

Agricultural Competitiveness Enhancement Support Act (Tentative translation)

Act No. 35 of May 19, 2017

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is—taking into account that it is important for the agricultural industry in Japan to promote its structural reforms in response to changes in the economy and social circumstances for its sustainable development in the future, as well as to realize the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc.—to support efforts made by farmers, to enhance agricultural competitiveness by setting forth the responsibilities of and policies to be implemented by the national government in relation to said importance and taking measures for promoting business restructuring or business entry as part of such policies, and thereby contribute to the sound development of the agricultural industry and business related to agricultural production.

(Definitions)

Article 2 The term "agricultural material business" as used in this Act means the business of producing or selling agricultural materials that is carried on by any person other than farmers.

- (2) The term "agricultural product distribution, etc." as used in this Act means wholesale or retail of agricultural products (including those which are manufactured or processed from agricultural products as raw materials; hereinafter the same shall apply) or manufacturing or processing of any items using agricultural products as raw materials.
- (3) The term "business of agricultural product distribution, etc." as used in this Act means the business of agricultural product distribution, etc. that is carried on by any person other than farmers.
- (4) The term "business related to agricultural production" as used in this Act means agricultural material business or business of agricultural product distribution, etc., and the term "operator(s) of business related to agricultural production" means the business operator(s) carrying on business related to agricultural production.
- (5) The term "business restructuring" as used in this Act means a business activity carried out by an operator of business related to agricultural production for the purpose of contributing to the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., which falls under either of the following items:
 - (i) Carrying out merger or split, transferring or acquiring business related to agricultural production, or taking other measures specified by an order of the competent ministries; and
 - (ii) Making changes in the method of business related to agricultural production, in whole or in part, pertaining to the measures set forth in the preceding item by introducing a new production or sales method pertaining to agricultural materials or agricultural products, or using facilities, etc. (meaning facilities, equipment, devices, apparatus, or programs provided for in Article 2, paragraph 2 of the Act on Promotion of Information Processing (Act No. 90 of 1970); the same shall apply in Article 18, paragraph 5) or other management resources in an advanced manner, which are to improve efficiency in the production or sale of agricultural materials or agricultural products.
- (6) The term "business entry" as used in this Act means to newly carry on business related to agricultural production for the purpose of contributing to the supply of high quality and affordable

agricultural materials or the rationalization of agricultural product distribution, etc.

- (7) The term "business restructuring-promoted business" as used in this Act means business related to agricultural production belonging to the business area for which the promotion of business restructuring is found to be especially necessary as specified by an order of the competent ministries due to low productivity in business operators in charge of a considerable part of such business area or other circumstances, and the term "operator(s) of business restructuring-promoted business" means the business operator(s) carrying on business restructuring-promoted business.
- (8) The term "business entry-promoted business" as used in this Act means business related to agricultural production belonging to the business area for which the promotion of business entry is found to be especially necessary as specified by an order of the competent ministries due to a small number of business operators in such business area or other circumstances, and the term "operator(s) of business entry-promoted business" means the business operator(s) intending to newly carry on business entry-promoted business.

(Responsibility of the National Government)

Article 3 The national government shall be responsible for comprehensively formulating policies to realize the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc. based on the conditions of supply of agricultural materials and agricultural product distribution, etc. both in Japan and abroad, as well as steadily implementing such policies, in order to support efforts made by farmers to enhance agricultural competitiveness.

(Efforts by Operators of Business related to Agricultural Production, etc.)

Article 4 Operators of business related to agricultural production shall, based on the fact that the sustainable development of the agricultural industry in Japan in the future leads to the development of business related to agricultural production, make efforts to contribute to the realization of the supply of good quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc., and endeavor to make such efforts in a sustainable manner.

- (2) Government-affiliated financial institutions and Agriculture, Forestry and Fisheries Fund Corporation for Innovation, Value-chain and Expansion Japan (hereinafter referred to as the "Fund Corporation") shall, from the perspective of promoting efforts under the preceding paragraph, endeavor to provide funds for operators of business related to agricultural production.
- (3) Government-affiliated financial institutions and the Fund Corporation shall, when providing funds under the preceding paragraph, endeavor to collaborate with private financial institutions.

(Endeavors by Farmers, etc.)

Article 5 Farmers shall, when procuring agricultural materials or shipping or selling agricultural products, endeavor to make efforts for the improvement of agricultural management through transactions with operators of business related to agricultural production that present favorable terms and conditions.

- (2) Bodies organized by farmers that support the improvement of agricultural management shall endeavor to do so from the perspective of promoting the efforts set forth in the preceding paragraph.
- (3) The body organized by farmers carrying on business related to agricultural production (hereinafter referred to as the "farmers' body") shall, in making efforts under paragraph 1 of the preceding Article, endeavor to pay the utmost attention to increases in the farming income of farmers.

(Coordination and Cooperation among Relevant Administrative Organs)

Article 6 The competent ministers and the heads of the relevant administrative organs (if any of such administrative organs are council organizations, those administrative organs; the same shall apply in Article 17, paragraph 4) shall coordinate and cooperate with each other so that policies for the realization of the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc. are implemented in a smooth and effective manner.

(Points to Note)

Article 7 The national government shall, when implementing policies to realize the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., note that demonstration of the private sector's vitality is promoted by supporting independent endeavors of operators of business related to agricultural production, and business related to agricultural production is developed in a sound manner under proper competition.

Chapter II Policies to Be Implemented by the National Government

Section 1 Policies for Realizing Supply of High Quality and Affordable Agricultural Materials

(Development of Business Environment pertaining to Agricultural Material Business)

Article 8 The national government shall take the measures listed in the following items and other measures for the development of the necessary business environment to realize the supply of high quality and affordable agricultural materials:

- (i) With respect to registration of pesticides and other regulations on agricultural materials, carrying out a review to ensure the safety of agricultural materials, to balance such regulations with international standards, and otherwise to make such regulations reasonable based on the latest scientific knowledge;
- (ii) With respect to the development of agricultural machines and other agricultural materials, setting development goals for the realization of the supply of high quality and affordable agricultural materials, and promoting collaboration among incorporated administrative research and development agencies, universities, and private business operators;
- (iii) With respect to agricultural materials where there are a significantly large number of brands and accordingly, the production scale by brand is small and the productivity of the business operator engaging in such production is low, reviewing the standards related to the number of brands of such agricultural materials that is increased by a local government or the farmers' body, and promoting other efforts to integrate the brands of such agricultural materials; and
- (iv) With respect to seeds and seedlings, promoting technological development, breeding of new varieties, and production and supply of other seeds and seedlings by private business operators, as well as provision to private business operators of knowledge of production of seeds and seedlings as held by incorporated administrative research and development agencies and prefectures.

(Promotion, etc. of Business Restructuring or Business Entry pertaining to Agricultural Material Business)

Article 9 The national government shall, in order to realize the supply of high quality and affordable agricultural materials, promote business restructuring or business entry or take other necessary measures for agricultural material business so that high productivity is ensured under proper competition.

(Facilitation of Obtaining Necessary Information for Procurement of Agricultural Materials)

Article 10 The national government shall, in order to realize the supply of high quality and affordable agricultural materials, when a farmer procures agricultural materials or the farmers' body procures

agricultural materials to be supplied to farmers, take measures to enable such farmer or farmers' body to readily obtain information for the selection of the operator of business related to agricultural production that presents favorable terms and conditions while making use of knowledge of private business operators.

Section 2 Policies for Realizing Rationalization of Agricultural Product Distribution, etc.

(Development of Business Environment pertaining to Business of Agricultural Product Distribution, etc.)

Article 11 The national government shall take the measures listed in the following items and other measures for the development of the necessary business environment to realize the rationalization of agricultural product distribution, etc.:

- (i) With respect to regulations on agricultural product distribution, etc., carrying out a review based on changes in the economy and social circumstances;
- (ii) With respect to the standards pertaining to agricultural product distribution, etc., reviewing such standards specified by the national government to contribute to fair and smooth transactions of agricultural products in response to the existing status of agricultural product distribution, etc. and consumer demand, and promoting efforts to carry out a review of such standards specified by private business operators; and
- (iii) With respect to agricultural product distribution, etc., promoting utilization of information communication technology and other technologies to contribute to efficiency in business operations.

(Promotion, etc. of Business Restructuring or Business Entry pertaining to Business of Agricultural Product Distribution, etc.)

Article 12 The national government shall, in order to realize the rationalization of agricultural product distribution, etc., take the measures listed in the following items and other measures for business of agricultural product distribution, etc.:

- (i) With respect to wholesale or retail business of agricultural products, promoting business restructuring or business entry so that agricultural products are distributed in an efficient manner under proper competition; and
 - (ii) With respect to manufacturing or processing business using agricultural products as raw materials, promoting business restructuring or business entry so that high productivity is ensured under proper competition.
- (2) The national government shall, when taking measures listed in items of the preceding paragraph, pay attention so that stability in transactions of agricultural products is ensured to contribute to the sound development of the agricultural industry.

(Direct Sales Promotion of Agricultural Products)

Article 13 The national government shall, in order to realize the rationalization of agricultural product distribution, etc., take measures to promote direct sales of agricultural products to consumers by farmers or the farmers' body.

(Facilitation of Obtaining Necessary Information for Shipment, etc. of Agricultural Products)

Article 14 The national government shall, in order to realize the rationalization of agricultural product distribution, etc., when a farmer or the farmers' body ships or sells agricultural products, take measures to enable such farmer or farmers' body to readily obtain information for the selection of the operator of business related to agricultural production that presents favorable terms and conditions while making use of knowledge of private business operators.

(Appropriate Evaluation of Quality, etc. of Agricultural Products)

Article 15 The national government shall, in order to realize the rationalization of agricultural product distribution, etc., when agricultural products are transacted or consumed, take measures to have the quality, production or distribution method, or any other characteristic of such agricultural products be appropriately evaluated.

Section 3 Examination of Policies

Article 16 The government shall conduct a survey concerning the circumstances of the supply of agricultural materials and agricultural product distribution, etc. both in Japan and abroad approximately every five (5) years, and make public the result of the survey.

(2) The government shall examine the appropriateness of policies for the realization of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc. including the policies set forth in the preceding two sections from the perspective of supporting efforts made by farmers to enhance agricultural competitiveness approximately every five (5) years, and take necessary measures based on the result of such examination.

Chapter III Measures for Promoting Business Restructuring or Business Entry

Section 1 Guidelines concerning Implementation of Promotion of Business Restructuring or Business Entry

Article 17 The competent ministers shall establish guidelines concerning the implementation of promotion of business restructuring or business entry (hereinafter referred to as the "implementation guidelines").

(2) In the implementation guidelines, matters listed in the following items shall be specified:

(i) Matters listed in the following sub-items concerning the implementation of promotion of business restructuring:

- (a) The future of business restructuring-promoted business;
- (b) Matters concerning setup of the goal of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., the goal of an improvement in productivity by business restructuring, and other goals of business restructuring by an operator of business restructuring-promoted business;
- (c) Matters concerning the implementation method of business restructuring by an operator of business restructuring-promoted business; and
- (d) Other important matters concerning business restructuring.

(ii) Matters listed in the following sub-items concerning the implementation of promotion of business entry:

- (a) The future of business entry-promoted business;
- (b) Matters concerning setup of the goal of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., and other goals of business entry by an operator of business entry-promoted business;
- (c) Matters concerning the implementation method of business entry by an operator of business entry-promoted business; and
- (d) Other important matters concerning business entry.

(3) The competent ministers shall, when it becomes necessary due to changes in the economic situation, make changes in the implementation guidelines.

- (4) The competent ministers shall, when intending to establish or make changes in the implementation guidelines, consult with the heads of the relevant administrative organs in advance.
- (5) The competent ministers shall, when establishing or making changes in the implementation guidelines, make public that fact without delay.

Section 2 Plans for Business Restructuring

(Certification for Business Restructuring Plan)

Article 18 An operator of business restructuring-promoted business may prepare a plan for business restructuring that the operator intends to carry out (hereinafter referred to as the "business restructuring plan"), and submit the same to the competent ministers as specified by an order of the competent ministries to obtain certification therefor.

- (2) When more than one operator of business restructuring-promoted business jointly carries out business restructuring, such more than one operator of business restructuring-promoted business may jointly prepare the business restructuring plan and obtain certification under the preceding paragraph.
- (3) In the business restructuring plan, matters listed in the following items shall be stated:
 - (i) The goal of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., the goal of an increase in productivity by business restructuring, and other goals of business restructuring;
 - (ii) The details of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc., and other details and the period of carrying out business restructuring;
 - (iii) The amount of funds required to carry out business restructuring and the financing method; and
 - (iv) Matters concerning labor associated with business restructuring.
- (4) For matters listed in item 2 of the preceding paragraph, the type of facilities or equipment if such facilities or equipment will be removed or disposed of upon carrying out business restructuring, or the type of business restructuring promotion equipment, etc. if such equipment or the like is introduced thereupon may be stated.
- (5) The term "business restructuring promotion equipment, etc." as used in the preceding paragraph means equipment or the like used for the purpose of production or sale of agricultural materials or agricultural products as specified by an order of the competent ministries to be such equipment or the like particularly contributing to the promotion of business restructuring.
- (6) The competent ministers shall, when finding that an application for certification submitted under paragraph 1 falls under all of the following items, grant certification therefor:
 - (i) The relevant business restructuring plan is appropriate in view of the implementation guidelines;
 - (ii) Business restructuring pertaining to the relevant business restructuring plan is expected to contribute to the realization of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc.;
 - (iii) Business restructuring pertaining to the relevant business restructuring plan is expected to be carried out in a smooth and reliable manner;
 - (iv) Business restructuring pertaining to the relevant business restructuring plan will not cause unreasonable damage to the status of employees;
 - (v) Business restructuring pertaining to the relevant business restructuring plan will not impede proper competition between the operator of business restructuring-promoted business submitting the application and other operators of business restructuring-promoted business carrying on restructuring-promoted business that belongs to the same business area as the business

restructuring-promoted business carried on by such operator of business restructuring-promoted business in light of market conditions both in Japan and abroad; and

- (vi) Business restructuring pertaining to the relevant business restructuring plan will not cause unreasonable damage to the interests of general consumers and other business operators.
- (7) The competent ministers shall, when granting certification under paragraph 1, make public the details of the business restructuring plan so certificated, as specified in an order of the competent ministries.

(Changes in Business Restructuring Plan, etc.)

Article 19 An operator of business restructuring-promoted business that has obtained certification under paragraph 1 of the preceding Article (including a corporation incorporated in accordance with the business restructuring plan so certified; hereinafter referred to as "certified business operator(s) carrying out business restructuring") shall, when intending to change the business restructuring plan so certified, obtain the certification of the competent ministers as specified by an order of the competent ministries.

- (2) The competent ministers may, when finding that a certified business operator carrying out business restructuring fails to carry out business restructuring in accordance with the business restructuring plan so certified (or when certification for changes has been granted as provided for in the preceding paragraph, the business restructuring plan so changed; hereinafter referred to as the "certified business restructuring plan"), rescind certification for such plan.
- (3) The competent ministers may, when finding that the certified business restructuring plan ceases to fall under any of items of paragraph 6 of the preceding Article, instruct the certified business operator carrying out business restructuring to change the relevant certified business restructuring plan or rescind certification for such plan.
- (4) The competent ministers shall, when rescinding certification as provided for in the preceding two paragraphs, make public that fact.
- (5) The provisions of paragraphs 6 and 7 of the preceding Article shall apply mutatis mutandis to certification for changes as provided for in paragraph 1.

(Relationship with Fair Trade Commission)

Article 20 The competent ministers shall, when intending to grant certification under Article 18, paragraph 1 (including certification for changes as provided for in paragraph 1 of the preceding Article; the same shall apply in paragraph 3), if business restructuring by the operator of business restructuring-promoted business submitting an application for such certification falls under any of those items specified by a Cabinet Order to be likely to impede proper competition in the business area to which business restructuring-promoted business carried on by such operator of business restructuring-promoted business belongs, send a copy of the application for such certification to and consult with the Fair Trade Commission in advance.

- (2) The competent ministers and the Fair Trade Commission shall, in consulting with each other as provided for in the preceding paragraph, maintain close liaison with each other to carry out procedures in a prompt and accurate manner.
- (3) The competent ministers and the Fair Trade Commission shall maintain close liaison with each other so that any act performed in accordance with the business restructuring plan that has been certified under Article 18, paragraph 1 by the competent ministers who have sent a copy of the application for that plan to the Fair Trade Commission as provided for in paragraph 1 will not impede proper competition among operators of business restructuring-promoted business nor will it cause unreasonable damage to the interests of general consumers and other business operators due to changes in the economic situation after the grant of such certification.

Section 3 Plans for Business Entry

(Certification for Business Entry Plan)

Article 21 An operator of business entry-promoted business may prepare a plan for business entry that the operator intends to carry out (hereinafter referred to as the "business entry plan"), and submit the same to the competent ministers as specified by an order of the competent ministries to obtain certification therefor.

- (2) When more than one operator of business entry-promoted business jointly carries out business entry, such more than one operator of business entry-promoted business may jointly prepare the business entry plan and obtain certification under the preceding paragraph.
- (3) In the business entry plan, matters listed in the following items shall be stated:
 - (i) The goal of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc. and other goals of business entry;
 - (ii) The details of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc. and other details and the period of carrying out business entry; and
 - (iii) The amount of funds required to carry out business entry and the financing method.
- (4) The competent ministers shall, when finding that an application for certification submitted under paragraph 1 falls under all of the following items, grant certification therefor:
 - (i) The business entry plan is appropriate in view of the implementation guidelines;
 - (ii) Business entry pertaining to the relevant business entry plan is expected to contribute to the realization of the supply of high quality and affordable agricultural materials or the rationalization of agricultural product distribution, etc.; and
 - (iii) Business entry pertaining to the relevant business entry plan is expected to be carried out in a smooth and reliable manner.
- (5) The competent ministers shall, when granting certification under paragraph 1, make public the details of the business entry plan so certificated, as specified in an order of the competent ministries.

(Changes in Business Entry Plan, etc.)

Article 22 An operator of business entry-promoted business that has obtained certification under paragraph 1 of the preceding Article (including a corporation incorporated in accordance with the business entry plan so certified; hereinafter referred to as "certified business operator(s) carrying out business entry") shall, when intending to change the business entry plan so certified, obtain the certification of the competent ministers as specified by an order of the competent ministries.

- (2) The competent ministers may, when finding that a certified business operator carrying out business entry fails to carry out business entry in accordance with the business entry plan so certified (or when certification for changes has been granted as provided for in the preceding paragraph, the business restructuring plan so changed; hereinafter referred to as the "certified business entry plan"), rescind certification for such plan.
- (3) The competent ministers may, when finding that the certified business entry plan ceases to fall under any of items of paragraph 4 of the preceding Article, instruct the certified business operator carrying out business entry to change the relevant certified business entry plan or rescind certification for such plan.
- (4) The competent ministers shall, when rescinding certification as provided for in the preceding two paragraphs, make public that fact.
- (5) The provisions of paragraphs 4 and 5 of the preceding Article shall apply mutatis mutandis to certification for changes as provided for in paragraph 1.

Section 4 Supporting Measures

Subsection 1 Demands for Objections by Creditors in Cases of Transfer of Business

Article 23 An operator of business related to agricultural production that is a stock company (hereinafter referred to as the "company" in this paragraph and paragraph 4) may, when a resolution at a shareholders meeting or a board of directors meeting or a decision by executive officers is made with respect to whole or partial transfer of business carried on in accordance with the certified business restructuring plan, separately notify within two (2) weeks from the date of the resolution or decision each of specified creditors (meaning, from among persons holding claims against the company, those who will hold claims against those persons taking over the business in whole or in part, and who will not hold the claims against the company through such whole or partial transfer of the business; hereinafter the same shall apply in paragraphs 3 and 4) of the outline of such whole or partial transfer of the business, and demand that a specified creditor who has an objection to such whole or partial transfer of the business should state the objection within a certain period of time.

- (2) The period set forth in the preceding paragraph shall not be less than one (1) month.
- (3) When a specified creditor who has received a demand as provided for in paragraph 1 does not state any objection within the period set forth in the same paragraph, the specified creditor shall be deemed to have approved such whole or partial transfer of the business.
- (4) When a specified creditor states an objection within the period set forth in paragraph 1, the company shall make payment or provide reasonable security to the specified creditor, or deposit reasonable property in trust with a trust company or a financial institution engaging in trust business for the purpose of having the specified creditor receive payment; provided, however, that this shall not apply to the case where such whole or partial transfer of the business is unlikely to harm such specified creditor.

Subsection 2 Business Operations to Promote Business Restructuring, etc. by the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN

Article 24 The Organization for Small & Medium Enterprises and Regional Innovation, JAPAN will undertake business operations to guarantee bonds (excluding short term corporate bonds provided for in Article 66, item 1 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (Act No. 75 of 2001); the same shall apply in Article 27, item 7) issued by the persons listed in either of the following items to raise funds set forth in the applicable item, and obligations pertaining to the borrowing of such funds:

- (i) Certified business operators carrying out business restructuring: Necessary funds to carry out business restructuring in accordance with the certified business restructuring plan; or
- (ii) Certified business operators carrying out business entry: Necessary funds to carry out business entry in accordance with the certified business entry plan.

Subsection 3 Business Operations to Promote Business Restructuring, etc. by the Japan Finance Corporation

(Loan of Funds)

Article 25 The Japan Finance Corporation (hereinafter referred to as the "Finance Corporation") may, in addition to the business operations provided for in Article 11 of the Japan Finance Corporation Act (Act No. 57 of 2007; hereinafter referred to as the "Finance Corporation Act"), undertake business operations to loan the persons listed in either of the following items the long-term funds with low interest set forth in the applicable item which contribute to the sound development of the agricultural

industry (limited to such funds other financial institutions have difficulty in financing) as designated by the Minister of Agriculture, Forestry and Fisheries and the Minister of Finance:

- (i) Certified business operators carrying out business restructuring (limited to small and medium sized enterprises (meaning the small and medium sized enterprises provided for in Article 2, item 3 of the Finance Corporation Act; the same shall apply in the following item and paragraph 1 of the following Article)): Necessary funds to carry out business restructuring in accordance with the certified business restructuring plan (limited to such funds with a maturity period of more than ten (10) years); or
 - (ii) Certified business operators carrying out business entry (limited to small and medium sized enterprises): Necessary funds to carry out business entry in accordance with the certified business entry plan (limited to such funds with a maturity period of more than ten (10) years).
- (2) The interest rate, maturity period, and grace period for funds provided for in the preceding paragraph will be set by the Finance Corporation to the extent specified by a Cabinet Order.
- (3) With respect to the application of the provisions of Article 11, paragraph 1, item 6, Article 12, paragraph 1, Article 31, paragraph 2, item 1 b., Article 41, item 2, Article 53, Article 58, Article 59, paragraph 1, Article 64, paragraph 1, item 4, Article 73, item 3, and Appended Table 2, item 9 of the Finance Corporation Act for the loan of funds provided for in paragraph 1 by the Finance Corporation as provided for in the same paragraph, the terms listed in the middle column of the following table in the provisions of the Finance Corporation Act as listed in the left-hand column of the same table shall be replaced with the terms listed in the right-hand column of the same table:

Article 11, paragraph 1, item 6	business operations listed in the preceding items	business operations listed in the preceding items and business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act (Act No. 35 of 2017)
Article 12, paragraph 1	business operations listed in items of paragraph 1 of the preceding Article	business operations listed in items of paragraph 1 of the preceding Article and business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act
Article 31, paragraph 2, item 1 b. and Article 41, item 2	or business operations listed in Appended Table 2, item 2	, business operations listed in Appended Table 2, item 2 or business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act
	item 5 of the same paragraph	business operations provided for in Article 25, paragraph 1 of the same Act and Article 11, paragraph 1, item 5
Article 53	item 5 of the same paragraph	business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act and Article 11, paragraph 1, item 5
Article 58 and Article 59, paragraph 1	this Act	this Act, the Agricultural Competitiveness Enhancement Support Act
Article 64, paragraph 1, item 4	or business operations listed in Appended Table 2, item 2	, business operations listed in Appended Table 2, item 2, or business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act

	item 5 of the same paragraph	business operations provided for in Article 25, paragraph 1 of the same Act and Article 11, paragraph 1, item 5
Article 73, item 3	Article 11	Article 11 and Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act
Appended Table 2, item 9	or business operations to loan funds listed in the right-hand column of Appended Table 1, items 1 to 14	, business operations to loan funds listed in the right-hand column of Appended Table 1, items 1 to 14 or business operations provided for in Article 25, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act

(Guarantee of Obligations)

Article 26 Notwithstanding the provisions of Article 11 of the Finance Corporation Act, the Finance Corporation may undertake the business operations listed in the following items:

- (i) Providing the guarantee of obligations (including an act to assume obligations that is equivalent to the guarantee of obligations; the same shall apply in the same item) pertaining to the borrowing (limited to borrowing from foreign banks and other financial institutions as specified by an Ordinance of the Ministry of Agriculture, Forestry and Fisheries, an Ordinance of the Ministry of Economy, Trade and Industry, or an Ordinance of the Ministry of Finance; the same shall apply in the following item) of the necessary long-term funds for certified business operators carrying out business restructuring (limited to small and medium sized enterprises and those equivalent thereto in abroad as specified by an Ordinance of the Ministry of Agriculture, Forestry and Fisheries, an Ordinance of the Ministry of Economy, Trade and Industry, or an Ordinance of the Ministry of Finance) to carry out business restructuring in abroad in accordance with the certified business restructuring plan, as designated by the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, or the Minister of Finance; and
 - (ii) Providing the guarantee of obligations pertaining to the borrowing of the necessary long-term funds for certified business operators carrying out business entry (limited to small and medium sized enterprises and those equivalent thereto in abroad as specified by an Ordinance of the Ministry of Agriculture, Forestry and Fisheries, an Ordinance of the Ministry of Economy, Trade and Industry, or an Ordinance of the Ministry of Finance) to carry out business entry in abroad in accordance with the certified business entry plan, as designated by the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, or the Minister of Finance.
- (2) The guarantee of obligations as provided for in the preceding paragraph shall, with respect to the application of the Finance Corporation Act, be deemed to be the business operations listed in the right-hand column of Appended Table 2, item 4 of the Finance Corporation Act pursuant to the provision of Article 11, paragraph 1, item 2 of the Finance Corporation Act.

Subsection 4 Business Operations to Promote Business Restructuring, etc. by Agriculture, Forestry and Fisheries Fund Corporation for Innovation, Value-chain and Expansion Japan

(Capital Investments, etc.)

Article 27 The Fund Corporation may, in addition to the business operations listed in Article 21, paragraph 1, items 1 to 15 of the Agriculture, Forestry and Fisheries Fund Corporation for Innovation, Value-chain and Expansion Japan Act (Act No. 83 of 2012; referred to as the "Fund Corporation Act" in Article 30), engage in the business operations listed in the following items:

- (i) Making capital investments in business operators carrying out supported business restructuring, etc. (meaning, from among certified business operators carrying out business restructuring and

certified business operators carrying out business entry (hereinafter referred to as "certified business operator(s) carrying out business restructuring, etc."), certified business operators carrying out business restructuring, etc. that have become subject to support pursuant to the provisions of Article 29, paragraph 1; hereinafter the same shall apply);

- (ii) Making capital investments in supporting organizations for supported business restructuring, etc. (meaning, from among organizations that provide funds and other support for certified business operators carrying out business restructuring, etc. (hereinafter referred to as "supporting organization(s) for business restructuring, etc."), supporting organizations for business restructuring, etc. that have become subject to support pursuant to the provisions of Article 29, paragraph 1; the same shall apply in the following item and item 8);
- (iii) Contributing funds (meaning funds provided for in Article 131 of the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006)) to supporting organizations for supported business restructuring, etc.;
- (iv) Loaning funds to business operators carrying out supported business restructuring, etc.;
- (v) Acquiring securities (securities provided for in Article 2, paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) and the rights deemed to be securities as provided for in paragraph 2 of the same Article; hereinafter the same shall apply in this item) issued by business operators carrying out supported business restructuring, etc., and securities held by business operators carrying out supported business restructuring, etc.
- (vi) Acquiring monetary claims against business operators carrying out supported business restructuring, etc. and monetary claims held by business operators carrying out supported business restructuring, etc.;
- (vii) Providing the guarantee of obligations pertaining to bonds issued and funds borrowed by business operators carrying out supported business restructuring, etc.;
- (viii) Providing guidance and recommendations on and taking other measures for funds and other support provided by supporting organizations for supported business restructuring, etc. under item 2;
- (ix) Dispatching experts to business operators carrying out or intending to carry out business restructuring or business entry;
- (x) Providing advice for business operators carrying out or intending to carry out business restructuring or business entry;
- (xi) Conducting necessary negotiations and surveys in connection with the business operations listed in the preceding items;
- (xii) Conducting the necessary surveys and providing the necessary information to promote business activities in which funds and other support will be provided for business restructuring, business entry, and certified business operators carrying out business restructuring, etc. (referred to as "business activities for business restructuring, etc." in paragraph 1 of the following Article); and
- (xiii) Conducting business operations incidental to the business operations listed in the preceding items.

(Support Standards of Business Restructuring, etc.)

Article 28 The Minister of Agriculture, Forestry and Fisheries shall set the standards to be complied with by the Fund Corporation in deciding certified business operators carrying out business restructuring, etc. or supporting organizations for business restructuring, etc. that are subject to support for business activities for business restructuring, etc. (limited to such support provided through the business operations listed in items 1 to 7 of the preceding Article; hereinafter referred to as "support for business restructuring, etc.") and the details of such support for business restructuring, etc. (hereinafter referred to as the "support standards of business restructuring, etc.").

- (2) The support standards of business restructuring, etc. shall be set in accordance with the principle of contributing to the realization of the supply of high quality and affordable agricultural materials and the rationalization of agricultural product distribution, etc.
- (3) The Minister of Agriculture, Forestry and Fisheries shall, when intending to set the support standards of business restructuring, etc., hear the opinion of the minister with jurisdiction over the business pertaining to activities subject to support for business restructuring, etc. (referred to as the "competent minister for the business" in paragraphs 3 and 4 of the following Article) in advance.
- (4) The Minister of Agriculture, Forestry and Fisheries shall, when setting the support standards of business restructuring, etc., make public such standards.

(Decision to Provide Support)

Article 29 The Fund Corporation shall, when intending to provide support for business restructuring, etc., decide the certified business operators carrying out business restructuring, etc. or supporting organizations for business restructuring, etc. subject thereto and the details of such support for business restructuring, etc. in accordance with the support standards of business restructuring, etc.

- (2) The Fund Corporation shall, when intending to decide whether or not to provide support for business restructuring, etc., obtain the authorization of the Minister of Agriculture, Forestry and Fisheries in advance.
- (3) The Minister of Agriculture, Forestry and Fisheries shall, when an application for authorization is submitted under the preceding paragraph, notify the competent minister for the business of the details of the application without delay.
- (4) The competent minister for the business may, in cases of receipt of a notice pursuant to the provision of the preceding paragraph, when finding it necessary taking into account the actual conditions of the business area to which the relevant certified business operator carrying out business restructuring, etc. or supporting organization for business restructuring, etc., state any opinion to the Minister of Agriculture, Forestry and Fisheries.

(Application of the Fund Corporation Act)

Article 30 With respect to the application of Article 6, paragraph 1, item 6, Article 15, paragraph 1, items 1 and 2 and paragraph 3, Article 21, paragraph 1, item 16, Article 24, Article 25, paragraphs 1 and 2, Article 26, Article 27, Article 34, Article 37, Article 39, paragraphs 1, 2, and 5, Article 40, Article 46, Article 47, and Article 48, item 9 of the Fund Corporation Act for the business operations listed in items of Article 27 and undertaken by the Fund Corporation as provided for in the same Article, the terms listed in the middle column of the following table in the provisions of the Fund Corporation Act as listed in the left-hand column of the same table shall be replaced with the terms listed in the right-hand column of the same table, and the provisions of Article 15, paragraph 2 of the Fund Corporation Act shall not apply:

Article 6, paragraph 1, item 6	business operations listed in items of Article 21, paragraph 1	business operations listed in items of Article 21, paragraph 1 of this Act and business operations listed in items of Article 27 of the Agricultural Competitiveness Enhancement Support Act (Act No. 35 of 2017)
Article 15, paragraph 1, item 1	Article 21, paragraph 1, item 8	Article 21, paragraph 1, item 8 of this Act and Article 27, item 8 of the Agricultural Competitiveness Enhancement Support Act
Article 15,	the details	the details, and the details of support for business restructuring, etc.

paragraph 1, item 2		(meaning support for business restructuring, etc. provided for in Article 28, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act; hereinafter the same shall apply in this item and Article 27) and certified business operators carrying out business restructuring, etc. (meaning certified business operators carrying out business restructuring, etc. provided for in Article 27, item 1 of the same Act; the same shall apply in Article 24, paragraph 1, item 2 and Article 40) or supporting organizations for business restructuring, etc. (meaning supporting organizations for business restructuring, etc. provided for in Article 27, item 2 of the same Act; the same shall apply in Article 40) that are subject to said support for business restructuring, etc.
Article 15, paragraph 3	supporting organizations for supported business activities provided for in item 2 of the same item	supporting organizations for supported business activities provided for in item 2 of the same item, and business operators carrying out supported business restructuring, etc. provided for in Article 27, item 1 of the Agricultural Competitiveness Enhancement Support Act (hereinafter referred to as "business operators carrying out supported business restructuring, etc.") and supporting organizations for supported business restructuring, etc. provided for in item 2 of the same Article (hereinafter referred to as "supporting organizations for supported business restructuring, etc.")
Article 21, paragraph 1, item 16	preceding items	preceding items and items of Article 27 of the Agricultural Competitiveness Enhancement Support Act
Article 24, paragraph 1	paragraph 1 of the preceding Article	paragraph 1 of the preceding Article or Article 29, paragraph 1 of the Agricultural Competitiveness Enhancement Support Act
Article 24, paragraph 1, item 1	When	When, or when business operators carrying out supported business restructuring, etc. fail to carry out business restructuring (meaning business restructuring provided for in Article 2, item 5 of the Agricultural Competitiveness Enhancement Support Act; the same shall apply in Article 27 and Article 40) or business entry (meaning business entry provided for in Article 2, paragraph 6 of the same Act; the same shall apply in Article 27 and Article 40);
Article 24, paragraph 1, item 2	When	When, or when supporting organizations for supported business restructuring, etc. fail to provide funds or other support for certified business operators carrying out business restructuring, etc.;
Article 24, paragraph 1, item 3 and paragraph 2, and Article 25, paragraphs 1 and 2	or supporting organizations for supported business activities	, supporting organizations for supported business activities, business operators carrying out supported business restructuring, etc. or supporting organizations for supported business restructuring, etc.
Article 26	supporting	, supporting organizations for supported business activities, business

	organizations for supported business activities	operators carrying out supported business restructuring, etc. and supporting organizations for supported business restructuring, etc.
Article 27	business that contributes to	business that contributes to, and business that contributes to support for business restructuring, etc. and otherwise to carrying out business restructuring and business entry in a smooth and reliable manner
Article 34	this Act	this Act or the Agricultural Competitiveness Enhancement Support Act
Article 37	business operations listed in items of Article 21, paragraph 1	business operations listed in items of Article 27, paragraph 1 of this Act and business operations listed in items of Article 27 of the Agricultural Competitiveness Enhancement Support Act
Article 39, paragraph 1	this Act	this Act or the Agricultural Competitiveness Enhancement Support Act
Article 39, paragraph 2	this Act	this Act or the Agricultural Competitiveness Enhancement Support Act
	supporting organizations for supported business activities	supporting organizations for supported business activities or supporting organizations for supported business restructuring, etc.
Article 39, paragraph 5	supporting organizations for supported business activities	supporting organizations for supported business activities or supporting organizations for supported business restructuring, etc.
Article 40	supported business activities	supported business activities, business restructuring, and business entry
	supporting organizations for target business activities	supporting organizations for target business activities, certified business operators carrying out business restructuring, etc. and supporting organizations for business restructuring, etc.
Article 46	Article 39, paragraph 1	Article 39, paragraph 1 as applied by replacing certain terms pursuant to the provisions of Article 30 of the Agricultural Competitiveness Enhancement Support Act
Article 47	Article 39, paragraph 2	Article 39, paragraph 2 as applied by replacing certain terms pursuant to the provisions of Article 30 of the Agricultural Competitiveness Enhancement Support Act

Article 48, item 9	Article 34, paragraph 2	Article 34, paragraph 2 as applied by replacing certain terms pursuant to the provisions of Article 30 of the Agricultural Competitiveness Enhancement Support Act
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Section 5 Miscellaneous Provisions

(Collection, Arrangement, and Provision of Information)

Article 31 The national government shall collect, arrange, and provide information on efforts for business restructuring or business entry so as to promote the same.

(Stability of Employment, etc.)

Article 32 Certified business operators carrying out business restructuring shall, when carrying out business restructuring in accordance with the certified business restructuring plan, gain the understanding and cooperation of workers under their employment, and endeavor to take the necessary measures to prevent their unemployment and otherwise to promote the stability of the employment of such workers.

- (2) The national government shall endeavor to take the necessary measures to prevent the unemployment and otherwise to stabilize the employment of workers under the employment of certified business operators carrying out business restructuring.
- (3) The national government shall endeavor to take the necessary measures to provide job placement for and otherwise to contribute to the stability of the jobs and lives of workers who had been employed by certified business operators carrying out business restructuring.
- (4) The national government shall endeavor to take the necessary measures to provide vocational training for and otherwise to develop and improve the abilities of workers set forth in the preceding two paragraphs.
- (5) The national government shall endeavor to take the necessary measures to contribute to the facilitation of adaptation to the new economic environment by small and medium sized enterprises affiliated with certified business operators carrying out business restructuring.

(Guidance and Advice)

Article 33 The national government shall provide certified business operators carrying out business restructuring or certified business operators carrying out business entry with the necessary guidance and advice to properly carry out business restructuring or business entry.

(Collection of Reports)

Article 34 The competent ministers may request that a certified business operator carrying out business restructuring or a certified business operator carrying out business entry report the status of implementation of the certified business restructuring plan or the certified business entry plan.

Chapter IV Miscellaneous Provisions

(Competent Ministers)

Article 35 The competent ministers referred to in this Act shall be the ministers set forth in either of the following items according to the category of matters listed in the applicable item; provided, however, that the competent ministers provided for in Article 6 and Article 17 shall be the Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over business related to agricultural production:

- (i) Matters concerning the business restructuring plan: The Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over business related to agricultural production

pertaining to the business restructuring plan; or

(ii) Matters concerning the business entry plan: The Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over business related to agricultural production pertaining to the business entry plan.

(2) An order of the competent ministries referred to in this Act shall be an order jointly issued by the Minister of Agriculture, Forestry and Fisheries and the minister with jurisdiction over business related to agricultural production.

(Delegation of Authority)

Article 36 The authority of the competent ministers provided for in this Act may be delegated to the heads of local branch offices as specified by an order of the competent ministries.

Chapter V Penal Provisions

Article 37 When a person has failed to make a report or has made a false report under the provision of Article 34, the person who has committed such violation shall be punished by a fine of not more than 300,000 yen.

(2) When a representative person of a judicial person, or an agent, employee, or other worker of a judicial person or an individual has committed an act of violation under the preceding paragraph with regard to the business of such judicial person or individual, not only the offender shall be punished but also the judicial person or individual shall be punished by the penalty prescribed in the same paragraph.

Article 38 In the event of a failure in obtaining the authorization of the Minister of Agriculture, Forestry and Fisheries in violation of the provision of Article 29, paragraph 2, the director, accounting advisor, member who is to carry out such duties, or company auditor of the Fund Corporation who has committed such violation shall be punished by a civil fine of not more than 1,000,000 yen.

Supplementary Provisions

(Effective Date)

Article 1 This Act shall come into effect as of the day specified by a Cabinet Order within a period not exceeding three (3) months from the date of promulgation; provided, however, that the provision of Article 3 of the Supplementary Provisions shall come into effect as of the date of promulgation.

(Transitional Measures)

Article 2 The first survey as provided for in Article 16, paragraph 1 shall be conducted within approximately one (1) year from the date of enforcement of this Act.

(2) The first examination as provided for in Article 16, paragraph 2 shall be made within approximately two (2) years from the date of enforcement of this Act.

(Delegation to Cabinet Order)

Article 3 In addition to what is provided for in the foregoing, transitional measures necessary for the enforcement of this Act shall be specified by a Cabinet Order.