions, other transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 5 When five years have elapsed from the enforcement of this Act, the government shall review the status of enforcement of the provisions of the Act on the Development and Introduction of Non-Fossil Energy, the Small and Medium-sized Enterprise Credit Insurance Act, and the Act on the New Energy and Industrial Technology Development Organization after their revision by this Act, and take measures as required based on the results of such review where it deems necessary

(Provisions to Improve Consistency)

Article 10 (1) In the case where the day of enforcement of this Act falls before the day of enforcement of the Act on the Rearrangement of Relevant Acts Upon Enforcement of the Act for the Partial Revision of the Act on General Rules for Incorporated Administrative Agencies (Act No. of 2009), in Article 3, the phrase "in Article 15, paragraph (3) of the Supplementary Provisions" in the provisions for revising Article 15, paragraph (3) of the Act on the New Energy and Industrial Technology Development Organization shall be deemed to be replaced with "in Article 14, paragraph (2) and Article 15, paragraph (3) of the Supplementary Provisions"; and the phrase "promotion of the utilization of combustible natural gas and coal or" in the provisions for revising Article 85, paragraph (3), item (i), (a) of the Act on Special Accounts shall be deemed to be replaced with "promotion of the utilization of combustible natural gas and coal or."

(2) In the case referred to in the preceding paragraph, in Article 25 of the Act on the Rearrangement of Relevant Acts Upon Enforcement of the Act for the Partial Revision of the Act on General Rules for Incorporated Administrative Agencies, the phrase "the phrase 'or non-fossil energy' shall be replaced with 'or non-fossil energy' and the phrase 'or the functions listed in Article 10, item (i) of the Act on Temporary Measures to Promote Business Activities for the Rational Use of Energy and the Effective Utilization of Resources (Act No. 18 of 1993) (limited to functions related to specific business activities as listed in Article 2, paragraph (7), item (i) to item (iv) of the said Act or to the installment or improvement of specific equipment as listed in paragraph (8), item (i) or item (ii) of the said Article)' shall be deleted" in the provisions for revising Article 85, paragraph (3), item (i), (a) of the Act on Special Accounts shall be deemed to be replaced with "the phrase 'or the functions listed in Article 10, item (i) of the Act on Temporary Measures to Promote Business Activities for the Rational Use of Energy and the Effective Utilization of Resources (Act No. 18 of 1993) (limited to functions related to the specific business activities listed in Article 2, paragraph (7), item (i) to item (iv) of said Act or to the installment or improvement of specific equipment as listed in paragraph (8), item (i) or item (ii) of said Article)' shall be deleted."