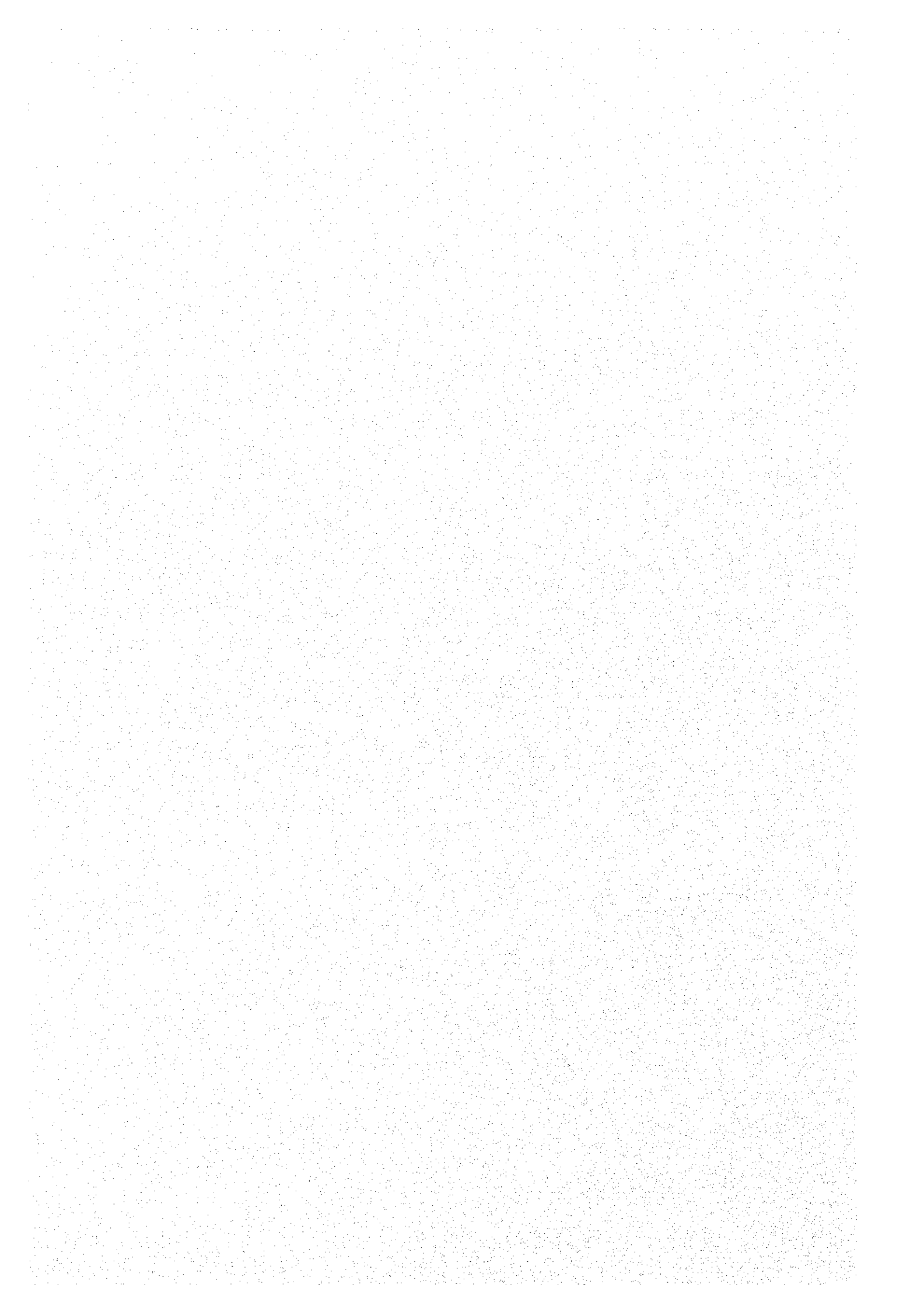


Appendix 6

Law Concerning Rational Use of Energy (Japan)



Law Concerning Rational Use of Energy (Japan)

Chapter 1. General

Article 1. Objective

The objective of this Law is to contribute to sound growth of the nation's economy through taking necessary measures to achieve the rationalization of energy use in factories, buildings, and machinery/equipment, and through taking necessary measures to promote comprehensive rationalization of energy use for other purposes, in order to ensure effective use of fuel resources in consideration of the socioeconomic environment of energy in Japan and abroad.

Article 2. Definition

1. For the purpose of the Law, the term, "Energy," means fuels as well as heat and electricity generated from these fuels as heat sources.
2. For the purpose of the Law, the term, "Fuel," means crude oil, volatile oil, heavy oil, and other petroleum products and flammable natural gases defined in the ordinance of the Ministry of International Trade and Industry (hereinafter referred to as "MITI") as well as coal, coke, and other coal products defined in the ordinance of MITI, all of which are to be used as fuel.

Chapter 1.2 Basic policies and others

Article 3.1 Basic policies

1. The Minister of International Trade and Industry shall establish and publicly announce its basic policies (hereinafter referred to as the "Basic Policies" or "Basic Policy") with regard to rationalization of Energy use from the viewpoint of comprehensively promoting rationalization of Energy use in factories and other industrial workplaces (hereinafter referred to as the "Factories" or "Factory"), buildings, machinery/equipment and the like.
2. Such Basic Policies shall be systematically compiled in consideration of long-term prospects for supply and demand of Energy as well as available technical levels for rationalization of Energy use and other factors, as they relate to the principal issues for measures which should

be taken by Energy users for the purpose of more effective use of Energy, to principal issues for policies of promoting rationalization of Energy use, and to other issues regarding rationalization of Energy use.

3. Any Basic Policies established by the Minister of International Trade and Industry shall be authorized by Cabinet Meeting.
4. Prior to determining any Basic Policies, the Minister of International Trade and Industry shall consult with the Minister of Construction with regard to construction and maintenance of building(s), or with the Minister of Transport with regard to efficiency of automobiles in terms of Energy consumption.
5. When the Minister of International Trade and Industry deems it is necessary to revise a Basic Policy in view of a change or changes in the situation stated in the above clause 2, such Basic Policy shall be revised so that it conforms with the new situation.
6. The provisions stipulated in the above clauses from 1 through to 4 shall be applied to the Basic Policies referred to in the above sub-clause 5 as well.

Article 3.2 Exertion by Energy users

Those who use Energy must make every effort to rationalize their use of it in consideration of the rules set forth in the Basic Policies.

Chapter 2. Measures and other rules concerning Factories

Section 1. Measures concerning Factories

Article 4. Guidelines for business operators

1. In order to adequately and effectively implement measures for rationalization of Energy use in individual Factories, the Minister of International Trade and Industry shall establish and publicly announce guidelines upon which proprietors, who operate businesses by using energy at their Factories (hereinafter referred to as "Business Operators"), can rely in connection with the items listed below, and shall also establish the goals for rationalization of Energy use:
 - 1) Rationalization of Fuel combustion systems
 - 2) Rationalization of heating, cooling, and heat transfer systems
 - 3) Prevention of heat loss due to radiation and transmission
 - 4) Recovery and utilization of waste heat
 - 5) Rationalization of systems to convert heat into motive power
 - 6) Prevention of electric power loss due to resistance and other factors
 - 7) Rationalization of systems to convert electricity into motive power, heat, etc.
2. The guidelines for criteria described in the above clause 1 shall be compiled in consideration of a long-term projection of supply/demand of Energy resources, technological level for rationalization of Energy use, and other relevant situations. In accordance with changes in such situations, the guidelines shall be revised from time to time if necessary.

Article 5. Guidance and advice

The competent minister with regulatory authority over the industrial sector to which that Factory belongs (hereinafter referred to as the "Competent Minister") may provide the Business Operators with guidance and/or advice necessary to implement items enlisted in each sub-clause of clause 1 of Article 4 in consideration of the guidelines for criteria described in the said clause of the same Article, in the event that the said minister deems it is necessary to do so in order to ensure adequate implementation of rationalization of Energy use in the Factories

Article 6. Designation of Factories

1. The Minister of International Trade and Industry may individually designate a manufacturers'

Factory or any other industrial establishment, which is used for types of particular industrial sectors defined by government ordinance, as a Factory which is specially required to promote rationalization in connection with use of fuels and other materials applicable to the items stipulated in the provisions of the government ordinance concerning consumption volumes of fuels and heat generated by these fuels (hereinafter referred to as "Fuels"), or as a Factory which is specially required to promote rationalization in term of electricity use applicable to the items stipulated in the provisions of the ordinance concerning consumption volume of electricity.

2. A Business Operator, who has a Factory which is used as the type of operation site defined in the ordinance described in the above clause 1, shall report to the Minister of International Trade and Industry on its consumption situation with regard to Fuels and electricity in the said Factory, as required by the provisions of the ordinance instituted by MITI, if the amount of the Fuel and electricity consumed during the previous fiscal year (the immediate previous one year started April 1 and ended March 31) at the said Factory is applicable to the ordinance mentioned in the provision of the above clause 1. However, the provision in this clause is not applicable to a Factory designated as a Factory which is required to specially promote rationalization of Fuel use based on the provision of the above clause 1 (hereinafter referred to as "Designated Heat Management Factory"), or as a Factory which is required to specially promote rationalization of electricity use based on the provision of the same clause (hereinafter referred to as "Designated Electricity Management Factory").
3. A proprietor (hereinafter referred to as the "Specific Business Operator") who has a Designated Heat Management Factory or a Designated Electricity Management Factory (both are generically referred to as a "Designated Energy Management Factory") may apply to the Minister of International Trade and Industry to cancel the said designation described in the above clause 2 in accordance with the ordinance of MITI, provided the said Factory falls into one of the following situations:
 - 1) if the Specified Business Operator terminates the type of business operation designated by the government ordinance described in the above clause 1.
 - 2) if the volume of fuel or electricity consumption is projected no longer to reach the minimum level regulated by the government ordinance described in the above clause 1.
4. The Minister of International Trade and Industry who receives an application as stated in the above clause 3 shall cancel the designation described in the above clause 1 without delay, provided the said application is deemed to be reasonable. Even if such an application is not

submitted, the provision of this clause is applied whenever the said Factory is deemed to fall into one of the situations specified in each sub-clause of the above clause 3.

5. When the Ministry of the International Trade and Industry designates a factory described in the above clause 1 or cancels designation described in the above clause 4, the Minister shall report such change to the Competent Minister with regulatory authority over the industrial sector to which the said Factory belongs.

Article 7. Energy Manager

In accordance with the provisions of the ordinance of MITI, each Specific Business Operator must select from among the employees and appoint a certain number of Energy Managers who possess the certificate of Energy Controller acquired pursuant to the standards stipulated in the government ordinance, for the respective Designated Energy Management Factory.

2. Whenever an Energy Manager is appointed or deceased or removed from his/her position, the Specified Business Operator must report such change to the Minister of International Trade and Industry in compliance with the provisions of the ordinance of MITI.

Article 8.1 Certification of Energy Controller

1. The certification of Energy Controller includes two types of certifications; Heat Controller and Electricity Controller. The Minister of International Trade and Industry shall issue the certifications to those who fall into one of the following qualifications:
 - 1) Those who have successfully passed the examination for the certified Energy Controller
 - 2) Those who have been authorized by the Minister of International Trade and Industry as having the equivalent or superior knowledge and experiences to those who are described in the above sub-clause (1).
2. Procedures for issuance of certificates for Energy Controllers shall be stipulated in an ordinance of MITI.

Article 8.2 Examination for the Energy Controllers' certification

1. The Minister of International Trade and Industry shall conduct examinations for the Energy Controllers' certification for respective types of Energy Controllers' certification.

2. The examination for Energy Controllers (hereinafter referred to as "Administration of the Examination") may be performed by an organization designated by the Minister of International Trade and Industry (hereinafter referred to as the "Designated Examination Institution").
3. The subjects of the examination for Energy Controllers, examination procedures, and other detailed requirements for the examination for Energy Controllers shall be defined in an ordinance of MITI.

Article 9. Functions Energy Managers

In respect of rational use of Fuels, Energy Managers in the Designated Heat Management Factories shall manage maintenance of equipment and facilities which consume Fuels, shall improve and monitor utilization methods of the Fuels, and shall perform duties defined by ordinances of MITI, while, in respect of rationalization of electricity usage, Energy Managers in the Designated Electricity Management Factory shall manage maintenance of equipment and facilities which consume electricity, improve and monitor utilization methods of electricity, and perform duties defined by ordinances of MITI.

Article 10. Duties of Energy Managers and others

1. Energy Managers must perform their responsibilities in good faith.
2. In connection with rationalization of energy use, the Specific Business Operators must respect the opinions of Energy Managers who are engaged in performing their responsibilities.
3. Every employee of the Designated Energy Management Factory must observe any instructions given by the Energy Managers who judge such instructions are necessary for the performance of their responsibilities.

Article 11. Periodical report

In compliance with the ordinance of MITI, Specific Business Operators must annually report items defined by the ordinance of MITI to the Competent Minister; in the case of Designated Heat Management Factories, each Specific Business must report with regard to consumed

volumes of the Fuels, other status of Fuels use (including data concerning utilization efficiency of the Fuels), status of equipment and facilities which consume the Fuels, and introductions and removals of equipment and facilities relevant to rational use of the Fuels; in the case of Designated Electric Management Factories, Specific Business Operators must report with regard to consumed volume of electricity, other status of electricity use (including data concerning utilization efficiency of electricity), status of equipment and facilities which consume electricity, and introductions and removal of equipment and facilities relevant to rational use of electricity.

Article 12.1 Instructions and orders to make rationalization plan

1. If the Competent Minister regards that the rationalization status of Energy use in a Designated Energy Management Factory is notably insufficient with respect to the criteria of guidelines described in clause 1 of Article 4, the minister, by showing reasons for the judgment, can instruct the Specific Business Operator of the said Designated Energy Management Factory to prepare and submit a plan for rationalization of Energy use (hereinafter referred to as a "Rationalization Plan").
2. If the Competent Minister regards that the said Rationalization Plan is improper for ensuring adequate achievement of rational use of Energy in the said Designated Energy Management Factory, the minister may instruct the Specified Business Operator to amend the Rationalization Plan.
3. If the Competent Minister deems that a Specific Business Operator has neglected implementation of the said Rationalization Plan, the Minister can instruct the said Specific Business Operator to execute the Rationalization Plan properly.
4. If the Specific Business Operator who was given the instruction described in the above clause 3 has failed to observe it, the Competent Minister may announce the fact to the public.
5. If the Specific Business Operator, who has been given instructions based on the clauses from 1 through 3, does not execute the instructed measures without fair reasons, the Competent Minister, after listening to opinions of the council organized by the government ordinance, can order the applicable Specific Business Operator to implement the instructed measures.

Section 2. Designated Examination Institution

Article 12.2. Designation

1. Designation defined in clause 2 of Article 8.2 shall be made following an application by one who wishes to perform Administration of the Examination in accordance with the ordinance of MITI.
2. Should the Minister of International Trade and Industry designate the Examination Institution based on clause 2 of Article 8.2, then the Ministry will not execute Administration of the Examination.

Article 12.3. Disqualification

Organization that falls into one of the following items cannot be designated as the Examination Institution defined in clause 2 of Article 8.2:

- 1) Organization that has its designation canceled in accordance with the provision defined in clause 2 of Article 12.13, and the elapsed time since such cancellation is two years or shorter.
- 2) Organization that has an operating director who falls into one of the following conditions:
 - a) One for whom two years or more have not elapsed since he/she breached this Law, or a proceeding based on this Law imposed a punishment, and completed such a punishment, or since the day such a punishment was terminated.
 - b) One who was dismissed due to the order defined in Article 12.9, and the elapsed time since such dismissal is two years or less.

Article 12.4 Standards for designation

The Minister of International Trade and Industry shall not designate any examination institution if another organization is designated based on clause 2 of Article 8.2, and unless the organization that applies for the designation defined in the same clause satisfies each of the following conditions:

- 1) The execution plan for Administration of the Examination including the staff members, equipment and facilities, operation methods for Administration of the Examination, and other requirements are appropriate to ensure performance of Administration of the Examination.
- 2) The organization has enough basic accounting and technical capabilities to ensure

execution of the plan for the Administration of the Examination described in the above sub-clause (1).

- 3) The applying organization is a corporation established in compliance with the provision of Article 34 of the Civil Law Act (Law No. 89 of 1986).
- 4) If the applying organization has another business operation other than Administration of the Examination, there is no risk of having an adverse effect on Administration of the Examination due to activities for the other operation.

Article 12.5 Rules for Administration of the Examination

1. The Designated Examination Institution shall prepare rules concerning implementation of Administration of the Examination (hereinafter referred to as the "Rules for Administration of the Examination"), and such rules shall be authorized by the Minister of International Trade and Industry. When such Rules are to be revised, the same procedure shall be taken.
2. The items that are required to be contained in Rules for Administration of the Examination will be specified by an ordinance of MITI.
3. When the Minister of International Trade and Industry deems that the Rules for Administration of the Examination authorized in accordance with the above clause 1 have become inadequate for fair execution of Administration of the Examination, the Minister may order the Designated Examination Institution to amend such Rules for Administration of the Examination.

Article 12.6 Suspension and relinquishment of Administration of the Examination

Unless authorized by the Minister of International Trade and Industry, the Designated Examination Institution shall not suspend nor relinquish any part of nor all of the operation of Administration of the Examination.

Article 12.7 Work plan and others

1. The Designated Examination Institution shall annually formulate a work plan as well as a budgetary plan for the ensuing fiscal year, and such plans must be authorized by the Ministry of International Trade and Industry before start of every fiscal year (in the case of the fiscal year when the organization was designated, the plan must be prepared without delay). When

such a plan is to be revised, the same procedure shall be taken.

2. The Designated Examination Institute must prepare an operation report as well as a financial report for the fiscal year within three months from the end of every fiscal year, and must provide the Minister of International Trade and Industry with such reports.

Article 12.8 Assignment and dismissal of directors

Assignment and dismissal of directors of the Designated Examination Institutions shall not be validated without obtaining authorization from the Minister of International Trade and Industry.

Article 12.9 Order to dismiss director

Should a director of the Designated Examination Institution breach a provision in this Law (including punishment based on this Law) or the Rules for Administration of the Examination, or commit markedly unfair practice in relation to Administration of the Examination, the Minister of International Trade and Industry can order the Designated Examination Institution to dismiss such a director.

Article 12.10 Examiners for Energy Controllers

1. In performing Administration of the Examination, the Designated Examination Institution must have examiners for Energy Controller examination (hereinafter referred to as "Examiners") who are capable of engaging in any works with regard to judgment for knowledge and capabilities of applicants for Energy Controllers.
2. In assigning Examiners, the Designated Examination Institution must select them from among persons who satisfy the requirements specified in the ordinance of MITI.
3. Upon assigning the said Examiners, the Designated Examination Institution must report it to the Minister of International Trade and Industry in accordance with the ordinance of MITI. The same procedure shall be taken whenever an Examiner is replaced.
4. The provision of the above Article 12.9 shall be applied to Examiners as well.

Article 12.11 Non-disclosure responsibility and others

1. The directors and employees (including Examiners; this is applicable to the following clause 2) of the Designated Examination Institution, and those who have once worked for the said Institution must disclose no confidential information known through Administration of the Examination.
2. Any directors and employees of the Designated Examination Institution who engage in Administration of the Examination are deemed to be public officials by law in terms of application of the Criminal Law Act (Law No. 45 of 1907) and other penal regulations.

Article 12.12 Order for conformity

1. If the Minister of International Trade and Industry deems that the Designated Examination Institution has become unable to satisfy any of the sub-clauses (except for sub-clause 3; this is applicable to the other part of this clause) of Article 12.4, the Minister can order the Designated Examination Institution to take proper measures to satisfy each provision of the said sub-clauses.
2. In addition to the provision of the above clause 1, the Minister of International Trade and Industry may issue any orders necessary for controlling Administration of the Examination with respect to the Designated Examination Institution, when the Minister regards it necessary to do so in order to execute this Law.

Article 12.13 Cancellation of designation

1. Provided the Designated Examination Institution has become unable to satisfy sub-clause (3) of Article 12.4, the Minister of International Trade and Industry must cancel the designation defined in clause 2 of Article 8.2.
2. If the Designated Examination Institution falls into one of the situations specified in the following sub-clauses, the Minister of International Trade and Industry may cancel the designation defined in clause 2 of Article 8.2, or may order suspension of all of or a part of operations of Administration of the Examination for a certain period:
 - 1) The said Institution has breached a provision in this clause.
 - 2) The said Institution has fallen into the situation described in sub-clause (2) of Article 12.3.

- 3) The said Institution has implemented Administration of the Examination without depending upon the Rules for Administration of the Examination authorized in accordance with sub-clause 1 of Article 12.5.
- 4) The said Institution failed to follow the order described in clause 3 of Article 12.5, or Article 12.9 (including cases applied in accordance with clause 4 of Article 12.9), or Article 12.12.
- 5) It is found that the said Institution was designated, based on the provision of the clause 2 of the Article 8.2, as a result of using unlawful means.

Article 12.14 Record book

1. The Designated Examination Institution must prepare books to record any information required by the ordinance of MITI concerning Administration of the Examination.
2. The above mentioned books must be preserved in accordance with the ordinance of MITI.

Article 12.15 Implementation of Administration of the Examination by the Minister of International Trade and Industry

1. The Minister of International Trade and Industry, if he/she deems it necessary, shall execute all or a part of Administration of the Examination by himself/herself if the Designated Examination Institution stops all or a part of Administration of the Examination after receiving authorization stated in Article 12.6; or if the Designated Examination Institution was ordered to suspend all or a part of Administration of the Examination pursuant to the provision of clause 2 of Article 12.13; or if the Designated Examination Institute has become unable to implement all or a part of Administration of the Examination due to an Act of God or another reason.
2. If the Minister of International Trade and Industry executes all or a part of Administration of the Examination by himself/herself as a result of the above clause 1, or if the Designated Examination Institution relinquishes all or a part of Administration of the Examination after obtaining the authorization described in the provision of Article 12.6, or if the Minister of International Trade and Industry cancels designation of the Examination Institute based on the provision of Article 12.13, any necessary procedures to transfer the operations of Administration of the Examination shall be specified by an ordinance of MITI.

Article 12.16 Public announcement

If one of the following cases arises, the Minister of International Trade and Industry shall announce it to the public through an official gazette:

- 1) Designation based on clause 2 of Article 8.2
- 2) Authorization based on Article 12.6
- 3) Cancellation of designation based on Article 12.3, or suspension of all or part of Administration of the Examination based on clause 2 of the same Article.
- 4) When the Minister of International Trade and Industry takes over all or part of Administration of the Examination to execute by himself/herself in accordance with the provision of clause 1 of Article 12.15, or when the Minister stops all or a part of the operation of Administration of the Examination that had been implemented by himself/herself.

Chapter 3. Measures for buildings

Article 13. Obligations of building owners

In consideration of the provisions stipulated in the Basic Policies, any person who intends to construct a building (hereinafter referred to as the "Building Owner") must strive to contribute to rationalization of Energy use in relation to the building through properly implementing the following measures:

- 1) Measures to prevent heat loss through external walls, windows, etc.
- 2) Measures for efficient use of Energy in relation to air-conditioners to be installed in the building, and other building-related equipment classified by other government ordinance (hereinafter referred to as "Air-conditioners")

Article 14. Standards for Building Owners' criteria

1. For the purpose of promoting appropriate and effective rationalization of Energy use concerning buildings, the Minister of International Trade and Industry and the Minister of Construction shall establish and publicly announce standards of criteria to which Building Owners should refer in making decisions on measures described in each sub-clause of Article 13.

2. The provision of clause 2 of Article 4 shall be applied to the above clause 1 as well.

Article 15.1. Guidance and advice on construction

1. When the Minister of Construction judges it is necessary for ensuring the appropriate execution of measures described in each sub-clause of Article 13 with regard to building (except for private dwellings, which is applied to both this clause and clause 1 of Article 16.), the Minister, in consideration of the standards of criteria defined in clause 1 of Article 14, may give necessary guidance and advice on building design and construction to the Building Owners.
2. When the Minister of Construction judges it is necessary for ensuring appropriate execution of measures for housing construction described in each sub-clause of Article 13, the Minister shall establish and publicly announce guidelines for designs and construction of private dwellings in term of efficient use of Energy with regard to prevention of heat loss through external walls, windows, etc. of houses as well as Air-conditioners installed in houses pursuant to the standards of criteria defined in the clauses of Article 14.

Article 15.2. Instruction for special buildings

1. If the Minister of Construction deems that the measures for prevention of heat loss through external walls, windows, etc. and efficient use of Energy concerning the Air-conditioners of Specific Buildings which are to be specified in the government ordinance in term of sizes (hereinafter referred to as the "Specific Buildings") are insufficient with respect to the standards of criteria defined in clause 1 of Article 14, the Minister, by explaining the basis of his/her judgment, may give necessary instruction to the Building Owners who intend to construct the Specified Buildings (hereinafter referred to as the "Specific Building Owners") with regard to measures for prevention of heat loss through external walls, windows, etc. of Specific Buildings as well as efficient use of Energy by Air-conditioners installed in the Specific Buildings in connection with design and construction of the said Specific Buildings.
2. In the event that a Specific Building Owner fails to observe the above mentioned instruction without fair reason, the Minister of Construction may announce it to the public.

Article 16. Guidance and Advice for building materials

When the Minister of Construction judges it is particularly necessary to ensure that a building is to be constructed in conformity with the standards of criteria defined in clause 1 of Article 14 or the guideline described in clause 2 of Article 15, the Minister, in consideration of the standards of criteria or the said guidelines, may give necessary guidance and advice to the manufacturers who produce building materials to be used for prevention of heat loss through external walls, windows, etc. of buildings, concerning the enhancement of quality as well as display of quality information about the insulation properties of the said building materials.

Chapter 4.1 Measures for machinery and other equipment

Article 17. Exertion by suppliers

In consideration of the Basic Policies, persons who manufacture or import Energy-consuming machinery and other equipment (hereinafter referred to as "Suppliers") must strive to promote rationalization of Energy use by machinery and equipment through enhancing the performance of machinery or equipment that they manufacture or import, in terms of Energy consumption.

Article 18. Standards of criteria for the Suppliers

1. With regard to the automobiles (limited to the types of automobiles that are designated by government ordinance as the automobiles specially required to improve their performances defined in the above Article 17; this interpretation is applied to the rest of this Law) and other machinery/equipment that are used in large volumes in Japan and consume considerable amounts of Energy during their use, and that are designated by the government ordinance as the products that are specially required to improve the said performances (hereinafter referred to as the "Specific Equipment"), the Minister of International Trade and Industry (for automobiles, the Minister of International Trade and Industry as well as the Minister of Transportation; this interpretation is applied to other parts of this Article and clause 5 of Article 25) shall establish and publicly announce standards for criteria for respective Specific Equipment to which Suppliers should refer in making decisions concerning the said performances.
2. The provision of clause 2 of Article 4 is applied to the standards for the criteria defined in the above clause 1 as well.

Article 19. Recommendation concerning Energy efficiency

When the Minister of International Trade and Industry, with regard to the Specific Equipment manufactured or imported by the Suppliers whose manufacturing volumes or importing volumes of the Specific Equipment exceed the requirements specified by the government ordinance, deems that it is necessary to improve Energy efficiency defined in Article 17 to a considerable extent in view of the standards for criteria defined in clause 1 of Article 18, the Minister may recommend that the said Suppliers improve the said performances of the their manufactured or imported Specific Equipment by showing their target values.

Article 20. Labeling

The Minister of International Trade and Industry shall decide and announce to the public the following items for the respective Specific Equipment (except for household articles specified in sub-clause 1.1 of Article 2 in the Household Products Labeling Act -- Law No. 104 of 1972; this interpretation is applied to rest of this Article and Article 21):

- 1) Information that the Suppliers should display concerning Energy consumption efficiency (i.e. values calculated in accordance with the formulae specified in the ordinance of MITI -- the ordinances of MITI and Ministry of Transport for automobiles -- of the Specific Equipment, which was provided as the performance values of Specific Equipment in view of Energy consumption volume) of the Specific Equipment
- 2) Items that must be observed by the Suppliers for labeling methods and other marking information about Energy consumption efficiencies

Article 21.1. Recommendation and order for labeling

1. When the Minister of International Trade and Industry judges that a Supplier is not displaying information regarding Energy consumption efficiency in conformity with the items announced based on the provision of Article 20 with regard to a the Specific Equipment, the Minister, concerning the Specific Equipment manufactured or imported, can recommend that the said Supplier display the information about its Energy consumption efficiency in accordance with the items announced.
2. If the Supplier who was recommended as described in the above clause 1 does not observe the said recommendation, the Minister of International Trade and Industry may announce the fact

to the public.

3. If the Supplier who was recommended pursuant to the above clause 1 neglects to take any measures to satisfy the recommendation without fair reason, and if the Minister of International Trade and Industry judges that such negligence may considerably obstruct rationalization of Energy consumption in relation to the said Specific Equipment, the Minister, after hearing opinions of the council set forth by the government ordinance, can order the said Supplier to take necessary measures in conformity with the recommendation.

Chapter 4.2 Activities for rational use of energy by the New Energy and Industrial Technology Development Organization

Article 21.2. Activities for rational use of Energy

In addition to the activities defined in clauses 1 and 2 of Article 39 of the "Law Concerning Promotion of Development and Introduction of Oil-substitutive Energy" (Law No. 71 of 1980; hereinafter referred to as "Law for Oil-substitutive Energy"), the New Energy and Industrial Technology Development Organization (hereinafter referred to as the "Organization") shall implement the following activities in order to promote rational use of Energy:

- 1) Development of technologies for rationalization of Energy use, which is deemed to be necessary for promotion of the nation's economy
- 2) To grant financial aid to be spent for rational Energy use technologies of which dissemination is deemed to be particularly necessary
- 3) Collection and provision of information regarding rationalization of Energy use, and the giving of guidance in relation to technologies for rationalization of Energy use
- 4) Activities accompanied by the activities listed in each of the above sub-clauses

Article 21.3 Exceptional changes in the Law for Oil-substitutive Energy

While activities of the Organization are being implemented in accordance with the provisions of Article 21.2, "sub-clauses 1.1 and 1.9 of Article 39" appearing in clause 1 of Article 40 of the Law for Oil-substitutive Energy shall be construed as "sub-clauses 1.1 and 1.9 of Article 39 as well as sub-clause 2.1 of Article 21 of the Law Concerning Rational Use of Energy (hereinafter referred to as the "Rationalization Law)"; similarly "clause 1 of Article 39" appearing in clause 1 of Article 41 of the Law for Oil-substitutive Energy shall be construed as "clause 1 of Article 39 as well as clause 2 of Article 21 of the Rationalization Law"; "this Law" appearing in clause 2 of

Article 53 and clause 1 of Article 54 of the Law for Oil-substitutive Energy shall be construed as "this Law or Rationalization Law"; and "clause 1 of Article 39" appearing in sub-clause (3) of Article 59 of the Law for Oil-substitutive Energy shall be construed as "clause 1 of Article 39 as well as clause 2 of Article 21 of the Rationalization Law."

Chapter 5. Miscellaneous provisions

Article 22. Financial measures

The government shall strive to take financial, monetary, and taxation measures necessary for promotion of rational use of energy and other relevant policies.

Article 23. Promotion of science and technology

The government shall make efforts to take measures for promotion of science and technology, dissemination of the results, and other necessary measures which contribute to promotion of rational use of energy and other relevant policies.

Article 24. Measures to deepen consumers' awareness

The government shall make efforts to deepen awareness of consumers in relation to rational use of energy through educational, publicity and other activities, while the government shall ask consumers to cooperate in implementing such efforts.

Article 25.1. Reports and spot-inspections

1. In accordance with government ordinance, the Minister of International Trade and Industry may ask proprietors who are engaged in the type of businesses specified by the government ordinance described in clause 1 of Article 6, to report the status of operations in the applicable Factories, to the extent that is necessary for execution of the provision in clauses 1 and 4 of Article 6.
2. In accordance with the government ordinance, the Competent Minister may ask the Specific Operators to report the status of operations in the said Designated Energy Management Factories, or may have officers of the said ministry conduct on-site inspections of energy-

consuming equipment, books, documents, and other relevant materials, to the extent that is necessary for execution of the provision of Article 12.

3. The Minister of International Trade and Industry may ask the Designated Examination Institution to report the status of its operation or financial situation, or may have officers of the said ministry conduct a spot-inspection of books, documents, and other relevant materials at the office of the said Designated Examination Institution, to the extent that is necessary for executing the provisions of Section 2 of Chapter 2.
4. In accordance with the government ordinance, the Minister of Construction may ask the Specific Building Owners to report on items concerning designs and construction of the applicable Specific Buildings, or may have officers of the said ministry conduct site inspections for the Specific Buildings, construction equipment, documents, and other materials at the Specific Buildings or the construction sites of the Specific Buildings, to the extent that is necessary to execute sub-clause 2 of Article 15.
5. In accordance with government ordinance, the Minister of International Trade and Industry may ask the Suppliers of Specific Equipment to report on the status of their operations concerning the Specific Equipment, or may have officers of the said ministry conduct site inspections of the Specific Equipment, books, documents, and other materials at the office, or factory or warehouse of the said Suppliers of the Specific Equipment, to the extent that is necessary to execute sub-clause 2 of Article 15.
6. Each officer who conducts spot-inspections in accordance with the above clauses 2 through 5 must carry certification identifying himself/herself, and must show it to the relevant persons.
7. The rights of the officers described in the above clauses 2 through 5 shall not be construed to be permitted for the purpose of criminal investigation.

Article 25.2. Charges

1. The persons who intend to take the examination for Energy Controllers, who intend to acquire the certification based on the provision of sub-clause 1 (2) of Article 8, and who intend to receive the certification of Energy Controllers as a result of success in the examination for Energy Controllers conducted by the Designated Examination Institution must pay respective charges that are specified by the government ordinance in view of the actual cost.

2. The above mentioned charges paid by persons who intend to take the examination for Energy Controllers conducted by the Designated Examination Institution shall become income of the Designated Examination Institution, while the other charges shall be transferred to the national revenue.

Article 25.3. Special case of hearing method

1. Trials to be held on the day of hearing concerning punishment in accordance with the provisions of Article 12.9 (including application of clause 4 of Article 12.10) or Article 12.13 must be opened to the public.
2. When a person concerned with such a punishment asks to participate in the procedure for the hearing in accordance with the provision of clause 1 of Article 17 of the Administration Procedure Act (Law No. 88 of 1993), the chairman of the said hearing shall allow his/her participation.

Article 25.4. Appeal of dissatisfaction concerning punishment to be made by the Designated Examination Institution

Any person who is dissatisfied with the punishment (except for cases arising as a result of examination) imposed by the Designated Examination Institution in relation to Administration of the Examination or with the forbearance, may submit an application to the Minister of International Trade and Industry for investigation in accordance with the Dissatisfaction Appeal Administrative Examination Act (Law No. 160 of 1962).

Article 26. Authorization of orders by interim measures

When an order is formulated or revised or canceled in accordance with this Law, a necessary interim measure can be instituted, as a result of such formulation or revision or cancellation, by means of such order, to the extent that it is judged to be reasonably necessary.

Article 27.1. The Competent Minister and others

1. The Competent Minister in charge of this Law is the Minister of International Trade and Industry as well as the minister with regulatory authority over the industrial sector to which

the applicable Factories belong.

2. The competence specified in this Law may be consigned to the heads of local branches or department or bureau in accordance with the government ordinance.

Chapter 6. Penal regulations

Article 27.2. Persons who have breached the provision of clause 1 of Article 12.11 are subject to penal servitude of up to one year, or a fine of up to one million yen.

Article 27.3. If the Designated Examination Institution breaches an order suspending Administration of the Examination described in clause 2 of Article 12.13, the director(s) or staff member(s) of the Institution who violated such order is/are subject to penal servitude of up to one year, or a fine of up to one million yen.

Article 28. The person who falls into one of the following categories is subject to a fine of up to five hundred thousand yen:

- 1) Any person who has breached the provision of clause 1 of Article 7
- 2) Any person who has breached an order defined in the provision of Article 12.5 or 21.3

Article 29.1. The person who falls into one of the following categories is subject to a fine of up to three hundred thousand yen:

- 1) Any person who has neglected to submit the report defined in clause 2 of Article 6, or who has submitted a false report
- 2) Any person who has neglected to submit the report defined in clause 1, 2, 4 or 5 of Article 25, or who has submitted a false report, or who has rejected or interrupted or avoided the inspection defined in clause 2, 4, or 5 of the same Article.

Article 29.2. The violating director or staff member of the Designated Examination Institution who falls into one of the following situations is subject to a fine of up to three hundred thousand yen:

- 1) He/she abolished all operations of the Administration of the Examination without obtaining authorization as defined in Article 12.6.
- 2) He/she, breaching the provision of clause 1 of Article 12.14, did not prepare a book, nor

keep a record, or prepared a false record, or did not preserve the books under the provision of clause 2 of the same Article.

- 3) He/she neglected to submit the report defined in clause 3 of Article 25, or submitted a false report, or rejected or interrupted or avoided the inspection defined in the same clause of the same Article.

Article 30. In the event that the representative director of a corporation, proxy for a corporation or personnel, its employee, or other employee breaches the provisions of Articles 28 and 29 in connection with the operations of the corporation or personnel, a penalty shall be imposed on such corporation or person(s), while the actual breaching person shall be punished.

Article 31. Any person who has neglected to submit the report defined in clause 2 of Article 7, or who has submitted a false report, is subject to a fine of up to one hundred thousand yen.

Supplementary provisions (June 22, 1979)

1. Law enforcement date

This Law is to be enforced commencing on a date within nine months from the date of its promulgation, as set forth by the government ordinance. However, the provision of Article 8 shall be enforced commencing on the date of promulgation.

2. Review

The government shall review each provision in this Law corresponding to changes in Energy situations and other economic situations at home and abroad, and shall take necessary measures based on the result of such review.

3. Abolition of the Heat Management Law

The Heat Management Law (Law No. 146 of 1951) shall be abolished.

4. Interim measures following abolition of the Heat Management Law

Any certificates of Heat Controllers issued in accordance with Article 12 of the Heat Management Law prior to the abolition described in the above clause 3 shall be regarded as certificates of Heat Controllers issued based on the provision of clause 1 of Article 8.

5. The applicable penal regulations with respect to deeds committed prior to the enforcement of this Law shall be the previous regulations that were in effect before such new enforcement.

6. A partial revision of the Law Concerning Establishment of MITI

A part of the Law Concerning the Establishment of the Ministry of International Trade and Industry (Law No. 27 of 1952) is revised as follows:

The following sub-clause shall be added after sub-clause 6.10 of Article 36:

10.2 In relation to execution of the Law Concerning Rational use of Energy (Law No. 49 of 1979)

7. A partial revision of the Law Concerning the Establishment of the Ministry of Construction

A part of the Law Concerning the Establishment of the Ministry of Construction (Law No. 113 of 1948) is revised as follows:

Sub-clause 22.6 in Article 3 is changed to sub-clause 22.7, and accordingly sub-clauses 22.2 through 22.5 are shifted down respectively from 22.3 through 22.6. Then, the following sub-

clause 22.2 is added immediately after 22.1:

22.2 To manage clerical works in relation to enforcement of the Law Concerning Rational Use of Energy (Law No. 49 of 1979)

The portion "22 (2) through 22 (5)" in clause 3 of Article 4 is changed to "22 (3) through 22 (6)," then "clerical works defined in sub-clause 19 of the same Article, clerical works defined in sub-clause 20 of the same Article, sub-clauses 21, 22, and 22 (6)" of clause 7 of the same Article are changed to "sub-clauses 19 through 22 (2) as well as sub-clause 22 (7)."

Supplementary provisions (March 31, 1993)

Article 1. Law enforcement date

This Law shall be enforced commencing on the day of its promulgation. However, the provision defined in each of the following sub-clauses shall be enforced commencing on the day specified in each sub-clause.

(Omitted)

- 5) The day defined by the government ordinance, which is within three months from the date of promulgation of the provisions of Articles 25, 26, 28 through 30, 33, and 35 (i.e. a partial revision of the Law Concerning Rational Use of Energy), the provision of Article 36 (except for the provision for revision specified in Article 54 of the Electricity Enterprises Act. This is applied to Article 8 of the supplementary provisions except for its clause 3), provisions of Articles 37, 39, and 43 as well as Article 8 (except for clause 3) of the supplementary provisions.

(Omitted)

Article 16. Interim measures concerning penal regulations

Any deeds made before enforcement of this Law as well as any deeds made after enforcement date of the provisions of Articles 17, 22, 36, 37, and 39, if such deeds are subject to punishment by the previous penal regulations in accordance with Article 3 of the supplementary provision, clause 5 of Article 5, clause 2 of Article 8, Articles 9 or 10, shall be applied the previous penal regulations.

(Omitted)

Supplementary provision (November 12, 1993)

Article 1. Law enforcement date

This Law shall be enforced commencing on the date of enforcement of the Administrative Procedure Act (Law No. 88 of 1993).

(Omitted)

Supplementary provisions (April 9, 1997)

Article 1. Law enforcement date

This Law shall be enforced on the date of its promulgation. However, the provisions of Articles 3, 4, and 15 as well as Articles 4, 5, 16, 20, and 21 of the supplementary provisions shall be enforced on the day within one month from the promulgation date, as specified by the government ordinance.

(Omitted)

Article 9. Interim measures following a partial revision of the Law Concerning Rational Use of Energy

If an Energy Manager is assigned or deceased or dismissed before enforcement of the provision of Article 8, the submission of the report shall be implemented in compliance with the previous rule.

(Omitted)

<p style="text-align: center;">Temporary Law Concerning the Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources</p>

Chapter 1. General rules

Article 1. Objective

The purpose of this Law is to promote rational and appropriate use of resources and energy corresponding to the new economic environment and to contribute to sound development of the nation's economy through taking measures necessary for promoting business activities concerning rational use of energy and specific substances as well as utilization of recycled resources by business operators in view of recent changes in resources and energy in this country, in the environmental conservation situation, and in other economic situations surrounding Japan.

Article 2. Definitions

1. For the purpose of the Law, "rationalization of energy use" means the rationalization of energy use (including utilization of oil-substitutive energy specified in Article 2 of the Law Concerning Promotion of Development and Introduction of Oil-substitutive Energy Law No. 71 of 1980) defined in sub-clause 1 of Article 2 of the Law Concerning Rationalization of Energy Use (Law No. 49 of 1979).
2. For the purpose of the Law, the "Specific Substance" means the following substances:
 - 1) Specific substances defined in clause 1 of Article 2 of the Law Concerning Protection of the Ozone Layer through the Restrictions of Specific Substances (Law No. 53 of 1988)
 - 2) Packaging materials or containers
3. For the purpose of the Law, "Recycled Resources" means the recycled resources defined in clause 1 of Article 2 of the Law Concerning Promotion of Recycled Resources Utilization (Law No. 48 of 1991).
4. For the purpose of the Law, "Specific Business activities" means the activities listed below:
 - 1) Appropriate implementation of the items listed in the respective sub-clauses of Article 3 of the Law Concerning Rationalization of Energy Use through installation or improvement of equipment that contributes to rationalization of energy use implemented by business

- operators at their factories or operational sites which belong to the type of businesses defined in sub-clause 1 of Article 6 of the above Law; or execution of measures necessary for the rationalization of energy use at other applicable factories or operational sites
- 2) Appropriate implementation of measures defined in the provision of Article 13 of the Law Concerning Rational Use of Energy through use of building materials or installation or improvement of equipment that contributes to the rationalization of energy use, and which is done by a person who intends to construct a building (except for dwelling houses; this interpretation is applied to the rest of this Law); or implementation of measures necessary for the rationalization of energy use in relation to the said building
 - 3) Research and development for the products specified by the government ordinance in relation to the technology for manufacture of industrial products that contribute to the rationalization of energy use by business operators
 - 4) Research and development for the technologies specified by the government ordinance in relation to the technology for manufacture of industrial products that contribute to the rational use of the specific substances by business operators
 - 5) Installment or improvement of the equipment specified by the government ordinance in relation to the equipment that belongs to the types of industrial sectors specified by the government ordinance, and that contribute to the rational use of the recycled resources by business operators
 - 6) Segregated collection (i.e. segregated collection defined in clause 4 of Article 2 of the Law Concerning Promotion of Recycled Resources; this interpretation is applied to the rest of this Law) of the recyclable resources specified by the government ordinance so that the business operators who belong to the industrial sector specified by the government ordinance can perform such collection in order to promote their utilization; and development of the markets for the products produced by using the said recycled resources
 - 7) Research and development of the technologies specified by the government ordinance in relation to the technology for manufacture of industrial products or civil engineering that contribute to utilization of recycled resources by business operators
5. For the purpose of the Law, the "Specific Equipment" means the following equipment:
- 1) The heat supply facilities (including electric power generating equipment that is installed together with such a heat supply facility), defined in clause 4 of Article 2 of the Law for Heat Supply Businesses (Law No. 88 of 1972), which are specified by the ordinance of the Ministry of International Trade and Industry as the facilities which particularly contribute to the rationalization of energy use
 - 2) The equipment defined by the government ordinance in relation to the equipment necessary

for the utilization of waste heat in cases where waste heat is generated at one factory or operational site (i.e. limited to factories or operational sites being used for the type of the industrial sectors specified by the government ordinance; this interpretation is applied to the rest of this sub-clause), then such waste heat is used at another factory or operational site; and that such waste heat is further reused at another factory or operational site other than the above mentioned factories or operational sites

- 3) Equipment specified by the government ordinance as the equipment which contributes to the rational use of specific substances
 - 4) Equipment specified by government ordinance in connection with the manufacture of products using materials that are easy-to-recycle
6. For the purpose of this Law, "small- and medium-sized enterprises" means the following business entities:
- 1) The companies of which capital or invested amount is one hundred million yen or less, and companies or individuals who constantly have three hundred employees or less, all of which are mainly engaged in the industrial sectors of either manufacturing, mining, transportation or other sectors (except for the sectors described in the following sub-clause (2) and the business types specified by government ordinance No.3)
 - 2) Companies having capital or invested amount of ten million yen or less, and companies or individuals who continually have fifty employees or less, all of which are mainly engaged in the retail businesses or service providing businesses (except for the companies and individuals specified by government ordinance as described in the next sub-clause (3)); and companies having capital or invested amount of thirty million yen or less, and companies or individuals who continually have one hundred employees or less, all of which are engaged mainly in the wholesale businesses (except for companies and individuals specified by government ordinance as described in the following sub-clause (3))
 - 3) Companies having capital or invested amount less than the amount specified by the government ordinance for the respective type of businesses, and companies or individuals who continually have fewer employees than the number specified by the government ordinance for each business type, all of which are mainly engaged in the type of businesses defined by the said ordinance
 - 4) Syndicates
 - 5) Cooperative companies
 - 6) Business cooperatives, cooperative federations, and other cooperative organizations or their federations, all of which are specified by government ordinance

7. For the purpose of the Law, "Cooperative" means a corporation described in the above sub-clause (6) or a corporate juridical person defined in Article 34 of the Civil Law Act (Law No. 89 of 1896), all of which directly or indirectly hold small- and medium-sized enterprises as the constituent members (hereinafter referred to as "Constituent Members") (restricted to corporations that satisfy the requirement specified by government ordinance)

Article 3. Public announcement on guidelines for business operators' efforts

1. In consideration of the technical levels and other conditions of business operators or persons who intend to construct buildings (hereinafter referred to as the Business Operators), the competent minister shall establish and publicly announce autonomous guidelines for efforts (hereinafter referred to as the "Guidelines for Efforts") concerning the promotion of rational use of energy and specified substances as well as the utilization of recycled resources to be implemented by the Business Operators.
2. The competent minister shall, if it becomes necessary due to changes in the situation described in the above clause 1, revise such Guideline for Efforts).
3. The provision in the above sub-clause 1 also applies to the revision of Guidelines for Efforts described in the above sub-clause 2.
4. The competent minister shall consult with the Director General of the Environment Agency prior to establishment of a Guidance for Efforts or its revision.

Chapter 2. Promotion of Specific Business Activities by Business Operators

Article 4. Authorization of business operation plan

1. Business Operators who intend to implement Specific Business Activities can prepare a plan concerning the said Specific Business Activities (hereinafter referred to as the "Business Operation Plan"), and can submit it to the competent minister in order to be authorized as an appropriate Business Operation Plan.
2. Such a Business Operation Plan must contain the following items:
 - 1) The goal of the Specific Business Activities

- 2) The contents of the business activities and time of execution
 - 3) The amount of funds required for the Specific Business Activities and the method of fund raising
3. Upon receipt of application for authorization described in the above sub-clause 1, the competent minister shall authorize it, provided the said Business Operation Plan is recognized to satisfy each of the following items:
- 1) The items described in (1) and (2) of the above sub-clause 2 are proper in view of the guidelines for business operators' efforts, and are not a type to impede rational and adequate use of resources and energy for a new economic environment.
 - 2) The items described in (2) and (3) of the above clause 3 are appropriate for ensuring the Specific Business Operation activities.

Article 5. Revision of Business Operation Plan

1. The Business Operator who is authorized in accordance with clause 1 of Article 4 (hereinafter referred to as the "Authorized Business Operator") must be further authorized if the Business Operator intends to revise the Business Operation Plan which is related to the said authorization.
2. If the competent minister deems that an Authorized Business Operator is not performing the Specific Business Activities in conformity with the applicable authorized Business Operation Plan (the revised Business Operation Plan if a revision had been authorized based on the provision of the above clause 2, hereinafter referred to as the "Authorized Business Operation Plan"), the minister may cancel the said authorization.
3. The provision of the above clause 3 is also applied to the authorization described in the above clause 1.

Article 6. Authorization of joint business plans

1. Two or more Business Operators who intend to implement segregated collection of recyclable resources or other measures necessary for utilization of recycled resources or measures necessary for rational use of the specific substances described in sub-clause 2 (2) of Article 2, can jointly prepare a plan (hereinafter referred to as the "Joint Business Operation Plan") concerning the said measures (hereinafter referred to as the "Joint Business Activities") that

they intend to implement, and can submit it to the competent minister (the minister with regulatory authority over the industrial sector to which the business of the said Joint Business Operator belongs) in order to receive authorization of the said Joint Business Operation Plan as being appropriate.

2. Joint Business Operation Plans must contain the following items:
 - 1) The goal of the Joint Business Activities
 - 2) The contents of the Joint Business Activities and time of execution
 - 3) The amount of funds required for the Joint Business Activities and the method of fund raising

3. Upon receipt of an application for the authorization described in the above clause 1, the competent minister shall authorize the Joint Business Operation Plan, if it is recognized to satisfy the conditions listed below:
 - 1) The items described in sub-clauses (1) and (2) of the above clause 2 are appropriate in view of the Guidelines for Efforts, and are not a type of plan to impede the rational and proper use of resources which correspond to the new economic environment.
 - 2) The items described in sub-clauses (2) and (3) of the above clause 2 are necessary and appropriate in order to ensure achievement of the goal described in sub-clause 1 of the same clause.
 - 3) Fair competition between the Joint Business Operators concerning the said Joint Business Operation Plan and other business operators is to be maintained.
 - 4) The Plan is not a type to unreasonably harm the interests of general consumers as well as the relevant business operators.
 - 5) The Plan is not a type to unreasonably restrict new participants in the said Joint Business Operation Plan or withdrawal from it.

Article 7. Revision of Joint Business Operation Plan and others

1. When the Joint Business Operators who acquired the authorization stated in clause 1 of the above Article 1 (hereinafter referred to as the "Authorized Joint Business Operators") intend to revise the Joint Business Operation Plan with regard to the said authorization, the revised Business Operation Plan must be authorized by the competent minister.

2. When the Joint Business Operation Plan (or the revised Joint Business Operation Plan if a revision had been authorized based on the provision given in the above clause 1) authorized in

accordance with clause 1 of the above Article 6 is deemed no longer to comply with the standards specified in clause 3 of Article 6, the competent minister must instruct the Authorized Joint Business Operator to revise the said Authorized Joint Business Operation Plan, or must cancel the authorization.

3. The provision of clause 3 of the above Article 6 also applies to authorization described in the above clause 1.

Article 8. Relationship with the Fair Trade Commission

1. Prior to authorizing (including authorization of revision defined in clause 1 of the above Article 7; this interpretation is applied to the rest of this Article) based on clause 1 of Article 6, the competent minister for the applicable Business Operators, if necessary, shall submit a copy of the application for the said authorization to the Fair Trade Commission, and, at the same time, shall state his/her opinion to the Fair Trade Commission with regard to the items concerning the situation of competition in connection with the Joint Business Activities set forth in the said Joint Business Operation Plan, items regarding the influences that the said Joint Business Operation Plan may exert on the said competition, and other necessary items.
2. If the Fair Trade Commission deems it necessary, it shall express its opinion to the competent minister regarding the Joint Operation Business Plan submitted.
3. With regard to a deed that is made in compliance with the Joint Business Operation Plan, which is a plan submitted based on the provision of the above clause 1, and which has been authorized by the competent minister based on clause 1 of Article 6, if the Fair Trade Commission, after such an authorization, deems there to be an actual breach against the provisions of the Law Concerning Prohibition of Private Monopoly and Fair Trade (Law No. 54 of 1947), the Commission shall notify the competent minister of such breach.
4. When the competent minister receives the notification defined in the above clause 3, the minister may state his/her opinion to the Fair Trade Commission regarding the item described in the above clause 1 in consideration of the change in economic market which had arisen after the said authorization.
5. When the competent minister receives the notification defined in the above clause 3, the minister shall take a measure defined in clause 2 of Article 8 in connection with the said

Authorized Joint Business Operation Plan, provided the Authorized Joint Business Operation Plan relevant to the said notification falls within the case described in clause 2 of Article 7.

6. When the competent minister cancels the authorization of the Joint Business Operation Plan in relation to the submission defined in the above clause 1 in accordance with the provision of clause 2 of the above Article 7, the minister shall notify the Fair Trade Commission of such cancellation.

Article 9. Support by the competent minister

1. In order to ensure appropriate implementation of the Joint Business Activities defined in the Authorized Joint Business Operation Plans by the Authorized Joint Business Operators, the competent minister shall make efforts to provide the Authorized Joint Business Operators with necessary information, materials and other necessary assistance.
2. When the competent minister recognizes it is particularly necessary for the realization of smooth implementation of Joint Business Activities, which are set forth in the Operation in the Authorized Joint Business Plan by the Authorized Joint Business Operators, the minister may ask relevant persons or organizations to extend necessary cooperation.

Article 10. Operation of Specific Business Activities promotion by the Industrial Foundation Improvement Fund

The Industrial Foundation Improvement Fund (hereinafter referred to as the "Fund") shall conduct the activities listed below, in addition to the activities stipulated in sub-clause 1 (2) of Article 40 of the Temporary Law Concerning Promotion of Establishing Specific Facilities through Utilizing Capabilities of Private Business Operators (Law No. 77 of 1986, hereinafter referred to as the "Specific Facilities Establishment Law"), in order to promote the Specific Business Activities by Business Operators (in the case of the Specific Business Activities described in sub-clause 4 (7) of Article 2, the Activities specified by the government ordinance are to be excluded; this interpretation is applied to sub-clauses 1 through 3 of the same Article and clause 2 of Article 18) and to install or improve specific equipment or facilities (in the case of the specific facilities described in sub-clause 5 (3) of Article 2, the specific facilities specified by the government ordinance are excluded; this interpretation is applied to the rest of this Chapter).

- 1) Provision of suretyship concerning loans for funds (in the case of funds with regard to the Specific Business Activities described in sub-clause 4 (1) of Article 2, they are limited to

the installation or improvement of equipment; and in case of the funds regarding the Specific Business Activities specified in sub-clause 4 (2) of the same Article, they are limited to the funds necessary for the use of building materials, or installation or improvement of equipment) necessary for the Specific Business Activities (except for the activities described in sub-clause 4 (6) of Article 2) that are to be implemented by the Authorized Business Operators in accordance with the Authorized Business Plan; and for the funds necessary for installation or improvement of the Specific Equipment that are to be made by Business Operators

- 2) Provision of grant-in-aid for paying interest to the Japan Development Bank or other institutions designated by the Minister of Finance or the Minister of International Trade and Industry (hereinafter in this sub-clause referred to as "the Japan Development Bank and Other Institutions") in connection with the funds necessary for the Specific Business Activities (restricted to the activities defined in sub-clauses (3), (4), (5), or (7) of clause 4 of Article 2) that are to be carried out in accordance with the Authorized Business Operation Plans by the Japan Development Bank and Other Institutions; and loans for the funds necessary for the installation or improvement of the Specific Equipment described in sub-clauses 5 (3) or 5 (4) of Article 2
- 3) Collection, compilation, and provision of information concerning Specific Business Activities, and installation or improvement of Specific Equipment
- 4) Implementation of activities which arise from the activities described in the above sub-clause 3

Article 11. Investment by the government

When the Fund increases its capital for the funds necessary for the activities described in clause 1 of the above Article 10 for the purpose of applying to the credit fund for rationalization of energy use defined in sub-clause 1 of Article 13, or to the credit fund for utilization of recycled resources specified in clause 1 of Article 16, the government may finance the Funds within the applicable budget. In this case, the government shall show the amount to be financed.

Article 12. Special account for rational use of energy

1. With regard to the accounting concerning the activities specified in clauses (1) and (2) of the above Article 10 (restricted to the activities concerning the Specific Business Activities specified in sub-clauses (1) through (3) of clause 4 of Article 2, or concerning installation or improvement of the Specific Equipment described in sub-clauses (1) and (2) of clause 5 of

Article 2; hereinafter referred to as the Activities for Rationalization of Energy Use) and other accompanying activities, the Fund must segregate such accounts from any other accounts, and shall formulate a special account and treat it separately (hereinafter referred to as the "Special Account for Rationalization of Energy Use").

2. If a profit is generated in the income statement for a fiscal year of the Special Account for Rationalization of Energy Use, the Fund shall apply such profit to cover all of or a part of the deficit carried forward. If there remains a surplus after application to the deficit carried forward, the amount of such surplus must be incorporated into the reserve.
3. If a loss arises in the income statement for a fiscal year of the Special Account for Rationalization of Energy Use, the Fund shall cover the amount of such loss by the reserve described in the above clause 2. If the amount of the said reserve is insufficient to cover the loss, the balance of the loss shall be treated as the deficit carried forward.

Article 13. Credit fund for Rationalization of Energy Use

1. In connection with the activities (restricted to activities for Rationalization of Energy Use) specified in clause 1 of Article 10, the Fund must formulate the Fund for Rationalization of Energy Use, which is to be financed by the government for this purpose in compliance with the provision of Article 11.
2. If a profit or loss arises in the income statement for a fiscal year of the Special Account for Rationalization of Energy Use, the amount of the Fund for Rationalization of Energy Use shall be increased or decreased in accordance with the amount of such profit or loss.

Article 14. The Fund for Promotion of Rationalization of Energy Use

1. The Fund shall establish the Fund for Promotion of Rationalization of Energy Use in relation to the activities specified in clause 2 of Article 10 (restricted to the activities for Rationalization of Energy Use) as well as their accompanying activities
2. With regard to the accounting related to the Fund for Rationalization of Energy Use, the Fund must segregate it from any other accounting of the Special Account for Rationalization of Energy Use.
3. Notwithstanding the provision of clause 2 of the above Article 13, the Fund shall apply a part

of the amount equivalent to the reserve described in clause 2 of Article 12 to the Fund for Promotion of Rationalization of Energy Use within the amount authorized by the Minister of Finance and the Minister of International Trade and Industry in advance.

4. Interest arising from use of the Fund for Promotion of Rationalization of Energy Use as well as other incomes generated as a result of investment or use of the said Fund shall be incorporated into the Fund for Promotion of Rationalization of Energy Use.

Article 15. Special account for utilization of recycled resources

1. With regard to the accounting related to the activities specified in clauses (1) and (2) of Article 10 (except for the activities for Rationalization of Energy Use) and their accompanying activities, the Fund must segregate it from any other accounts, and must establish a special account (hereinafter referred to as the "Special Account for Utilization of Recycled Resources") to incorporate it.
2. When a profit is generated in the income statement of the Special Account for Utilization of Recycled Resources for a fiscal year, the Fund shall apply such profit to the deficit carried forward from the previous fiscal year. If there is a surplus after such application, notwithstanding the provision of clause 1 of Article 47 in the Specific Facilities Establishment Law, all or a part of such surplus must be incorporated into the reserve in accordance with government ordinance.
3. If a loss arises in the income statement of the Special Account for Utilization of Recycled Resources for a fiscal year, it shall be covered by the reserve described in the above clause 2. If the amount of the reserve is insufficient to cover such a loss, it must be treated as a deficit to be carried forward.
4. When there is a surplus remaining even after being incorporated into the reserve in accordance with the above clause 2, the Fund must pay the amount of such surplus to the National Treasury.
5. In relation to the payment described in the above clause 4, the procedure and other necessary items shall be stipulated by a government ordinance.
6. Subject to authorization by the Minister of Finance and the Minister of International Trade and

Industry, the Fund may transfer a part of the Funds of the following accounts into the Special Account for Utilization of Recycled Resources in order to apply that part to the funds necessary for the activities specified in clause 1 of Article 10 (except for the activities for Rationalization of Energy Use), the activities described in clause 2 of the same Article (except for the activities for Rationalization of Energy Use), and their accompanying activities (hereinafter generically referred to as the "Activities for Utilization of Recycled Resources: the Special Account defined in clause 1 of Article 18 of the Temporary Law for Smooth Transformation of the Industrial Structure (Law No. 24 of 1987); the Special Account defined in clause 1 of Article 11 of the Special Law Concerning Promotion of Specific Commerce Integration (Law No. 82 of 1991); the Special Account defined in clause 1 of Article 10 of the Temporary Law Concerning Promotion of Imports and Smoothing Investment to Domestic Businesses (Law No. 22 of 1992); and generic accounts other than Account for Rationalization of Energy Use.

7. Subject to the authorization by the Minister of Finance and the Minister of International Trade and Industry, the Fund, to the extent that it does not affect the Activities for Utilization of Recycled Resources, may transfer a part of the Special Fund for Utilization of Recycled Resources into the general account up to the amount that was transferred in accordance with the provision of the above clause 6.

Article 16. Credit Fund for Utilization of Recycled Resources

1. With regard to the activities described in clause 10 of Article 10 (except for the activities for Rationalization of Energy Use), the Fund shall establish the Credit Fund for Utilization of Recycled Resources by applying the amount which was financed by the government to the Credit Fund for Utilization of Recycled Resources in compliance with the provision of Article 11.
2. When a profit or loss arises in the income statement of the Special Account for Utilization of Recycled Resources that is issued every fiscal year, the amount of the Credit Fund for Utilization of Recycled Resources shall be either increased or decreased in accordance with the amount of such profit (the amount after deducting the amount of the said surplus from the amount of the said profit if the said surplus is transferred to the National Treasury as defined in clause 4 of the above Article 15) or loss.

Article 17. Fund for Promoting Utilization of Recycled Resources

1. In relation to the activities specified in clause 2 of Article 10 (except for the activities for Rationalization of Energy Use) and their accompanying activities, the Fund shall establish the Fund for Promoting Utilization of Recycled Resources.
2. Regarding the accounting for the Fund for Promoting Utilization of Recycled Resources, the Fund must segregate the accounting for the Special Account for Utilization of Recycled Resources from all other accounting.
3. Notwithstanding the provision of clause 2 of the above Article 16, the Fund shall apply a part of the amount equivalent to the reserve defined in clause 2 of Article 16 to the Fund for Promoting Utilization of Recycled Resources up to the amount authorized in advance by the Minister of Finance and the Minister of International Trade and Industry.
4. Any interests generated from investment of the Fund for Promoting Utilization of Recycled Resources as well as incomes that arise following investment or use of the other said Fund shall be applied to a part of the Fund for Promoting Utilization of Recycled Resources.

Article 18. Exceptional cases for Specific Facilities Establishment Law

1. When activities of the Fund are implemented in compliance with the provisions of Article 10, "the Japan Development Bank" that appears in Article 19 of the Specific Facilities Establishment Law should be construed as "the government and the Japan Development Bank"; similarly, "the amount invested when the authorization stipulated in the provision of clause 2 of the same Article was given" that appears in clause 2 of Article 40 of the Specific Facilities Establishment Law should be construed as "the amount invested when the authorization stipulated in the provision of clause 2 of the same Article was given (except for the amount financed by the government in accordance with the provision of Article 11 of the Temporary Law Concerning the Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (hereinafter referred to as "the Specific Business Activities Promotion Law"))"; "the activities specified in sub-clause 1 of the previous clause" should be construed as "the activities specified in clause 1 of the previous clause and transfer to the special account defined in clause 1 of Article 15 based on clause 6 of the same Article in the Specific Business Activities Promotion Law (hereinafter referred to as the "Special Account for Utilization of Recycled Resources)"; "decision on suretyship obligation"

that appears in clause 1 of Article 41 of the Special Facilities Establishment Law should be construed as "decision on suretyship obligation as well as provision of interest subsidy"; "investors" appearing in Article 46 of the Special Facilities Establishment Law should be construed as "investors other than the government"; "this Law" that appears in Article 51 of the Special Facilities Establishment Law should be construed as "this Law as well as the Specific Business Activities Promotion Law"; "this Law" that appears in clause 2 of Article 52, and clauses 1 and 2 of the Special Facilities Establishment Law should be construed as "this Law or the Specific Business Activities Promotion Law"; "investors" that appears in clause 3 of Article 54 of the Specific Facilities Establishment Law should be construed as "investors other than the government"; "this...to respective investor" appearing in clause 1 of Article 55 of the Specific Facilities Establishment Law should be construed as "in accordance with the government ordinance, out of the remaining asset, the amount equivalent to that of the special account defined in clause 1 of Article 12 of the Specific Business Activities Promotion Law (hereinafter referred to as the "Special Account for Rationalization of Energy Use") as well as the amount equivalent to that of the Special Account for Utilization of Recycled Energy are to beto the government, while the amount equivalent to general accounts other than the Special Account for Rational Use of Energy and the Special Account for Utilization of Recycled Resources is to be to the respective investors who are related to the said account"; "respective investors" that appears in clause 2 of the same Article should be construed as "the respective investors in connection with generic accounts other than the Special Account for Rationalization of Energy Use and the Special Account for Utilization of Recycled Resources"; "clause 1 of Article 40" that appears in clause 3 of Article 63 of the Special Facilities Establishment Law should be construed as "clause 1 of Article 40 as well as Article 10 of the Specific Business Activities Promotion Law"; "activities specified in sub-clauses 3 and 5 of Article 16" that appears in clause 1 of Article 20 of the Temporary Law for Smooth Transformation of Industrial Structure should be construed as "the activities specified in sub-clauses 3 and 5 of Article 16 as well as the activities specified in clause 3 of Article 10 of the Temporary Law Concerning the Promotion of Activities for Rationalization of Energy Use and Utilization of Recycled Resources."

2. Prior to providing authorization in accordance with the provisions of clause 1 of Article 42 or Article 44 of the Specific Facilities Establishment Law, the Minister of Finance and the Minister of International Trade and Industry shall discuss with the competent minister (except for the Minister of Finance and the Minister of International Trade and Industry) with regard to the items concerning the activities described in sub-clauses (1) and (2) of Article 10 (limited to the activities related to the Specific Business Activities).

Article 19. Exceptional cases of taxation

1. Within the Specific Business Activities specified in sub-clause 4 (1) of Article 2 that the Authorized Business Operators implement in conformity with the Authorized Business Operation Plan, a special tax exemption shall be applied to the activities specified in the Special Taxation Law (Law No. 26 of 1957) in accordance with the provisions of the said Law.
2. As for the Specific Business Activities described in sub-clauses 4 (3), (4), and (7) of Article 2 that the Authorized Business Operators implement in compliance with the Authorized Business Operation Plan, a special tax exemption shall be applied in accordance with the provisions of the Special Taxation Law.
3. When the Authorized Business Operators accumulate expenses required for the Specific Business Activities as the Reserve for Promotion of Utilization of Recycled Resources where the said Authorized Business Operators carry out the said Business Activities specified in sub-clause 4 (6) of Article 2 in compliance with the Authorized Business Operation Plan, a special tax exemption for the corporate taxes or income taxes to the applicable Authorized Business Operators shall be applied in accordance with the provisions of the Special Taxation Law.

Chapter 3. Promotion of the Specific Business Activities Implemented by Small- and Medium-sized Enterprises

Article 20. Authorization of Business Operation Plans

1. Proprietors of Small- and Medium-sized Enterprises shall prepare their Business Operation Plans, while the Cooperatives shall prepare their Business Operation Plans or the Business Operation Plans of Small- and Medium-sized Enterprises which are their constituent members (limited to Cooperatives constituent members of which are mostly Small- and Medium-sized Enterprises that are mainly engaged in the types of business defined in the government ordinance described in sub-clauses 4 (5) and (6) of Article 2, in the case of the Business Operation Plan in relation to the Specific Business Activities stated in sub-clauses 4 (5) and (6) of Article 2). Then, after submitting such a plan to the Prefectural Governor who has competence over the main office of the applicant, the plan may be authorized as an appropriate Business Operation Plan.

2. The provisions of clauses 2 and 3 of Article 4 as well as Article 5 are applied to the authorization defined in the above clause 1 as well. In such case, the portion "the Business Operators (hereinafter referred to as "the Authorized Business Operators")" that appears in clause 1 of Article 4 should be construed as "the Small- and Medium-sized Enterprises (hereinafter referred to as "the Authorized Small- and Medium-sized Companies") or Cooperatives (hereinafter referred to as "the Authorized Cooperatives"); "the Authorized Business Operators" that appears in clause 2 of Article 4 should be read as "the Authorized Small- and Medium-sized Enterprises and the Authorized Cooperatives"; and "the Authorized Business Plans" in the same clause should be read as "the Business Plans of the Small- and Medium-sized Enterprises."
3. If such a Cooperative intends to impose upon their constituent members the expenses to be spent for the purpose of tests and /or research in connection with the Specific Business Activities specified in sub-clauses 4 (3), (4) and (7) of Article 2, the standards for such imposition can be stated in its Business Operation Plan.

Article 21. Exceptional cases in the Credit Insurance Law for small- and medium-sized enterprises

1. With regard to the ordinary insurance defined in clause 1 of Article 3 of the Credit Insurance Law for Small- and Medium-sized Enterprises (Law No. 264 of 1950) (hereinafter referred to as the "Ordinary Insurance"), the Unsecured Insurance defined in clause 1 of Article 3.2 of the same Law (hereinafter referred to as the "Unsecured Insurance"), or the Special Small Amount Insurance defined in clause 1 of Article 3.3 of the same Law (hereinafter referred to as the "Special Small Amount Insurance"), the expressions, written in the middle column of the following chart, for each clause number shown in the left column shall be changed to the expressions shown in the right column, where they are concerned with the Small- and Medium-sized Enterprises that received the guaranty for the Specific Business Activities (i.e. the guaranty for the liabilities that are defined in clause 1 of Article 3.1, clause 1 of Article 3.2, or clause 1 of Article 3.3 of the same Law, and that are related to the fund necessary for the Authorized Small- and Medium-sized Enterprises, the Authorized Cooperatives, or the Small- or Medium-sized Enterprises that are the constituent members of such Cooperatives to carry out the Specific Business Activities specified in sub-clause 4 (5) or (6) of Article 2 in accordance with the Authorized Business Operation Plans of Small- and Medium-sized Enterprises, or that are related to funds necessary to install or improve the Specific Equipment

specified in sub-clause 5 (3) or (4) of Article 2 (limited to the Equipment defined by the government ordinance in the case of the Specific Equipment specified in sub-clause 3 of the same clause, which is applied to the rest of this Law.):

Clause 1, Article 3	The insured amount....	The total insurance amount in relation to the guaranty for the Specific Business Activities defined in clause 1 of Article 21 of the Temporary Law Concerning the Promotion of Activities for Rationalization in Use of Energy, etc. and Utilization of Recycled Resources (hereinafter referred to as "Specific Business Activities-related Guaranty") and the total amount of the other insurance are respectively....
Clause 1, Article 3.2, Clause 1, Article 3.3	The insured amount	The total amount of insurance concerning the Specific Business Activities-related Guaranty and the total amount of the other insurance are respectively
Clause 3, Article 3.2 Clause 2, Article 3.3	The said guaranty is made	The said guaranty is made respectively for the Specific Business Activities-related Guaranty and the other guaranty
	The said creditors	The said guaranty is respectively made for the Specific Business Activity-related Guaranty and other guaranty

2. In relation to application of the provision of clause 2 of Article 3 and Article 5 of the Credit Insurance Law for Small- and Medium-sized Enterprises regarding the Ordinary Insurance and the Specific Business Activities-related guaranty, it is indicated as "70/100" in clause 2 of Article 3 of the said Law; and "70/100 (80/100 in cases of Unsecured Insurance, Special Small Amount Insurance, Pollution Prevention Insurance, Energy Corresponding Insurance, Overseas Investment-related Insurance, and New Business Development Insurance)" that appears in Article 5 of the said Law shall be changed to "80/100."
3. When the provisions of clauses 1 and 2 of Article 3.5 of the Credit Insurance Law for Small- and Medium-sized Enterprises are applied in relation to the Small- and Medium-sized

Enterprises that are granted the Business Activities-related Guaranty for Rationalization of Energy Use (i.e. the guaranty for liabilities defined in the said Law, and the guaranty for the funds necessary for the Authorized Small- and Medium-sized Enterprises, the Authorized Cooperatives, or Small- and Medium-sized Enterprises that are the constituent members of such Cooperatives that carry out the Specific Business Activities described in sub-clause 4 (1) of Article 2), which are also related to the Energy Correspondent Insurance defined in clause 1 of Article 3.5 of the said Law, the portion "one hundred million yen" that appears in clause 1 of Article 3.5 of the said Law shall be changed to "the insurance amount concerning the guaranty for liability of the funds over four hundred million yen (i.e. the funds necessary for implementing the Specific Business Activities stated in sub-clause 4 (1) of Article 2 of the said Law in accordance with the Authorized Business Activities of Small- and Medium Enterprises defined in clause 2 of Article 5 of the said Law, which is changed pursuant to the provision of clause 2 of Article 20 of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy as well as Utilization of Recycled Resources (hereinafter referred to as the "Fund for Rational Use of Energy") shall be one hundred million yen"; similarly, the portion "two hundred million yen" shall be changed to "eight hundred million yen (in the case of the insurance concerning guaranty for liability of funds other than the Fund for Rationalization of Energy Use is two hundred million yen)"; and "one hundred million yen" that appears in clause 2 of Article 2 shall be changed to "four hundred million yen (in the case of the insurance concerning guaranty for liability of funds other than the Fund for Rational Use of Energy is one hundred million yen)."

Article 22. Exceptional cases in the Law for Subsidy of Small- and Medium-sized Enterprises Modernization Funds

Notwithstanding the provision of Article 5 of the Law for Subsidy of Small- and Medium-sized Enterprise Modernization Funds (Law No. 115 of 1956), with regard to loans granted for the purpose of subsidizing modernization of Small- and Medium-sized Enterprises stipulated in clause 1 of Article 3 of the above Law, loans for equipment necessary for the Authorized Small- and Medium-sized Enterprises, the Authorized Cooperatives, and Small- and Medium-sized Enterprises that are the constituent members of such Cooperatives in order to carry out the Specific Business Activities specified in sub-clauses 4 (1), (5), and (6) of Article 2 in compliance with the Authorized Business Operation Plan of Small- and Medium-sized Enterprises, and loans necessary for installing the Specific Equipment described in sub-clause 5 (3) and (4) of Article 2, the maturity of the loans shall be seven years or shorter, which shall be specified by government ordinance.

Article 23. Exceptional cases in the Law for the Small- and Medium-sized Enterprises Investment Promotion Stock Company

1. In addition to the activities specified in the respective sub-clauses of clause 1 of Article 5 in the Law for Small- and Medium-sized Enterprises Investment Promotion Stock Company (Law No. 101 of 1963), the Small- and Medium Enterprises Investment Promotion Stock Company can underwrite new stocks, convertible bonds, or bonds with subscription warrant that are issued in order to raise funds necessary for the stock companies that are either the Authorized Small- and Medium-sized Enterprises, or the Authorized Cooperatives or the Small- and Medium-sized Enterprises as constituent members of such Cooperatives, and of which capital is one hundred million yen or over, and that carry out their Specific Business Activities (except for the activities described in sub-clause 4 (2) of Article 2) in conformity with the Authorized Business Operation Plans of Small- and Medium-sized Enterprises, or funds necessary for Small- and Medium-sized Enterprises, of which capital is one hundred million yen or over, install or improve the Specific Equipment described in sub-clauses 5 (3) and (4) of Article 2; and also such Authorized Enterprises or Authorized Cooperatives can hold stocks, convertible bonds (including stocks issued as a result of the conversion), or bonds with subscription warrant in relation to the above-mentioned underwriting (hereinafter generically referred to as the "Underwriting of New Stocks").
2. When the Underwriting of New Stocks is based on the provision of the above clause 1, such Underwriting of New Stocks is regarded as an activity specified in sub-clause 1 (2) of Article 5 of the Law for Small- and Medium Enterprises Investment Promotion Stock Company.

Article 24. Exceptional case in the Law for Small- and Medium-sized Enterprise Guidance

1. In addition to the specific guidance activities defined in clause 2 of Article 7 of the Law for Small- and Medium-sized Business Guidance (Law No. 147 of 1963), Prefectural Governors can have the designated corporations, defined in clause 1 of Article 7 of the above Law, implement activities (referred to as the "Guidance Activities Concerning Rationalization of Energy Use" in the next clause 2) through which management diagnoses, guidance, research, and information are provided in connection with the business activities of Small- and Medium-sized Enterprises that contribute to promote Rational Use of Energy and Specific Substances as well as Utilization of Recycled Resources.

2. When the provisions of the Law for Small- and Medium-sized Enterprise Guidance is applied for the guiding activities for Rationalization of Energy Use based on the above clause 1, such activities are regarded as the Specific Guidance Activities specified in clause 1 of Article 7 of the said Law.

Article 25. Special cases for taxation

1. When an Authorized Cooperative allocates Small- and Medium-sized Enterprises, which are constituent members of the said Cooperative, to bear expenses that are required to acquire or produce machinery or equipment (including tools, devices and appliances) for testing and/or research in conformity with the standards for allocation of costs defined in the Authorized Business Operation Plan of Small- and Medium-sized Enterprises (hereinafter referred to as the "Standards for Expenditure Allocation"), and when the said Small- and Medium-sized Enterprises have paid such allocated expenses, the said allocated expenses can be depreciated in accordance with the provisions of the Special Taxation Law.
2. When an Authorized Cooperative allocates its constituent members to bear expenses to be spent for testing and research based on the Standards for Expenditure Allocation, and when such constituent members have paid the applicable expenses, a special measurement for taxation, which is applicable where there is increase in testing and research costs, shall be applied to such expenses in accordance with the provisions of the Special Taxation Law.
3. When an Authorized Cooperative acquires or produces a fixed asset that is to be used for testing and/or research, with all or a part of the expenses allocated to its constituent members based on the Standards for Expenditure Allocation, a special measure will be taken in accordance with the provisions of the Special Taxation Law.

Chapter 4. Miscellaneous provisions

Article 26. Secured funds

The government shall secure the funds necessary for the Business Operators in order to promote Rational Use of Energy and Special Substances as well as Utilization of Recycled Resources.

Article 27. Consideration of Small- and Medium-sized Enterprises and their Cooperatives

The Minister of International Trade and Industry, other relevant ministers, and Prefectural Governors shall execute measures in relation to Rational Use of Energy and Special Substances as well as Utilization of Recycled Resources based on the provisions of this Law in appropriate consideration of Small- and Medium-sized Enterprises and their Cooperatives.

Article 28. Collection of reports

The competent minister can ask the Authorized Business Operators, other ministers who have regulatory authority over the applicable business entities can ask the Authorized Joint Business Operators, and Prefectural Governors can ask the Authorized Small- and Medium-sized Enterprises or the Authorized Cooperatives to report on the status of the on-going Authorized Business Operation Plans, the Authorized Joint Business Plan, or the Authorized Business Plan of Small- and Medium-sized Enterprises, respectively.

Article 29. Competent ministers

1. The competent ministers in this Law shall be ones as defined below:
 - 1) In accordance with the government ordinance, the competent ministers with regard to the items for institutions and announcement of the Guidelines for Efforts based on clause 1 of Article 3 as well as items for revision of the Guidelines for Efforts based on clause 2 of the same Article shall be the Minister of International Trade and Industry, the Minister of Construction, the Minister of Agriculture, Forestry and Fisheries, the Minister of Finance, the Minister of Health and Welfare, and the Minister of Transport.
 - 2) With regard to authorization defined in the provisions of clauses 1 and 3 of Article 4 and clause 1 of Article 5, cancellation of authorization defined in the provision of clause 2 of the same Article, discussion described in clause 2 of Article 18, and collection of reports defined in the above Article 28, the competent ministers for the Specific Business Activities specified in sub-clause 4 (1) of Article 2 shall be the Minister of International Trade and Industry and the minister who has regulatory authority over the industrial sector to which the said Business Operator or the Authorized Business Operators belong; the competent ministers related to use of the Building Materials and installation or improvement of facilities or equipment that contribute to Rationalization of Energy Use in connection with the Specific Business Activities described in sub-clause 4 (2) of Article 2 are the Minister of International Trade and Industry and the Minister of Construction, while

for other activities of the Specific Business Activities specified in the same sub-clause it is the Minister of Construction; the competent ministers connected with the Specific Business Activities specified in sub-clause 4 (3) of Article 2 are the Minister of International Trade and Industry and the minister who has regulatory authority over the manufacturing businesses of the industrial products involved with the said technology; the competent minister in relation to the Specific Business Activities described in sub-clause 4 (4) of the same Article is the minister who has regulatory authority over the manufacturing businesses of the industrial products involved with the said technology; the competent minister concerning the Specific Business Activities specified in sub-clauses 4 (5) and (6) of the same Article is the minister who has regulatory authority over the businesses operated by the said Business Operators or the Authorized Business Operators; and, in connection with the Specific Business Activities specified in sub-clause 4 (7) of the same Article, the competent minister connected with the manufacturing technologies for industrial products is the minister who has regulatory authority over the manufacturing businesses involved with the said technologies, and the Minister of Construction for the technologies related to civil engineering.

2. The competency given in this Law can be consigned to the heads of the local branches or departments, to bureaus of ministries, or to Prefectural Governors.

Article 30. When the competent minister or other minister (except for the Ministry of Health and Welfare), who has regulatory authority over the applicable Business Operators, authorizes a Business Operation Plan (including cases where it is applied to clause 3 of Article 5) based on clause 3 of Article 4 in relation to the Specific Business Activities (limited to segregated collection of recyclable resources, hereinafter simply referred to as the "Specific Business Activities") specified in sub-clause 4 (6) of Article 2, or authorizes a Joint Business Operation Plan defined in clause 3 of Article 6 (including cases where it is applied to clause 3 of Article 7), or executes measures necessary for smooth implementation of the Specific Business Activities that are to be carried out by the Authorized Business Operators in compliance with the applicable Authorized Business Operation plan, or, of the Joint Business Activities that are to be carried out by the Authorized Joint Business Operators in compliance with the applicable Authorized Joint Business Operation Plan, the applicable minister shall closely consult with the Minister of Health and Welfare if such an authorization or execution of the said measures is related to the measures for appropriate disposal of waste.

Article 31. Penal regulations

1. Persons who neglect to submit the report defined in Article 28 or submit a false report shall be subject to a fine of up to two hundred thousand yen.
2. In the event that the representative director of a corporation, proxy for a corporation or personnel, its employee, or other employee breaches the provision of the above clause 1 in connection with the operations of the corporation or personnel, a penalty shall be imposed on such a corporation or person(s), while the actual breaching person shall be punished.

Supplementary provisions

Article 1. Law enforcement date

This Law is to be enforced commencing on a date within four months from the date of promulgation, as set forth in the government ordinance.

Article 2. Abolition of this Law

This Law shall be abolished not later than March 31, 2003.

Article 3. Exceptional case for prohibition of repayment from the Fund

1. Investors other than the government and the Japan Development Bank may ask the Fund for a refund of their invested amount, if one month or longer has elapsed since the enforcement date of this Law.
2. Notwithstanding the provision of clause 1 of Article 18 of the Specific Facilities Establishment Law, if the Fund is asked to refund based on the provision of the above clause 1, it must refund an amount equivalent to the amount invested by the applicant. In such a case, the capital of the Funds shall be reduced in accordance with the amount paid back.

Article 4. Interim measures for penal regulations

The applicable penal regulations for any deeds performed before enforcement of this Law shall be the regulations that were in effect before enforcement of this Law.

Article 5. Partial revision of the Special Accounting Law Concerning Countermeasures for Improvement of Demand and Supply of Coal, Oil, and Other Energy

A part the Special Accounting Law Concerning Countermeasures for Improvement of Demand and Supply of Coal, Oil, and Other Energy (Law No. 12 of 1967) shall be revised as follows:

The following sub-clause shall be added immediately after sub-clause 3 (6) of Article 1:

- 6 (2) Investment in the Industrial Foundation Improvement Fund (restricted to investment to be applied to the Credit Fund for Rationalization of Energy Use defined in clause 1 of Article 13 of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993))

The portion "sub-clauses 3 (1) and (6) of Article 1" that appears in sub-clause 2 (1) of Article 3.2 shall be changed to "sub-clauses 3 (1), (6), and (6.2) of Article 1."

Article 6. Partial revision of the Special Law Concerning Promotion of Specific Commerce Integration

A part of the Special Law Concerning Promotion of Specific Commerce Integration shall be revised as follows:

The portion "and the special account defined in clause 1 of Article 10 of the Temporary Law Concerning Promotion of Import and Smoothing Investment to Domestic Businesses (Law No. 22 of 1992)" that appears in clause 4 of Article 11 shall be changed to ", the Special Account specified in clause 1 of Article 10 of the Temporary Law Concerning Promotion of Import and Smoothing Investment to Domestic Businesses (Law No. 22 of 1992), and the Special Account for Rationalization of Energy Use defined in clause 1 of Article 12 of the Temporary Law Concerning the Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993) as well as the Special Account for Utilization of Recycled Resources defined in clause 1 of Article 15."

Article 7. Partial revision of the Stamp Act

A part of the Stamp Act (Law No. 23 of 1967) shall be revised as follows:

"the activities ... of, and" that appears in Appendix 3 is changed to "the activities of," then, "and the activities specified in sub-clause 1 of Article 10 (the activities of promoting the Specific Business Operations implemented by the Industrial Foundation Improvement Fund) of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993)" underneath "the activities of (the activities for promotion of import as well as smooth investment to domestic businesses implemented by the Industrial Foundation Improvement Fund."

Article 8. Partial change in the Law for Establishment of the Ministry of Construction

The portion "and the Law Concerning Rationalization of Energy Use (Law No. 49 of 1979)" that appears in sub-clause 45 of Article 3 shall be changed to ", the Law Concerning Rational Use of Energy (Law No. 49 of 1979), and the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled resources (Law No. 18 of 1993)."

Article 9. Partial revision of the Law for Establishment of the Ministry of Finance

A portion of the Law for Establishment of the Ministry of Finance (Law No. 144 of 1949) shall be revised as follow:

The following sub-clause shall be added immediately after sub-clause 127.2 of Article 4:

127.3 Promotion of business activities in relation to rational use of energy and specific substances as well as utilization of recycled resources in accordance with the provisions of the Temporary Measure Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993) "and sub-clause 127.3" is added underneath "127.2" in Article 34, and "and" is changed to "as well as."

Article 10. Partial revision of the Law for Establishment of the Ministry of Health and Welfare

A portion of the Law for Establishment of the Ministry of Health and Welfare shall be revised as follows:

The portion "and the Law Concerning Promotion of Establishment of Specific Facilities Relevant to Disposal of Industrial Waste (Law No. 62 of 1992)" that appears in sub-clause 28 of Article 5 shall be changed to "the Law Concerning Promotion of Establishment of Specific Facilities Relevant to Disposal of Industrial Waste (Law No. 62 of 1992) and the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled resources (Law No. 18 of 1993)".

The following sub-clause shall be added immediately after sub-clause 27 of Article 6:

27.3 To establish Guidelines for efforts, and authorize business plans and joint business plans in accordance with the provisions of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled resources.

Article 11. Partial revision of the Law for Establishment of the Ministry of Agricultural, Forestry and Fisheries

A part of the Law for Establishment of the Ministry of Agriculture, Forestry and Fisheries (Law No. 153 of 1949) shall be revised as follows:

Change sub-clause 86.3 of Article 4 to sub-clause 86.4 of the same Article, then, add the following sub-clause immediately after sub-clause 86.2:

86.3 To carry out the activities over which the Ministry has regulatory authority in relation to execution of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993)

Article 12. Partial revision of the Law for Establishment of the Ministry of Transport

A part of the Law for Establishment of the Ministry of Transport (Law No. 157 of 1949) shall be revised as follows:

The following sub-clause shall be added immediately after sub-clause 11.2 of clause 2 of Article 3:

11.3 Items regarding execution of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993)

The following sub-clause shall be added immediately after sub-clause 11 of clause 1 of Article 4:

11.2 To establish guidelines for efforts, and authorize business plans and joint business plans based on the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources

Article 13. Partial revision of the Law for Establishment of the Ministry of International Trade and Industry

A part of the Law for Establishment of the Ministry of International Trade and Industry (Law No. 275 of 1952) shall be revised as follows:

The following sub-clause shall be added immediately after sub-clause 45 of Article 4:

45.2 Items regarding the execution of the Temporary Law Concerning Promotion of Activities for Rationalization in the Use of Energy, etc. and Utilization of Recycled Resources (Law No. 18 of 1993)

Article 14. Partial revision of the Law Concerning Restriction of Import and Export of Specific Harmful Waste

A part of the Law Concerning Restriction of Import and Export of Specific Harmful Waste (Law No. 108 of 1992) shall be revised as follows:

Article 3 of the Supplementary Provisions shall be revised as follows:

Article 3. Partial revision of the Law for Establishment of the Ministry of Health and Welfare

A part of the Law for Establishment of the Ministry of Health and Welfare (Law No. 151 of 1949) shall be revised as follows:

Add ", the Law Concerning Restriction of Import and Export of Specific Harmful Waste (Law No. 108 of 1992)" immediately after "the Law Concerning Promotion of Establishment of Specific Facilities Relevant to Disposal of Industrial Waste (Law No. 62 of 1992)" of sub-clause 28 of Article 28.