

Law 78

Workers' Co-operative Act

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Chapter I General Provisions

(Objective)

Article 1.

(2) In view of the current situation where there are not always sufficient opportunities for each individual to work in harmony with his or her life and according to his or her motivation and ability, this Act promotes the creation of various employment opportunities by providing for the establishment, management and other necessary matters with respect to organizations in which the basic principle is that the members invest, the business of the association is conducted reflecting their respective opinions, and the members themselves are engaged in the business. (2) The purpose of this Act is to promote the creation of diverse employment opportunities and to promote the implementation of businesses that meet the diverse demands of the community through such organizations, and thereby to contribute to the realization of sustainable and vibrant communities, by providing for the establishment, management and other necessary matters.

Chapter 2: Workers' Co-operatives

Section 1 General Rules

(Personality and address)

Article 2.

The Workers' Co-operative Society (hereinafter referred to as the "Society") shall be a legal person.

(2) The address of the Partnership shall be the location of its principal office.

(Basic principles and other standards and principles of operation)

Article 3.

The purpose of the Partnership shall be to contribute to the realization of a sustainable and vibrant local community through the conduct of its business in accordance with the following basic principles

(i) the partners invest in the company; and

(ii) that the views of the partners are appropriately reflected in the conduct of its business.

(iii) The partners engage in the business conducted by the Partnership.

(2) In addition to what is provided for in the preceding paragraph, the Partnership shall have the following requirements

(i) the partners may voluntarily join or withdraw from the Partnership; and

(ii) to conclude a labour contract with a union member in accordance with the provisions of paragraph 1 of Article 20.

(iii) The voting and election rights of the partners shall be equal regardless of the number of units invested.

(iv) The members who conclude a labour contract with the union hold a majority of the voting rights of all members.

(v) Dividends from surpluses shall be paid in proportion to the extent to which the partners have been engaged in the Partnership's business.

(3) A Partnership shall not carry out its business for profit.

(4) A Partnership shall aim to provide a direct service to its partners by the business it conducts and shall not conduct its business solely for the benefit of any particular partner.

5 Unions must not be used for the benefit of a particular political party.

(6) The Partnership shall not fall under any of the following groups

(i) A person who is a member of a crime syndicate (meaning a crime syndicate set forth in Article 2, item 2 of the Act on Prevention, etc. of Unjustifiable Acts by Members of Crime Syndicates (Act No. 77 of 1991). The same shall apply in the following item)

(ii) A person who is a member of a crime syndicate or a member thereof (including a member of a crime syndicate's constituent organization; the same shall apply hereinafter in this item). The same shall apply hereinafter in this item. (ii) A person who is a member of a crime syndicate (including a member of a crime syndicate's constituent organization; hereinafter the same shall apply in this item) or a person who has been a member of a crime syndicate for less

than five years (referred to as a "member of a crime syndicate, etc." in Article 35, item 5) (ii) Organizations under the control of

(Name)

Article 4.

The union shall use the words workers' co-operative in its name.

(2) A person who is not a union shall not use in its name any words which may lead to the misunderstanding that it is a workers' cooperative.

3 No person shall, for any improper purpose, use a name which may be misconstrued as that of another Partnership.

(4) A Partnership whose interests in its business are infringed or are likely to be infringed by the use of a name in violation of the preceding paragraph may demand that the person who infringes or is likely to infringe such interests cease or prevent such infringement.

(Registration)

Article 5.

(2) A Partnership shall be registered as provided by Cabinet Order.

(2) Matters requiring registration pursuant to the provisions of the preceding paragraph may not be asserted against a third party by virtue of such matters until after registration.

(Eligibility for membership)

Article 6.

(2) The persons entitled to be partners of the Partnership shall be individuals as defined in the Articles of Association.

Section 2 Business

Article 7.

(2) The Partnership shall carry out its business in order to achieve the purposes set out in paragraph 1 of Article 3.

(2) A Partnership may not carry out the Worker Dispatching Undertakings listed in item (iii) of Article 2 of the Act for Securing the Proper Operation of Worker

Dispatching Undertakings and the Protection of Dispatched Workers (Act No. 88 of 1985) or any other undertaking specified by a Cabinet Order as being inappropriate for a Partnership to carry out in light of its purposes.

Article 8.

(2) Not less than four-fifths ($4/5$) of the total partners shall be engaged in the business conducted by the Partnership.

(2) Three-quarters or more of the persons engaged in the businesses conducted by a Partnership shall be partners.

Section 3 Members

(Investment)

Article 9.

(2) A partner shall have at least one unit of investment.

2 The amount of each investment shall be uniform.

(3) The number of investment units of one partner shall not exceed $25/100$ of the total number of investment units of the Partnership. However, the following partners may hold up to the number of investment units equivalent to $35/100$ of the total number of investment units of the Partnership, if they obtain the consent of the Partnership based on the resolution of the General Assembly

(i) a partner who, after giving a partner notice under Article 14(1) but before such partner withdraws, subscribes to a number of units of capital contribution equivalent in whole or in part to the number of units of capital contribution of such partner

(ii) A partner who subscribes for a number of investment units equivalent to all or part of the number of investment units of such partner within one year after the withdrawal of such partner under Article 15(1).

(4) The preceding paragraph does not apply to the number of units contributed by partners in a partnership with three or fewer partners.

(5) The liability of the partners shall be limited to the amount of their investment.

(6) The partners may not defeat the Partnership by way of set-off in respect of the payment of their capital contributions.

(Preparation, maintenance and inspection of the register of members, etc.)

Article 10

(2) A Partnership shall prepare a list of partners and shall state or record the following matters in respect of each partner

(i) the name and address or place of residence

(ii) Date of subscription

(iii) the number of units and amount of investment and the date of payment

(2) A Partnership shall keep a list of its partners at its principal office.

(3) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during the hours for handling the Partnership's business. In this case, the Partnership shall not refuse such requests without justifiable grounds.

(i) If the list of partners is prepared in writing, a request for the inspection or copying of such writing

(ii) If the list of members of the Partnership is prepared in the form of electromagnetic records (which means records prepared in an electronic form, a magnetic form or any other form that cannot be recognized by human perception and which are used for information processing by a computer and which are provided for by Ordinance of the Ministry of Health, Labour and Welfare; the same shall apply hereinafter), the list of members of the Partnership shall be prepared in the form of electromagnetic records. The same shall apply hereinafter). The same shall apply hereinafter), a request for inspection or a copy of the matters recorded in said electromagnetic record which are indicated by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Voting and election rights)

Article 11

(2) Each partner shall have one vote and the right to vote for officers or general representatives.

(2) As provided in the articles of association, the partners may exercise their voting or election rights in writing or by proxy with respect to the matters of which they have been notified in advance pursuant to paragraph 1 of Article 61. In this case, only another partner may act as a proxy.

(3) In lieu of exercising their voting rights in writing as provided in the preceding paragraph, as provided in the articles of incorporation, the partners may exercise their voting rights by means of an electromagnetic method (which means a method using an electronic data processing system or other method utilizing information and communications technology as provided by Ordinance of the Ministry of Health, Labour and Welfare; the same shall apply hereinafter). The same shall apply hereinafter, except for Article 29, paragraph (3), item (iii)). The same shall apply hereinafter).

(4) A person who has the right to vote or vote in accordance with the preceding two paragraphs shall be deemed to be present.

(5) An agent may not represent more than five partners.

6 A proxy shall submit to the Partnership a document evidencing the right of representation. In this case, if the articles of association provide for voting by electromagnetic means, the right of representation may be proved by such electromagnetic means instead of submitting such a document.

(subscription)

Article 12

(2) If a person who is eligible to be a partner wishes to join the Partnership, the Partnership shall not, without justifiable reason, refuse to admit him to membership or impose conditions on his membership which are more difficult than those imposed on the current members at the time of admission.

(2) A person who wishes to become a partner in a Partnership shall become a partner upon obtaining the consent of the Partnership as provided for in the articles of association and completing the payment of the amount corresponding to the number of subscription units.

(Restrictions on the transfer of interests)

Article 13

(2) The interests of the partners may not be transferred.

(free withdrawal)

Article 14

(2) A partner may withdraw from the partnership at the end of the business year by giving ninety days' notice.

2 The period of notice referred to in the preceding paragraph may be extended by the articles of association. However, such period shall not exceed one year.

(Statutory Withdrawal)

Article 15

(2) A partner shall withdraw from the partnership for any of the following reasons

(i) Loss of Eligibility as a Partner

(ii) Death

(iii) Expulsion

(2) Expulsion may be effected by a resolution of the general meeting in respect of any of the following partners In this case, the Partnership shall notify the partners to that effect at least 10 days before the date of the general meeting and give them an opportunity to present their arguments at the general meeting.

(i) a partner who is not engaged in the business carried on by the Partnership for a long period of time

(ii) A partner who has failed to pay his or her obligations to the Partnership in addition to the payment of capital contributions.

(iii) Any other partner who falls under any of the conditions set out in the articles of association.

(3) An expulsion may not be challenged against a partner unless the expelled partner is notified of the expulsion.

(Refund of withdrawal interest)

Article 16

(2) If a partner withdraws pursuant to Article 14 or paragraph 1 of the preceding Article, the partner may demand a refund of all or part of its equity interest up to the amount of its paid-up capital contribution as provided in the articles of incorporation.

(2) The share referred to in the preceding paragraph shall be determined by the assets of the Partnership at the end of the business year in which the withdrawal takes place.

(3) If, in calculating the equity as set out in the preceding paragraph, the assets of the Partnership are insufficient to pay off the debts, the Partnership may demand that the withdrawn partners pay all or part of their unpaid capital contributions as provided for in the articles of association.

(Prescription)

Article 17

(2) The right to claim under paragraph (1) or (3) of the preceding Article shall be extinguished by prescription if the claim is not made for two years from the time of withdrawal.

(Suspension of refunds)

Article 18

(2) The Partnership may suspend the refund of its share until the withdrawn partner has paid off its debts to the Partnership.

(Decrease in the number of investment units)

Article 19

(2) The partners may reduce the number of units in which they have invested as provided in the articles of association.

(2) The provisions of Article 16 and Article 17 shall apply mutatis mutandis to the case referred to in the preceding paragraph.

(Conclusion of labour contract, etc.)

Article 20

(2) A Partnership shall conclude a labour contract with its partners who are engaged in its business (excluding the following partners) (1) A union shall conclude a labour contract with

(i) A partner who executes the business of the Partnership or performs only the duties of a director

(ii) a partner who is an auditor

(2) The withdrawal of a partner under Article 14 or Article 15, paragraph 1 (excluding item 2) (2) The withdrawal of a partner pursuant to Article 14 or Article 15, paragraph 1 (excluding item 2) shall not be construed as terminating the labour contract between the partner and the union.

(Prohibition of disadvantageous treatment)

Article 21

(2) A union may dismiss a partner (including a person who used to be a partner)) who have entered into a labour contract with the union and are engaged in its business shall not be dismissed or otherwise treated disadvantageously in terms of labour relations on the grounds that they have exercised their voting or electoral rights, withdrawn from the union or otherwise acted in accordance with their qualifications as members of the union.

Section 4 Establishment

(Founder)

Article 22

(2) In order to establish a partnership, three or more persons who intend to become partners of the partnership shall be required to act as promoters.

(Inaugural meeting)

Article 23

The promoters shall draw up the articles of association, publish them together with the date, time and place of the meeting, and hold the founding meeting.

2 The public notice referred to in the preceding paragraph shall be given at least two weeks before the date of the meeting.

3 The approval of the articles of association drawn up by the promoters, the setting up of the business plan and the determination of other matters necessary for the establishment of the company shall be subject to a resolution of the founding general meeting.

4 The founding general meeting may amend the articles of association referred to in the preceding paragraph. (5) The articles of association may be amended by the founding general meeting, except with respect to the provisions relating to the qualification of partners.

(5) The proceedings of the general meeting shall be decided by two-thirds or more of the votes of the members present at the meeting, at least half of whom are qualified to be partners and who have given their consent to the establishment to the promoter by the date of the meeting.

(6) Where the founding general meeting resolves to postpone or continue a resolution, it shall not be necessary to publish a public notice under paragraph (1).

7 The minutes of the proceedings of the founding general meeting shall be prepared in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

(8) The provisions of Article 11 shall apply mutatis mutandis to a general meeting of the Company as provided for in Article 830, Article 831, Article 834 (limited to the portions relating to items (xvi) and (xvii)), Article 835(1), Article 836(1) and (3), Article 837, Article 838 and Article 846 of the Companies Act (Act No. 86 of 2005). Article 838 (limited to the part pertaining to items (xvi) and (xvii)), Article 835(1), Article 836(1) and (3), Article 837, Article 838 and Article 846 shall apply mutatis mutandis to an action for confirmation or rescission of the absence or invalidity of a resolution of a general meeting of the founding members.

(Handover of administration to the Director)

Article 24

When the promoters have appointed the directors, they shall hand over their affairs to the said directors without delay.

(First payment of investment)

Article 25

(2) Upon receipt of the delivery pursuant to the provisions of the preceding Article, the directors shall cause the first payment of capital contribution to be made without delay.

(2) The amount of the first payment set forth in the preceding paragraph shall not be less than one-fourth of the amount of the contribution per unit.

(3) A contributor in kind shall deliver all of the assets that are the object of the contribution on the date of the first payment. However, registration, registration or any other action necessary to assert against a third party by way of establishment or transfer of rights shall not be precluded from being taken after the formation of the Partnership.

(Time of establishment)

Article 26

(2) A Partnership shall be formed by registering its incorporation in the district in which its principal office is located.

(Notification of formation)

Article 27

(3) When a Partnership is formed, it shall notify the administrative agency of that fact and the names and addresses of its officers, together with a certificate of registered matters and its articles of association, within two weeks from the date of formation.

(Action for nullity of establishment)

Article 28

Article 828(1) (limited to the part pertaining to item (i)) and (2) (limited to the part pertaining to item (i)) of the Companies Act Article 828, paragraph (1) (limited to the part pertaining to item (i)) and paragraph (2) (limited to the part pertaining to item (i)) of the Companies Act Article 828, paragraph 1 (limited to the part pertaining to item 1) and paragraph 2 (limited to the part pertaining to item 1) of Article 828, Article 834 (limited to the part pertaining to item 1), Article 835, paragraph 1, and Article 836 of the Companies Act

Section 5 Administration

Subsection 1 Articles of Association, etc.

(Articles of Association)

Article 29

(2) The articles of association of a Partnership shall contain or record the following matters

(i) Business

(ii) Name

(iii) the area of the prefecture in which the business is conducted

(iv) Address of the office

(v) Provisions relating to qualification as a partner

(vi) Provisions governing the admission and withdrawal of partners.

(vii) the amount of each unit of investment and the method of payment thereof

(viii) Provisions relating to the appropriation of surpluses and the treatment of losses

(ix) the amount of the reserve and the method of accumulation thereof

(x) Provisions relating to the reserve for work creation etc.

(xi) Provisions relating to educational carry-over funds

(xii) Provisions concerning measures to reflect the views of the partners.

(xiii) Provisions relating to the fixed number of officers and their election or appointment

(xiv) Business year

(xv) The method of public notice (meaning the method by which the Partnership gives public notice (excluding those which are required to be given by publication in the Official Gazette pursuant to this Act or other Acts). The same shall apply in Article 111, paragraph 1, item 12). The same shall apply hereinafter). The same shall apply hereinafter in this Article and Article 73, paragraph 3).

(2) In addition to the matters set out in the preceding paragraph, the articles of association of a Partnership shall state or record the duration of the Partnership or the grounds for dissolution of the Partnership, if any; the names of the persons who are to make capital contributions in kind, if any; the assets to be contributed, the price thereof and the number of units to be contributed thereto; and if any assets are to be transferred after the formation of the Partnership If any property is promised to be transferred after the formation of the Partnership, such property, its price and the name of the transferee shall be stated or recorded.

(3) In addition to posting public notices on storefronts of the offices of the Partnership, the Partnership may provide in its articles of association for one of the following methods of public notice

(i) by publication in the Official Gazette

(ii) By publication in a daily newspaper publishing matters relating to current affairs.

(iii) Electronic public notice (meaning a method of making public notices by electromagnetic means (meaning the electromagnetic means set forth in Article 2, item (xxxiv) of the Companies Act). The same shall apply hereinafter in this Article), which is a method of making public notices available to an unspecified number of persons. The same shall apply hereinafter in this Article).

(4) If a Partnership stipulates in its articles of incorporation that the method of public notice shall be as set out in item 3 of the preceding paragraph, it is sufficient for the articles of incorporation to stipulate that electronic public notice shall be the method of public notice. In this case, either of the methods set out in item (i) or (ii) of the preceding paragraph may be provided as the method of public notice in the event that electronic public notice cannot be made due to an accident or other unavoidable circumstances.

(5) If a Partnership gives public notice by means of electronic public notice, the Partnership shall give public notice by means of electronic public notice continuously until the date specified in each of the following items in accordance with the classification listed in the respective items

(i) a public notice to the effect that objections may be made within the period specified in the public notice, and the date on which that period expires

(ii) Public notices other than those listed in the preceding item: the day on which one month has elapsed since the commencement of the relevant public notice

(6) The provisions of Article 940(3), Article 941, Article 946, Article 947, Article 951(2), Article 953 and Article 955 of the Companies Act shall apply mutatis mutandis to the case where a Partnership makes a public notice under this Act or other laws and regulations by electronic public notice. In this case, the term "notwithstanding the provisions of the preceding two paragraphs," in Article 940(3) of the said Act, shall be deemed to be replaced with "notwithstanding the provisions of Article 29(5) of the Workers Cooperative Act," and any other necessary technical replacement of terms shall be prescribed by Cabinet Order.

(7) In addition to the matters set out in paragraphs (1) and (2), the articles of association of a Partnership may contain or record matters which would not be effective unless the articles of association were prescribed under this Act and other matters which do not contravene this Act.

(Terms and Conditions)

Article 30

The following matters may be provided for in the constitution, except those which must be provided for in the articles of association

(i) provisions relating to general meetings or general assemblies

(ii) Provisions relating to the conduct of business and accounting

(iii) Provisions relating to officers

(iv) Provisions relating to partners

(Keeping and inspection of the Articles of Association, etc.)

Article 31

(2) The Partnership shall keep the articles of association and the articles of incorporation (hereinafter in this Article referred to as the "Articles of Association, etc.") at each office. (2) The articles of association and the articles of association

(hereinafter in this Article referred to as the "articles of association, etc.") shall be kept in each office.

(2) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during the hours for handling the Partnership's business. In this case, the Partnership shall not refuse such requests without justifiable grounds.

(i) Where the articles of incorporation, etc. are prepared in writing, a request for inspection or copy of the said documents

(ii) When the articles of incorporation, etc. are prepared by electromagnetic records, a request for inspection or copy of the matters recorded in said electromagnetic records which are indicated by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(2) With respect to the application of paragraph 1 to a Partnership that has taken measures specified by Ordinance of the Ministry of Health, Labour and Welfare as measures to enable it to respond to the requests listed in item 2 of the preceding paragraph at each office (excluding the principal office), the term "each office" in the same paragraph shall be deemed to be replaced with "the principal office."

Subsection 2 Officers, etc.

(Directors)

Article 32

(2) The Partnership shall have directors and auditors as its officers.

2 The number of directors shall be three or more, and the number of auditors shall be one or more.

3 Officers shall be elected by the General Assembly as provided for in the Articles of Association. However, officers at the time of establishment shall be elected at the foundation general meeting.

(4) The directors must be members of the partnership. However, the directors at the time of establishment must be persons who intend to become partners.

(5) In a Partnership whose total number of partners exceeds the standards prescribed by Cabinet Order, one or more of the auditors shall be a person who meets all of the following requirements

(i) is a person other than a partner of the Partnership; or

(ii) a director or employee of the Partnership, or a subsidiary of the Partnership, for a period of five (5) years prior to his or her assumption of office (provided that the Partnership is a general shareholder (including all members)) The same shall apply in Article 63(1)(iv)) and Article 63(1)(v) of the Companies Act. The same shall apply in Article 63(1)(iv)) The same shall apply in the following item. The same shall apply in the same item). (ii) the person has not been a director, accounting advisor (or, if the accounting advisor is a juridical person, a member who is to perform the duties of the accounting advisor), executive officer or employee of a company (including a company that has a majority of the voting rights of shares that are deemed to be held by the provisions of Article 63(1)(iv); the same shall apply in the same item)

(iii) the person is other than the spouse or a relative within the second degree of kinship of a director or important employee of the Partnership.

6 In the event of the absence of more than one-third of the number of directors or auditors, they shall be replaced within three months.

7 The election of officers shall be by secret ballot.

8 Each person shall have one vote.

(9) Notwithstanding the provisions of paragraph (7), the election of officers may, if there is no objection among those present, be conducted by way of nomination.

10 Where the method of nomination is used, the question of whether the nominee should be elected shall be submitted to the General Assembly (or, in the case of the officers at the time of incorporation, to the Founding General Assembly), and the person whose election is unanimously agreed to by those present shall be elected.

11 (2) Where two or more directors or auditors are to be elected by means of a single election, the provisions of the preceding paragraph shall not apply to the nominees separately.

12 Notwithstanding the provisions of paragraph 3, officers may be elected at a general meeting (or, in the case of the officers at the time of incorporation, at the foundation general meeting) as provided by the articles of association.

(Notification of changes in directors)

Article 33

(3) If there is any change in the names or addresses of the officers, the Partnership shall notify the administrative agency of such change within two (2) weeks from the date of such change.

(Relationship between the union and its officers)

Article 34

The relationship between the union and its officers shall be governed by the rules on delegation.

(Qualifications of officers)

Article 35

The following persons shall not be eligible to be an officer

(i) Corporations

(ii) A person specified by an Ordinance of the Ministry of Health, Labour and Welfare as a person who is unable to execute his/her duties properly due to a mental or physical disorder

(iii) Any person who violates this Act, the provisions of the Companies Act or the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006), or the provisions of the Act on Prevention of Unjust Acts by Organized Crime Groups (excluding the provisions of Article 32-3, paragraph (7) and Article 32-11, paragraph (1) of the same Act) (ii) Violation of the provisions of the Act on Prevention, etc. of Unjustifiable Acts by Persons Concerned (excluding the provisions of Article 32-3(7) and Article 32-11(1) of said Act), or crimes under Article 255, Article 256, Article 258 to Article 260 or Article 262 of the Civil Rehabilitation Act (Act No. 225 of 1999), or crimes under Article 265, Article 266, Article 268 to Article 272 of the Bankruptcy Act (Act No. 75 of 2004) or Article 274 of the Penal Code (Act No. 45 of 1907), or Article

204, 206, 208, 208-2, 222 or 247 of the Penal Code (Act No. 45 of 1907), or the Act on Punishment of Acts of Violence (Act No. 60 of 1926). (2) A person who has been sentenced to a punishment for a crime under Article 122 or Article 247 of the Act on Punishment of Acts of Violence (Act No. 60 of 1926), and two years have not yet elapsed since the day on which the execution of the sentence was completed or the sentence ceased to be served.

(iv) A person who has been sentenced to imprisonment without work or severer punishment for violation of the provisions of laws and regulations other than those listed in the preceding item, until the completion of the execution of the sentence or until the person ceases to be subject to the execution of the sentence (excluding a person under suspension of execution of the sentence).

(v) Members of a crime syndicate, etc.

(Term of office of directors)

Article 36

The term of office of the directors shall be a period of not more than two years, to be determined by the articles of association.

(2) The term of office of the auditors shall be a period of not more than four years as determined by the articles of association.

(3) Notwithstanding the provisions of the preceding two paragraphs, the term of office of the officers at the time of establishment shall be for a period to be determined by the founding general meeting. However, such period shall not exceed one year.

(4) The provisions of the preceding three paragraphs shall not preclude the extension of the term of office under these provisions by the articles of association to the conclusion of the ordinary general meeting relating to the last financial year of the term of office.

(Action to be taken in the event of a vacancy in the Board)

Article 37

(2) In the event of a vacancy in the number of officers specified in this Act or the articles of incorporation, an officer who has retired from office due to the expiration of his term of office or resignation shall be entitled to continue to hold

office until a newly elected officer (including a person who is to perform his duties as a temporary officer under the following paragraph)) shall continue to have rights and obligations as an officer until a newly elected officer (including a person who is to perform duties as a temporary officer as described in the following paragraph) assumes office.

(2) In the case provided for in the preceding paragraph, if there is a risk of damage due to delay in the performance of the duties, the executive director shall notify the Minister of Economy, Trade and Industry.

(2) The Administration may, at the request of a partner or other interested person or ex officio, appoint a person to perform the duties of an officer as a temporary officer.

(Duties and powers of officers)

Article 38

The directors must comply with the law, the articles of association, the constitution and the resolutions of the general meeting, and must perform their duties faithfully for the benefit of the Partnership.

(2) The auditors shall audit the performance of the duties of the directors. In this case, the auditors shall prepare an audit report in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

(3) The provisions of Article 357, paragraph (1) of the Companies Act, paragraph (1) of the same Article as applied by replacing the terms pursuant to the provisions of Article 360, paragraph (3) of the same Act, and Article 361, paragraph (1) (excluding items (iii) to (v) inclusive) of the same Act shall apply mutatis mutandis to the directors. (3) The provisions of paragraphs (1) and (4) of Article 343, paragraphs (1) and (2) of Article 345, paragraphs (1) to (3) inclusive, Article 381 (excluding paragraph (1)), Article 382 (excluding paragraph (1)), and Article 383 of the same Act shall apply mutatis mutandis to the directors. (2) The provisions of the preceding two paragraphs shall apply mutatis mutandis to the provisions of the preceding two paragraphs. In this case, the provisions of Article 3, paragraph (1) (limited to the part pertaining to item (i)) and paragraph (2) (limited to the part pertaining to items (i) and (ii)), Article 387 and Article 388 of the same Act shall apply mutatis mutandis to the

auditors. In this case, the term "accounting advisor" in Article 345 paragraph (1) and paragraph (2) of the said Act shall be deemed to be replaced with "auditor", the term "directors (in the case of a company with a board of directors, the board of directors)" in Article 382 of the said Act shall be deemed to be replaced with "board of directors", the term "Ordinance of the Ministry of Justice" in Article 384 of the said Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare", and the term "company with auditors (in the case of a company with a board of directors, the board of directors)" in Article 388 of the said Act shall be deemed to be replaced with "company with a board of auditors (in the case of a company with a board of directors, the board of directors)". in Article 388 of the same Act shall be deemed to be replaced with "the Company with Corporate Auditors (including joint-stock companies whose articles of incorporation provide that the scope of audit by Corporate Auditors shall be limited to accounting matters)" and "the Partnership", and the necessary technical replacement of terms shall be prescribed by Cabinet Order.

(Powers of the Board of Directors, etc.)

Article 39

(2) The Partnership shall have a board of directors.

2 The Board of Directors shall consist of all members of the Board.

(3) The Board of Directors shall decide on the conduct of the Partnership's business.

(Resolution of the Board of Directors)

Article 40

Resolutions of the Board of Directors shall be adopted by a majority of the Directors present (or, if a higher percentage is specified in the Articles of Association or the Articles of Incorporation, by a higher percentage) who are entitled to vote.

2 Any Director who has a special interest in the resolution set out in the preceding paragraph may not participate in the voting.

(3) The Partnership may, as provided for in the articles of association, allow the directors to participate in the voting of the board of directors in writing or by electromagnetic means.

4 In the event that a Director makes a proposal concerning a matter subject to a resolution of a meeting of the Board of Directors, if all of the Directors (limited to those who are entitled to participate in the voting on such matter) express their consent to such proposal in writing or by electromagnetic record (except when the Auditors object to such proposal), the Partnership shall not be liable for any loss or damage arising from such proposal. If all of the Directors (limited to those who may participate in the voting on such matters) have expressed their consent to such proposal in writing or by electromagnetic record (except when the Auditors have expressed their objection to such proposal), the Partnership shall approve such proposal. (2) The Articles of Incorporation may provide that if all of the Directors (limited to those who may participate in the voting on the relevant matters) have expressed their consent in writing or by electromagnetic record (except when the Auditors have objected to the proposal), the Board of Directors shall be deemed to have adopted the proposal.

5 When a Director or Auditor has notified all the Directors and Auditors of matters to be reported to the Board of Directors, the Director or Auditor shall not be required to report such matters to the Board of Directors.

(6) The provisions of Article 366 and Article 368 of the Companies Act shall apply mutatis mutandis to the convocation of a meeting of the Board of Directors. In this case, the necessary technical replacement of terms shall be prescribed by Cabinet Order.

(Minutes of the board meetings)

Article 41

The minutes of the proceedings of the Board of Directors shall be prepared in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare, and when the minutes are prepared in writing, the directors and auditors present at the meeting shall sign or affix their names and seals thereto.

(2) Where the minutes set forth in the preceding paragraph are prepared in the form of electromagnetic records, with respect to the matters recorded in the electromagnetic records, measures in lieu of signatures or names and seals specified by an Ordinance of the Ministry of Health, Labour and Welfare shall be taken.

(3) The Partnership may, on the date of the Board of Directors' meeting (including the date on which the resolution of the Board of Directors' meeting is deemed to have been adopted pursuant to paragraph 4 of the preceding Article; the same shall apply in the following paragraph.) for a period of ten (10) years from the date of the meeting of the Board of Directors (including the date on which the Board of Directors is deemed to have adopted a resolution pursuant to paragraph 4 of the preceding Article; the same shall apply in the following paragraph). The same shall apply hereinafter) shall be kept at its principal office.

(4) A Partnership shall keep copies of the minutes, etc. at its secondary offices for five years from the date of the Board of Directors' meeting. (5) A Partnership shall keep copies of the Minutes, etc. at its subordinate offices for a period of five (5) years from the date of the meeting of the Board of Directors; provided, however, that this shall not apply if such Minutes, etc. are prepared in the form of electromagnetic records and the Partnership has taken such measures as provided by Ordinance of the Ministry of Health, Labour and Welfare to enable it to respond to the requests listed in item (ii) of the following paragraph at its subordinate offices.

(5) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during the hours for handling the Partnership's business In this case, the Partnership shall not refuse such requests without justifiable grounds.

(i) When the minutes, etc. are prepared in writing, a request for inspection or copying of the said writing or a copy of the said writing

(ii) When minutes, etc. are prepared by electromagnetic records, a request for inspection or copy of the matters recorded in said electromagnetic records which are indicated by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare

(Representative Director)

Article 42

(2) The Board of Directors shall select from among the Directors a Director who represents the Partnership (hereinafter referred to as the "Representative Director" in this Article and Article 45 paragraph 5). (2) The Board of Directors shall select from among the Directors a Director who represents the Partnership (hereinafter referred to as the "Representative Director" in this Article and Article 45 paragraph 5).

2 The Representative Director shall have the power to take all judicial or extrajudicial action in relation to the Partnership's business.

(3) The restrictions placed on the powers set out in the preceding paragraph may not be challenged by a third party in good faith.

4 A representative director may authorise another person to act on his behalf in a particular action only if this is not prohibited by the articles of association or a resolution of the general meeting.

(5) The provisions of Article 37, Article 78 of the Act on General Incorporated Associations and General Incorporated Foundations and Article 354 of the Companies Act shall apply mutatis mutandis to Representative Directors.

(Prohibition of auditors holding concurrent posts)

Article 43

The auditor may not be a director or an employee of the Partnership.

(Self-contracting by directors, etc.)

Article 44

In each of the following cases, the directors shall disclose the material facts of the transaction in question at a meeting of the Board of Directors and obtain its approval.

(i) if the Director intends to enter into a transaction with the Partnership on behalf of himself or herself or a third party

(ii) If a Partnership intends to guarantee the debts of a Director or engage in any other transaction with a person other than a Director that conflicts with the interests of the Partnership and such Director.

(2) The provision of Article 108 of the Civil Code (Act No. 89 of 1896) shall not apply to transactions set forth in the items of the preceding paragraph for which approval has been obtained.

(3) A director who has conducted a transaction set forth in each item of paragraph 1 shall, without delay after the transaction, report the material facts about the transaction to the Board of Directors.

(Liability of officers to the Partnership for damages)

Article 45

(2) If an officer fails to perform his or her duties, he or she shall be liable to compensate the Partnership for any damage caused thereby.

(2) If an act done in dereliction of duty under the preceding paragraph is done in accordance with a resolution of the Board of Directors, the Directors who voted in favour of the resolution shall be deemed to have done the act.

3 Any director who participates in the resolution set out in the preceding paragraph and who does not record an objection in the minutes shall be presumed to have voted in favour of the resolution.

(4) The liability under paragraph 1 may not be discharged without the consent of all partners.

(5) Notwithstanding the preceding paragraph, the liability referred to in paragraph (1) shall be limited to the amount calculated by deducting from the amount of the liability for damages the amount determined by the method prescribed by Ordinance of the Ministry of Health, Labour and Welfare as the amount equivalent to the amount per year of the financial benefits which the officer concerned received or should have received from the Partnership in consideration for the performance of his or her duties during his or her term of office, if the officer concerned performed his or her duties in good faith and without gross negligence.

(i) Representative Director 6

(ii) four directors other than the representative director

(iii) two auditors

6 In the case of the preceding paragraph, the directors shall disclose the following matters at the general meeting referred to in that paragraph

(i) the facts giving rise to the liability and the amount for which liability is assumed

(ii) The limit of the amount that may be exempted pursuant to the provisions of the preceding paragraph and the basis for its calculation

(iii) The reasons for exemption from liability and the amount of exemption

7 The directors must obtain the consent of each auditor before submitting to the general meeting a proposal concerning the exemption from liability (limited to the exemption from liability of directors) referred to in paragraph 1.) must obtain the consent of each auditor before submitting a proposal to the general meeting concerning the exemption from liability (limited to the exemption from liability of a director).

(8) In the event that a resolution under paragraph 5 is passed, the Partnership shall obtain the approval of the General Assembly if, after such resolution, the Partnership grants retirement benefits or other property benefits as provided by Ordinance of the Ministry of Health, Labour and Welfare to the officers referred to in the same paragraph.

9 Notwithstanding the provisions of paragraph 4, the provisions of Article 426 (excluding paragraphs 4 to 6) and Article 427 of the Companies Act shall apply mutatis mutandis to the liability referred to in paragraph 1. Notwithstanding the provisions of paragraph 4, the provisions of Article 426 (excluding paragraphs 4 to 6) and Article 427 of the Companies Act shall apply mutatis mutandis to the liability under paragraph 1. In this case, the phrase "with the consent of a majority of the Directors (excluding the Director who assumes such liability)" in Article 426, paragraph 1 of the Companies Act shall be deemed to be replaced with "with the consent of a majority of the Directors (excluding the Director who assumes such liability)". In this case, in paragraph 1 of Article 426 of the same Act, the term "the consent of a majority of the directors (excluding the director who bears such responsibility) (in the case of a company with a board of

directors, a resolution of the board of directors)" shall be deemed to be replaced with "a resolution of the board of directors", and in paragraph 3 of the same Article, the term "the consent to exempt the liability (in the case of a company with a board of directors, a resolution of the board of directors)" shall be deemed to be replaced with "a resolution of the board of directors to exempt the liability". The necessary technical replacement of terms shall be prescribed by a Cabinet Order.

(Liability of officers for damages to third parties)

Article 46

If an officer has acted in bad faith or with gross negligence in the performance of his duties, he shall be liable to compensate for any damage caused to a third party by such act.

(2) The same shall apply as in the preceding paragraph when a person listed in each of the following items commits an act specified in each of those items
However, the

This shall not apply if the person concerned proves that he was not negligent in committing the act in question.

(i) Director: the following acts

(a) False statements or records with respect to important matters to be stated or recorded in the documents to be prepared pursuant to the provisions of Article 51, paragraphs (1) and (2)

(b) false registration

(c) false public notices

(ii) a false statement or record of a material matter to be stated or recorded in the auditor's audit report

(Joint and several liability of officers)

Article 47

(2) If an officer is liable for damages caused to the Partnership or a third party, and if another officer is also liable for such damages, they shall be joint and several debtors.

(Indemnity contract)

Article 48

(2) If a Partnership enters into an agreement under which the Partnership undertakes to indemnify its officers for all or part of the following expenses, etc. (hereinafter in this Article referred to as an "Indemnity Agreement"), the Board of Directors shall determine the details of such agreement. (1) A resolution of the Board of Directors shall be necessary for the Partnership to decide on the details of an indemnity agreement (hereinafter referred to as an "Indemnity Agreement" in this Article) under which the Partnership undertakes to indemnify the officers for all or part of the following expenses, etc.

(i) Expenses to be paid in order to deal with the fact that the officer concerned is suspected of having violated the provisions of laws and regulations in the performance of his/her duties, or has received a claim pertaining to the pursuit of his/her responsibility.

(ii) The following loss in the event that the officer is liable to compensate for damage caused to a third party in connection with the performance of his/her duties

(a) the loss arising from the compensation of such damage by the officer concerned

(b) If a settlement is reached between the parties to the dispute concerning compensation for the said damage, the loss arising from the payment of money by the officer concerned under the settlement.

2 Even if a compensation agreement has been concluded, the Partnership may not compensate the following expenses, etc. under such compensation agreement

(i) the part of the expenses listed in item (i) of the preceding paragraph that exceeds the amount of expenses normally required

(ii) If the Partnership compensates for the loss as set out in item 2 of the preceding paragraph, the portion of the loss set out in that item that is attributable to that liability, if the officer to whom the loss relates is liable to the Partnership as set out in paragraph 1 of Article 45.

(iii) In the event that an officer is liable under item (ii) of the preceding paragraph due to malicious intent or gross negligence in the performance of his/her duties, all of the losses listed in the said item

(3) If the Partnership, which has indemnified an officer for the expenses listed in paragraph 1(1)(i) in accordance with the indemnity agreement, becomes aware that the officer to whom the expenses relate has performed the duties set out in the same item for the purpose of gaining an improper advantage for himself/herself or a third party, or for the purpose of causing damage to the Partnership, the Partnership may demand that the officer refund money equivalent to the amount of the indemnity. (3) The Partnership may, in the event of a dispute between the parties, demand the return of money equivalent to the amount compensated.

4 The director who has made compensation under the compensation contract and the director who has received such compensation shall report to the Board of Directors without delay the material facts concerning such compensation.

5 Paragraphs 1 and 3 of Article 44 and paragraphs 2 and 3 of Article 45 shall not apply to an indemnity agreement between the Partnership and the Director.

(6) The provisions of Article 108 of the Civil Code shall not apply to the conclusion of a compensation contract set forth in the preceding paragraph, the content of which has been determined by the resolution set forth in paragraph (1).

(Insurance contract concluded on behalf of a director)

Article 49

(2) In the event that a Partnership concludes an insurance contract with an insurer, which promises that the insurer will cover damages that may arise as a result of an officer assuming responsibility for the performance of his/her duties or receiving a claim related to the pursuit of such responsibility, and the insurance contract is concluded with an officer as the insured (excluding those contracts specified by the Ordinance of the Ministry of Health, Labour and Welfare as those in which the conclusion of such insurance contract is not likely to significantly impair the appropriateness of the performance of duties by the officer as the insured), the Partnership may conclude an insurance contract with

the insurer. (3) The term "insured" as used in the proviso to paragraph (3) shall mean a person who is a director or an officer of the Company (excluding those specified by the Ordinance of the Ministry of Health, Labour and Welfare as those for which the appropriateness of the execution of the duties of the insured director or officer is not likely to be significantly impaired by concluding such insurance contract). (In the proviso to paragraph (3), the term "directors' and corporate auditors' liability insurance contract") The same shall apply hereinafter) shall be decided by a resolution of the Board of Directors.

(2) The provisions of Article 44(1) and (3) and Article 45(2) and (3) shall not apply to the conclusion by the Partnership of an insurance contract with an insurer which provides that the insurer shall cover any damage that may arise from an officer being held liable for the performance of his or her duties or from being subject to a claim in respect of the pursuit of such liability. (2) The provisions of this Act shall not apply to the conclusion of an insurance contract between directors and officers which provides that the insurer shall make good any loss which may arise from the director being liable for the performance of his duties or being subject to a claim in respect of such liability.

(3) The provision of Article 108 of the Civil Code shall not apply to the conclusion of the insurance contract set forth in the preceding paragraph. (3) The provision of Article 108 of the Civil Code shall not apply to the conclusion of an insurance contract by a person who has obtained the approval of the Minister of Health, Labour and Welfare; provided, however, that if such insurance contract is a directors' and corporate auditors' liability insurance contract, such insurance contract shall be limited to the case where the contents thereof have been determined by the resolution set forth in paragraph (1).

(Action to hold officers accountable)

Article 50

Section 2 of Chapter II of Part VII of the Companies Act (excluding Article 847(2), Article 847-2, Article 847-3, Article 849(2), paragraph (3)(ii) and (iii), and paragraphs (6) through (11), Article 849-2(ii) and (iii), Article 851, and Article 853(1)(ii) and (iii)) Article 851 and Article 853(1)(ii) and (iii)) In this case, the provisions of Article 89-2(ii) and (iii), Article 851 and Article 853(1)(ii) and (iii) (excluding Article 853(1)(ii) and (iii)) of this Act shall apply mutatis mutandis to

an action to hold an officer liable. In this case, the term "Ordinance of the Ministry of Justice" in paragraphs (1) and (4) of Article 847 of said Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare" and any other necessary technical replacement of terms shall be provided for by a Cabinet Order.

Subsection 3 Audit, etc. of Financial Statements, etc.

(Submission, storage and inspection of documents related to financial statements, etc.)

Article 51

(2) A Partnership shall prepare a balance sheet as of the date of its formation as provided by Ordinance of the Ministry of Health, Labour and Welfare.

(2) The Partnership shall prepare balance sheets, profit and loss statements, proposed appropriations of surplus or proposed disposition of losses (hereinafter referred to as the "Financial Statements" in this Article), and business reports and their supplementary schedules for each business year as provided by Ordinance of the Ministry of Health, Labour and Welfare. (2) A Partnership shall prepare a balance sheet, a profit and loss statement, a proposal for the appropriation of surplus or a proposal for the disposal of losses (hereinafter referred to as the "Financial Statements" in this Article), and a business report and their supplementary schedules for each business year as prescribed by Ordinance of the Ministry of Health, Labour and Welfare.

3 Documents relating to the settlement of accounts and the business report and their supporting schedules may be prepared by means of electromagnetic records.

(4) The Partnership shall preserve the documents relating to the settlement of accounts and the supplementary schedules thereto for ten (10) years from the time when the documents relating to the settlement of accounts are prepared.

5 The documents related to the settlement of accounts and the business report and their supplementary schedules set forth in paragraph 2 shall be audited by the auditors as specified by the Ordinance of the Ministry of Health, Labour and Welfare.

6 The documents related to the settlement of accounts and the business report and their supplementary schedules, which have been audited by the auditors in accordance with the preceding paragraph, must be approved by the Board of Directors.

7 Upon giving notice of the ordinary general meeting, the directors shall provide the partners with the documents relating to the settlement of accounts and the business report (including the audit report) approved under the preceding paragraph, as provided by Ordinance of the Ministry of Health, Labour and Welfare. (2) The directors shall provide the partners with the following documents

8 The directors shall submit or provide the documents relating to the settlement of accounts and the business report to the ordinary general meeting for approval, attaching a document stating the opinion of the auditors or an electromagnetic record recording the matters to be stated therein.

9 The directors shall report to the ordinary general meeting on the contents of the business report submitted or provided in accordance with the preceding paragraph.

(10) The Partnership shall prepare and submit to the Minister of Economy, Trade and Industry (hereinafter referred to as the "Minister of Economy, Trade and Industry") the documents relating to the settlement of accounts, etc. (meaning the documents relating to the settlement of accounts and the business report and their supporting schedules (including the audit report)) for each business year. The same shall apply hereinafter in this Article. The same shall apply hereinafter in this Article. The same shall apply hereinafter in this Article) for each business year shall be kept at the principal office for a period of five (5) years from two (2) weeks prior to the date of the ordinary general meeting.

(11) A Partnership shall keep copies of the Documents, Etc. relating to the Settlement of Accounts, etc. at its secondary offices for three years from the day two weeks prior to the date of the ordinary general meeting. (12) A Partnership shall keep copies of the Financial Statements, etc. at its subordinate offices for three years from the day two weeks prior to the date of the ordinary general meeting; provided, however, that this shall not apply if the Financial Statements, etc. are prepared in the form of electromagnetic records and the

Partnership has taken the measures prescribed by Ordinance of the Ministry of Health, Labour and Welfare to enable it to respond to the requests listed in items (iii) and (iv) of the following paragraph at its subordinate offices.

(12) The partners and creditors of a Partnership may make the following demands to the Partnership at any time during the hours for the handling of its business (1) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during its business hours; provided, however, that in making any of the demands set out in items (ii) or (iv), the partners and creditors of the Partnership shall pay such fees as the Partnership may determine

(i) Where the documents relating to the settlement of accounts, etc. are prepared in writing, a request for inspection of the said documents or copies of the said documents

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding item

(iii) When the settlement-related documents, etc. are prepared by electromagnetic records, a request for inspection of the matters recorded in said electromagnetic records which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare

(iv) A request for provision of the matters recorded in the electromagnetic record set forth in the preceding item by electromagnetic means as determined by the Partnership, or a request for delivery of a document containing such matters.

(Preparation of accounting books, etc.)

Article 52

(2) The Partnership shall prepare accurate accounting books in a timely manner as provided by the Ordinance of the Ministry of Health, Labour and Welfare.

(2) A Partnership shall preserve its accounting books and material materials relating to its business for a period of ten (10) years from the time when the accounting books are closed.

(3) The partners may make the following demands to the Partnership at any time during the hours for the handling of the Partnership's business with the consent of not less than three-hundredths ($3/100$) of the total partners (or, if the articles of incorporation provide for a lower ratio, such ratio) In this case, the Partnership shall not refuse the request without justifiable grounds.

(i) Where the accounting books or materials relating thereto are prepared in writing, the documents may be inspected or copied

Request a copy

(ii) Where accounting books or materials relating thereto are prepared by electromagnetic records, a request for inspection or copying of the matters recorded in said electromagnetic records which are indicated in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare

(Election of officers)

Article 53

(2) The partners may request the election of officers by joint signatures of at least one-fifth of the total partners (or, if the articles of association provide for a lower ratio, that ratio), and if a majority of those present at a general meeting agrees to such request, the officer to whom such request relates shall cease to hold office.

(2) The request for election under the preceding paragraph shall be made at the same time for all the Directors or all the Auditors. However, this shall not apply to a request for election on the grounds of violation of laws and regulations, the Articles of Incorporation or the Constitution.

(3) A request for election under paragraph 1 shall be made by submitting to the Partnership a document stating the reasons for the election.

(4) In lieu of submitting a written document as set out in the preceding paragraph, a person who makes a request for election under paragraph 1 may, with the consent of the Partnership, provide the matters to be stated in the written document as set out in the same paragraph by electromagnetic means as provided for by Cabinet Order.

(5) Where a request for election is made under paragraph (1) (limited to the case where the document referred to in paragraph (3) has been submitted)), the directors shall submit the request to the general meeting and shall send the document referred to in paragraph 3 to the officer to whom the request relates at least seven days before the date of the general meeting and shall give him an opportunity to present his case at the meeting.

(6) Where a request for re-election has been made in accordance with paragraph (1) (limited to cases where the request has been provided by electromagnetic means in accordance with paragraph (4))), the directors shall submit the request to a general meeting and send a document stating the matters provided under paragraph (4) to the officer to whom the request relates at least seven days before the date of the general meeting, and shall give him/her an opportunity to present his/her case at the general meeting.

(7) In the cases set out in the preceding paragraph, the Partnership may, in lieu of sending a written document as set out in the same paragraph, provide the matters provided under paragraph 4 by electromagnetic means with the consent of the officer to whom the request relates, as provided by Cabinet Order.

(8) The provisions of paragraph 2 of Article 59 and Article 60 shall apply mutatis mutandis in the case of paragraph 5 or 6. In this case, the phrase "If a partner requests the convocation of a general meeting by submitting to the Board of Directors, with the consent of not less than one-fifth (1/5) of all partners (or, if the articles of incorporation stipulate a ratio of less than such ratio, such ratio), a written document stating the matters for which the meeting is to be held and the reasons for the convocation" in paragraph 2 of Article 59 and the phrase "If a partner requests the convocation of a general meeting by submitting to the Board of Directors a written document stating the matters for which the meeting is to be held and the reasons for the convocation" in the second sentence of Article 60 If the partners have obtained the consent of not less than one-fifth of the total partners (or, if the articles of incorporation provide for a lower ratio, such ratio)" in the second sentence of Article 60 shall be deemed to be replaced with "If a request is made for the election of officers pursuant to Article 53(1).

Subsection 4 Audit Committee of Partners

(Establishment and powers of members' audit committee)

Article 54

(2) Notwithstanding Article 32(1), in a Partnership in which the total number of partners does not exceed twenty (20), an Audit Committee of Partners (hereinafter in this Subsection referred to as the "Audit Committee") consisting of all partners other than the directors may be established in place of the auditors as provided in the articles of association. (2) A partnership with no more than 20 partners may, as provided in the articles of association, have an audit committee of partners (hereinafter in this subsection referred to as the "audit committee") consisting of all partners other than the directors instead of auditors.

(2) The members of a partnership organising an audit committee (hereinafter in this subsection referred to as "audit members") (2) The members of a partnership organising an audit committee (hereinafter in this subsection referred to as "audit members") shall be not less than three in number.

(3) The Audit Committee shall audit the execution of the duties of the Directors. In this case, the Audit Committee shall prepare an audit report in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

4 Article 381 (except paragraph (1)), Article 382, Article 383(2) and (3), Article 384 and Article 385 of the Companies Act (2) The provisions of Article 381 (excluding paragraph (1)), Article 382, Article 383(2) and (3), Article 384 and Article 385 of the Companies Act shall apply mutatis mutandis to the Audit Committee. In this case, the term "directors (in the case of a company with a board of directors, the board of directors)" in Article 382 of the said Act shall be deemed to be replaced with "the board of directors" and the term "Ordinance of the Ministry of Justice" in Article 384 of the said Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare", and any other necessary technical replacement of terms shall be provided for by Cabinet Order.

(Resolution of the Audit Committee, etc.)

Article 55

Resolutions of the supervisory board shall be adopted by a majority of the supervisory members.

(2) If the Directors have notified all the members of the Audit Committee of the matters to be reported to the Audit Committee, they are not required to report those matters to the Audit Committee.

(3) The provisions of Articles 391 and 392 of the Companies Act shall apply mutatis mutandis to the convocation of an audit meeting. In this case, the necessary technical replacement of terms shall be prescribed by Cabinet Order.

4 Minutes of the proceedings of the audit meeting shall be prepared in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

5 The provisions of paragraphs 3 to 5 of Article 41 shall apply mutatis mutandis to the minutes set forth in the preceding paragraph.

(Auditing members)

Article 56

Audit members may attend meetings of the Board of Directors and express their opinions.

2 An audit member may claim from the Union a reasonable remuneration for the work it performs in connection with the execution of the duties of the audit committee.

(3) If an audit member makes one of the following requests to the Partnership in respect of the administration of the Audit Committee's duties, the Partnership may not refuse the request unless it proves that the expenses or liabilities relating to the request are not necessary for the execution of the Audit Committee's duties

(i) claims for reimbursement of expenses incurred

(ii) Claims for repayment to creditors of debts incurred

4 A Partnership with an Audit Committee (referred to as a "Partnership with Audit Committee" in the following Article and Article 5(4)(iv) of the Supplementary Provisions)) shall not do any of the following acts to the audit

members (i) to request the Audit Committee to perform its duties; provided, however, that in the event that a request as set forth in item (ii) is made, and the normal operation of the business is hindered by the fact that the affairs relating to the performance of the Audit Committee's duties are performed at the time pertaining to such request or as otherwise provided by Ordinance of the Ministry of Health, Labour and Welfare, such time may be changed

(i) to give operational orders under the employment relationship in relation to the performance of the duties of the Audit Committee

(ii) to refuse a request by the audit member for the time necessary to carry out the duties of the audit committee during working hours.

(iii) dismissal or other disadvantageous treatment in labour relations by reason of the performance of the duties of the Audit Committee.

(Replacement of terms in relation to partnerships with audit committees, etc.)

Article 57

(2) The provisions of Article 20(1) (limited to the portion pertaining to item (ii)) pertaining to a Partnership with Audit Committee The same shall apply hereinafter in this paragraph). The same shall apply hereinafter in this paragraph), the provisions of Article 50, the provisions of Article 51, paragraphs 5, 6 and 8, and Article 67 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2), and the provisions of Article 44, paragraph 1 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2). The same shall apply hereinafter in this paragraph. (2) With regard to the application of the provisions of Article 51, paragraphs 5, 6 and 8, and Article 67 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2; hereinafter the same shall apply in this paragraph), and the provisions of Article 94, paragraphs 2 and 3, the characters listed in the middle column of the following table shall be replaced with the characters listed in the lower column of the same table.

Article 20, item 1, number 2	Auditor.	Only the affairs relating to the execution of the duties of the Supervisory Board
Article 40(4)	Auditors	Audit Committee

Article 41(1)	Auditors	Audit members
Article 45(7)	Each Auditor	Audit Committee
Article 50	paragraph 3, items 2 and 3, and	each item of paragraph 3 and
	read	in Article 849(3) of the same law The district of a joint stock company listed in the following items The person specified in each of the following items according to the percentage of the total. should be replaced by "Audit Committee". The
Article 51(5) and (6) paragraphs (1) and (8)	Auditors	Audit Committee
Article 67	Auditors	Audit members selected by the Audit Committee
Article 94(2)	Article 38(1) and (2)	Article 38(1)
	Article 51 (excluding paragraphs (1) and (11))	Article 51 (excluding paragraphs (1) and (11)) Article 53 (excluding paragraph 1 and paragraph 11), Article 54, paragraph 3, Article 56, paragraph 1, Article 57, paragraph 2
	Article 383 (1) of this article, (2)	Article 383(2)
Article 94(3)	paragraph 3, items 2 and 3, and	each item of paragraph 3 and
	read	(2) The term "the persons specified in each of the following items according to the categories of stock companies listed in the

		respective items" in Article 849, paragraph (3) of the said Act shall be deemed to be replaced with "the Audit Committee".
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(2) Article 353 of the Companies Act shall apply mutatis mutandis to an action between a Partnership with an Audit Committee and a Director. In this case, the necessary technical replacement of terms shall be prescribed by Cabinet Order.

Subsection 5 General Meetings, etc.

(Convocation of the General Meeting)

Article 58

An ordinary general meeting shall be convened once in each business year, as provided for in the Articles of Association.

Article 59

An Extraordinary General Meeting may be convened at any time when the need arises, as provided for in the Articles of Association.

(2) If a partner requests the convocation of a general meeting by submitting to the Board of Directors, with the consent of not less than one-fifth (1/5) of the total partners (or, if a lower ratio is stipulated in the articles of incorporation, such ratio), a written document stating the matters the purpose of the meeting and the reasons for the convocation, the Board of Directors shall convene an extraordinary general meeting within twenty (20) days from the date of such request. The Board of Directors shall decide that an Extraordinary General Meeting should be convened within twenty days from the date of the request.

(3) In the case referred to in the preceding paragraph, if the articles of incorporation provide for voting by electromagnetic means, the partners may, in lieu of submitting a written document as set out in the preceding paragraph, provide by such electromagnetic means the matters and reasons to be stated in such written document. In this case, the partner who provides such information shall be deemed to have submitted such written document.

(4) The electromagnetic method set forth in the first sentence of the preceding paragraph (excluding the method specified by an Ordinance of the Ministry of Health, Labour and Welfare) shall be deemed to have been an electromagnetic method. (5) The matters to be stated in the document set forth in paragraph (2) and the provision of the reasons therefor made by the electromagnetic method (excluding the method specified by an Ordinance of the Ministry of Health, Labour and Welfare) in the first sentence of the preceding paragraph shall be deemed to have reached the Board of Directors when they are recorded in the file on the computer used by the Board of Directors.

Article 60

(3) The partners who have made a request pursuant to paragraph 2 of the preceding Article may, with the approval of the administrative agency, convene a general meeting if the directors have not taken the necessary steps to convene a general meeting within ten (10) days from the date of the request under the same paragraph. The same shall apply if, in the absence of the Director performing the duties of the Director, the partners have obtained the consent of not less than one-fifth of the total partners (or, if the articles of association provide for a lower ratio, that ratio).

(Procedure for convening a general meeting)

Article 61

A general meeting shall be convened not later than ten days before the date of the meeting (or, if the articles of association provide for a shorter period, that period), indicating the matters to be discussed at the meeting and in the manner prescribed by the articles of association.

2 The Board of Directors shall decide on the convocation of general meetings, except as otherwise provided for in this Act.

(3) Notwithstanding the provisions of paragraph 1, a general meeting may be held without following the procedure for convening a general meeting if all partners agree.

(Notice or Demand)

Article 62

(2) It is sufficient for a notice or demand to be given to a partner of a Partnership if it is addressed to such partner at such partner's address as is entered or recorded in the register of partners (or, if such partner has notified the Partnership of a separate place or contact address where such notice or demand is to be given, such place or contact address).

(2) The notice or demand set forth in the preceding paragraph shall be deemed to have arrived at the time when it should normally have arrived.

(Matters to be resolved at the General Meeting)

Article 63

The following matters must be resolved by the General Assembly

- (i) Amendments to the articles of association
- (ii) the establishment, amendment or abolition of rules
- (iii) establish or change the budget for income and expenditure and the business plan for each fiscal year
- (iv) Transfer of all or part of the shares or equity interests in a subsidiary of the Partnership (limited to a transfer in any of the following cases)
 - (a) if the book value of the shares or equity interests to be transferred as a result of such transfer in whole or in part exceeds one-fifth of the amount calculated in accordance with the method prescribed by Ordinance of the Ministry of Health, Labour and Welfare as the total assets of the Partnership (or, if the articles of incorporation provide for a lower percentage, such percentage)
 - (b) if the partnership concerned does not hold a majority of the total number of voting rights in the subsidiary on the date on which the transfer in whole or in part takes effect.
- (v) Joining a workers' cooperative federation or withdrawing from a workers' cooperative federation
- (vi) Other matters specified in the Articles of Association.

(2) Notwithstanding the preceding paragraph, the articles of incorporation may provide that amendments to the articles of incorporation that relate to minor matters or other matters prescribed by Ordinance of the Ministry of Health,

Labour and Welfare do not require a resolution of the general meeting. In this case, the articles of incorporation shall specify the scope of the matters that do not require a resolution of the general meeting and the method of notifying the partners of such amendments, giving public notice or otherwise making them known.

(3) If the articles of association are amended, the Partnership shall notify the administrative agency of the matters relating to the amendment within two weeks from the date of such amendment.

(Agenda of the General Meeting)

Article 64

Except as otherwise provided in this Act, the Articles of Association or the Constitution, the business of the General Assembly shall be decided by a majority of the votes of those present and, in the event of a tie, by the Chairman.

2 The Chairman shall be elected by the General Assembly.

(3) The chairman shall not have the right to participate in the voting of the general meeting as a partner.

(4) At a general meeting, decisions may be made only on matters for which prior notice has been given pursuant to the provisions of Article 61(1). However, this shall not apply in cases where the Articles of Association provide otherwise or in the case provided for in paragraph 3 of the same Article.

(Special resolution)

Article 65

(2) The following matters shall require a resolution by a two-thirds majority of the votes of not less than half of the total partners present and voting

(i) Amendments to the articles of association

(ii) Dissolution or merger of the Partnership

(iii) Expulsion of a partner

(iv) Transfer of the whole of the business

(v) the consent referred to in the proviso to paragraph 3 of Article 9

(vi) Exemption from liability under the provisions of paragraph 5 of Article 45

(Report to the General Assembly)

Article 66

The directors shall report to the ordinary general meeting on the status of implementation of measures to reflect the views of the members and the results of such measures for each fiscal year.

2 When any of the following events occurs, the directors shall report the matters listed in each of the following items to the first general meeting convened after the date on which the event occurred.

(i) the preparation of work rules and the content of such work rules

(ii) changes to the rules of employment and the details of such changes

(iii) the conclusion of a collective agreement and the content of such collective agreement

(iv) the conclusion of an agreement or the resolution of a committee as provided for in Chapter IV of the Labor Standards Act (Act No. 49 of 1947), and the contents of said agreement or said resolution

(Accountability of directors and auditors)

Article 67

(2) If, at a general meeting, the directors and auditors are requested by a partner to give an explanation of a specific matter, they shall give the necessary explanation of such matter. Provided, however, that this shall not apply in the event that such matters do not relate to the matters which are the object of the general meeting, or in the event that giving such explanations would be seriously prejudicial to the common interests of the partners, or in other cases as provided by Ordinance of the Ministry of Health, Labour and Welfare for justifiable reasons.

(Resolution to postpone or continue)

Article 68

(2) The provisions of Article 61 shall not apply where the General Assembly has adopted a resolution for the postponement or continuation of the meeting.

(Minutes of the General Meeting)

Article 69

(2) Minutes of the proceedings of the General Assembly shall be prepared in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

(2) The Partnership shall keep the minutes of the proceedings set out in the preceding paragraph at its principal office for ten (10) years from the date of the general meeting.

(3) A Partnership shall keep a copy of the minutes set out in paragraph 1 at its secondary offices for five years from the date of the general meeting. (4) A Partnership shall keep a copy of the minutes of its general meeting at its subordinate offices for five years from the date of the general meeting; provided, however, that this shall not apply if such minutes are prepared in the form of electromagnetic records and the Partnership has taken such measures as provided by Ordinance of the Ministry of Health, Labour and Welfare to enable it to respond to the requests set out in item (ii) of the following paragraph at its subordinate offices.

(4) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during the hours for handling the Partnership's business. In this case, the Partnership shall not refuse such requests without justifiable grounds.

(i) If the minutes set forth in paragraph (1) are prepared in writing, a request for inspection or copying of the said writing or a copy of the said writing

(ii) When the minutes of the meeting set forth in paragraph (1) are prepared by electromagnetic records, a request for inspection or a copy of the matters recorded in the electromagnetic records, which are indicated by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Action to confirm or rescind the absence or invalidity of a resolution of a general meeting)

Article 70

Article 830, Article 831, Article 834 (limited to the portions pertaining to items (xvi) and (xvii)), Article 835(1), Article 836(1) and (3), Article 837, Article 838 and Article 846 of the Companies Act (2) The provisions of Article 830, Article 831, Article 834 (limited to the portions pertaining to items (xvi) and (xvii)), Article 835(1), Article 836(1) and (3), Article 837, Article 838 and Article 846 of the Companies Act shall apply mutatis mutandis to an action for confirmation or rescission of the absence or invalidity of a resolution of a general meeting.

(General meeting)

Article 71

(2) A partnership with a total number of partners exceeding 200 may establish a general meeting of representatives in lieu of a general meeting as provided in the articles of association.

2 The General Delegates shall be elected fairly from among the members of the Partnership in accordance with the articles of association, according to their domicile, etc.

(3) The number of general representatives shall not be less than one-tenth of the total number of partners at the time of the election (or 200 partners in the case of a partnership with more than 2,000 partners).

(4) The provisions of paragraphs (7) and (8) of Article 32 shall apply mutatis mutandis to the election of general representatives.

5 The term of office of the General Delegate shall be for a period not exceeding three years as determined by the Articles of Association.

(6) The provisions relating to the General Assembly shall apply mutatis mutandis to the General Council. In this case, the term "five members" in Article 11(5) shall be deemed to be replaced with "two members".

(7) Notwithstanding the provisions of the preceding paragraph, no election of the General Delegates (except for the election of alternate General Delegates) may be held at the General Delegates' Meeting. (2) Notwithstanding the provisions of the preceding paragraph, the Board of Representatives may not hold elections of the General Delegates (excluding elections of alternate General Delegates) or vote on the matters referred to in item (ii) or (iv) of Article 65.

Subsection 6 Reduction in Amount of Investment per Unit

(Preparation of balance sheet, etc.)

Article 72

(2) If a resolution is made at a general meeting to reduce the amount of one unit of capital contribution, a Partnership shall prepare an inventory of assets and a balance sheet and keep them at its principal office within two weeks from the date of such resolution.

(2) The partners and creditors of the Partnership may make the following demands to the Partnership at any time during the hours for handling the Partnership's business. In this case, the Partnership shall not refuse such requests without justifiable grounds.

(i) Where the inventory of property and the balance sheet set forth in the preceding paragraph have been prepared in writing, a request for inspection of such documents

(ii) When the inventory of property and the balance sheet set forth in the preceding paragraph are prepared using electromagnetic records, a request for inspection of the matters recorded in said electromagnetic records that are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Creditor's objection)

Article 73

(2) If a Partnership reduces the amount of one unit of capital contribution, creditors of the Partnership may make an objection to such reduction in the amount of one unit of capital contribution to the Partnership.

(2) In the case of the preceding paragraph, the Partnership shall give public notice of the following matters in the official gazette and give notice to each known creditor separately. However, the period set forth in item (ii) may not be less than one month.

(i) to reduce the amount of each investment

(ii) That the creditor may state an objection within a certain period of time

(3) Notwithstanding the preceding paragraph, if the Partnership gives public notice under the preceding paragraph by the method of public notice set out in item (ii) or (iii) of the preceding paragraph, in addition to the Official Gazette, in accordance with the provisions of the articles of association under Article 29(3), the Partnership shall not be required to give a separate notice under the preceding paragraph.

(4) Where a creditor has not raised an objection within the period referred to in paragraph (2)(ii), the creditor shall be deemed to have given approval to the reduction in the amount of the contribution.

(5) If a creditor makes an objection within the period set out in paragraph 2(ii), the Partnership may, for the purpose of making payment or providing reasonable security to such creditor or having such creditor receive payment, make a payment to the Trust Company, Etc. (meaning a trust company and a financial institution engaged in trust business (meaning a financial institution licensed under Article 1(1) of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943))). (2) The term "trust company, etc." shall mean a trust company and a financial institution engaged in trust business (meaning a financial institution that has obtained approval set forth in Article 1, paragraph (1) of the Act on Engagement in Trust Business by Financial Institutions (Act No. 43 of 1943)). The same shall apply hereinafter). The same shall apply in Article 6, paragraph (6) of the Supplementary Provisions). The same shall apply in Article 6, paragraph (6) of the Supplementary Provisions). However, this shall not apply where there is no risk of harm to the creditor concerned even if the amount of one unit of contribution is reduced.

(Action for invalidation of reduction in the amount of one unit of investment)

Article 74

Article 828(1) (limited to the part pertaining to item (v)) and (2) (limited to the part pertaining to item (v)) of the Companies Act Article 828, paragraph (1) (limited to the part pertaining to item (v)) and paragraph (2) (limited to the part pertaining to item (v)) of the Companies Act (2) The provisions of Article 838 (limited to the portion relating to item 5), Article 838 (limited to the portion relating to item 5), Article 838 (limited to the portion relating to item 5), Article 834 (limited to the portion relating to item 5), Article 835(1), Articles 836 to

839 and Article 846 shall apply mutatis mutandis to an action for invalidation of a reduction in the amount of one unit of capital contribution of a Partnership.

Subsection 7 Calculation

(Accounting principles)

Article 75

The accounts of the Partnership shall be prepared in accordance with generally accepted accounting practices.

(Reserves, work creation and education)

Article 76

(3) A Partnership shall set aside as a reserve at least one-tenth of the surplus of each business year until the amount of the reserve reaches the amount prescribed in the articles of association.

(2) The amount of the reserve provided for in the articles of association referred to in the preceding paragraph shall not be less than half of the total capital contribution.

(3) The reserve referred to in paragraph (1) shall not be withdrawn except for the purpose of meeting losses.

(4) A Partnership shall set aside not less than one-twentieth (20%) of the surplus of each business year as a reserve for the creation of employment, etc., to cover the expenses necessary for the creation of employment opportunities through the expansion of its business scale or business activities.

(5) A Partnership shall carry over not less than one-twentieth (20%) of the surplus of each business year to the next business year as an educational carry-over to cover the expenses necessary to improve the partners' knowledge of the Partnership's business.

(Dividend of surplus)

Article 77

(2) A Partnership shall not pay dividends from its surplus until it has made good its losses and deducted the reserve as set out in paragraph 1 of the preceding Article, the reserve for work creation, etc. as set out in paragraph 4 of the

preceding Article and the carryover for education as set out in paragraph 5 of the preceding Article.

(2) Dividends of surplus shall be paid in proportion to the extent to which the partners have been engaged in the Partnership's business as provided in the Articles of Association.

Article 78

(2) A Partnership may, as provided in the articles of association, apply the surplus distributed to its partners to the payment of capital contributions until such time as the partners have paid their capital contributions.

(Prohibition on acquisition of partnership interests)

Article 79

(2) A Partnership may not acquire or receive as the object of a pledge any of the interests of its partners.

Section 6 Dissolution, Liquidation and Merger

(Reasons for dissolution)

Article 80

(2) A Partnership shall be dissolved for any of the following reasons

(i) Resolutions of the general meeting

(ii) A merger of a Partnership (limited to the case where such a Partnership is dissolved as a result of the merger)

(iii) An order to commence bankruptcy proceedings in respect of the Partnership.

(iv) Expiration of the period of duration specified in the articles of incorporation or the occurrence of an event of dissolution

(v) An order of dissolution pursuant to the provision of Article 127(3)

(2) In addition to the preceding paragraph, a Partnership shall be dissolved upon the expiration of six months in the event that the number of partners becomes less than three and the number of partners does not become three or more for a period of six months from the date on which the number of partners becomes three or more.

(3) If a Partnership is dissolved for any reason other than those listed in items (ii), (iii) and (v) of paragraph 1, the Partnership shall notify the Administrative Agency to that effect within two (2) weeks from the date of dissolution.

(Dormant union)

Article 81

(2) A dormant Partnership (which means a Partnership in respect of which five years have elapsed since the last registration in respect of such Partnership; the same shall apply hereinafter in this Article) shall be deemed to be a Partnership in respect of which five years have elapsed since the last registration in respect of such Partnership. The same shall apply hereinafter in this Article)) is deemed to have been dissolved at the expiration of such two-month period if the administrative agency has given public notice in the Official Gazette to the effect that such dormant Partnership is to notify the administrative agency that it has not discontinued its business within two months as provided by Ordinance of the Ministry of Health, Labour and Welfare, and if such notification is not given.

(2) A dormant Partnership shall be deemed to have been dissolved at the expiration of a period of two months; provided, however, that this shall not apply if the registration relating to such dormant Partnership is made within such period.

(2) In the event that the administrative agency issues a public notice as provided for in the preceding paragraph, it shall issue a notice to that effect to the dormant Partnership.

(Continuation of the union)

Article 82

(2) If a Partnership is dissolved in accordance with the events listed in items (i) or (iv) of paragraph 1 of Article 80 (including cases where the Partnership is deemed to have been dissolved pursuant to paragraph 1 of the preceding Article)), the Partnership shall be dissolved by a resolution of the General Assembly until the liquidation of the Partnership is completed (or, if the Partnership is deemed to have been dissolved pursuant to paragraph 1 of the preceding Article, only within three years after the Partnership is deemed to

have been dissolved). (2) The Partnership may be continued by a resolution of the General Assembly.

(2) Article 65 shall apply mutatis mutandis to the continuation of the Partnership as provided in the preceding paragraph.

(3) If the Partnership is continued in accordance with paragraph 1, the Partnership shall notify the Administrative Agency to that effect within two weeks.

(Merger agreement)

Article 83

(2) A Partnership may, with the approval of the General Assembly, merge with another Partnership. In this case, the partnerships that merge shall conclude a merger agreement.

(Absorption merger)

Article 84

(2) In the event that a Partnership enters into an absorption-type merger (a merger in which the Partnership is merged with another Partnership and all of the rights and obligations of the dissolving Partnership are succeeded by the surviving Partnership after the merger; the same shall apply hereinafter in this Section), the Partnership shall notify the Minister of Economy, Trade and Industry of such merger. The same shall apply hereinafter in this Section).), the following matters shall be stipulated in the absorption-type merger agreement

(i) the Partnership surviving the absorption-type merger (hereinafter in this Section and Article 26 of the Supplementary Provisions referred to as the "Surviving Partnership") and the Partnership dissolved by the absorption-type merger (hereinafter in this Section and Article 26 of the Supplementary Provisions referred to as the "Dissolving Partnership") (ii) the name and address of the partnership surviving the absorption-type merger (hereinafter in this Section and Article 26 of the Supplementary Provisions referred to as the "Surviving Partnership") and the partnership dissolving as a result of the absorption-type merger (2) The name and address of the surviving Partnership

(ii) The amount of one unit of investment of the surviving partnership in the absorption-type merger

(iii) Matters concerning the allotment of capital contributions to the partners of the Partnership Dissolved in the Absorption-type Merger.

(iv) If the amount to be paid to the partners of the dissolved partnership in the absorption-type merger is determined, such determination

(v) The date on which the absorption-type merger is to take effect (hereinafter in this Section referred to as the "effective date").

(vi) Other matters specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Merger)

Article 85

(2) If two or more Partnerships enter into a merger (a merger between two or more Partnerships in which all of the rights and obligations of the Partnership that ceases to exist as a result of the merger are succeeded to by the Partnership that is established as a result of the merger; the same shall apply hereinafter in this Section), the following provisions shall apply The same shall apply hereinafter in this Section).), the following matters shall be stipulated in the new establishment merger agreement

(i) The name and address of the Partnership to be dissolved as a result of the Merger (hereinafter referred to as the "Partnership Dissolved in the Merger" in this Section) (ii) the name and address of

(ii) The business, name, location of the principal office and amount of capital contribution of the Partnership to be established by the new merger (hereinafter referred to as the "Partnership to be established by the new merger" in this Section and Article 26 of the Supplementary Provisions). (ii) The business, name, location of the principal office and the amount of capital contribution of the Partnership (hereinafter referred to as the "newly merged Partnership" in this Section and Article 26 of the Supplementary Provisions) to be established through the merger

(iii) Matters concerning the allotment of capital contributions to the partners of the newly merged and dissolved Partnership.

(iv) If the amount to be paid to the partners of the dissolved partnership in the new merger is determined, such determination

(v) Other matters specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Procedures of the dissolving partnership in the absorption-type merger)

Article 86

(2) The dissolving partnership in an absorption-type merger shall keep at its principal office a document or an electromagnetic record stating or recording the details of the absorption-type merger agreement and other matters prescribed by Ordinance of the Ministry of Health, Labour and Welfare from the earlier of the following dates until the effective date of the absorption-type merger

(i) two weeks before the date of the meeting of the general meeting referred to in paragraph 3

(ii) The date of the public notice under Article 73(2) as applied mutatis mutandis pursuant to paragraph (5) or the date of the demand under paragraph (2) of the said Article as applied mutatis mutandis pursuant to paragraph (5), whichever comes first.

(2) The partners and creditors of the Partnership Dissolved in Absorption-Type Merger may make the following requests to the Partnership Dissolved in Absorption-Type Merger at any time during its business hours (1) The partners and creditors of the Partnership Dissolved in Absorption may make any of the following requests to the Partnership Dissolved in Absorption at any time during its business hours; provided, however, that in making any of the requests set out in items (2) or (4), the partners and creditors shall pay the fees determined by the Partnership Dissolved in Absorption

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for the provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the absorbed partnership, or a request for the delivery of a document containing such matters.

3 The dissolving partnership must obtain approval of the absorption-type merger agreement by a resolution of the general meeting by the day before the effective date of the merger.

(4) If an absorption-type merger violates laws and regulations or the articles of incorporation and there is a risk of disadvantage to the partners of the absorbed partnership, the partners of the absorbed partnership may demand that the absorbed partnership cease the absorption-type merger.

(5) Article 73 applies *mutatis mutandis* to a Partnership Dissolved in an Absorption-Type Merger.

6 The dissolving partnership in the absorption-type merger may change the effective date by agreement with the surviving partnership in the absorption-type merger.

7 In the case of the preceding paragraph, the dissolving partnership in the absorption-type merger shall give public notice of the effective date before the change (or, if the effective date after the change is a day before the effective date before the change, the effective date after the change).

8 When the effective date is changed in accordance with the provisions of paragraph 6, the provisions of this Article, the following Article and Article 90 shall apply, deeming the changed effective date to be the effective date.

(Procedures of the surviving partnership in the absorption-type merger)

Article 87

(2) The surviving partnership of an absorption-type merger shall keep at its principal office a document or electromagnetic record stating or recording the details of the absorption-type merger agreement and other matters prescribed

by Ordinance of the Ministry of Health, Labour and Welfare from the earlier of the following dates until six months have elapsed after the effective date of the absorption-type merger

(i) if the absorption-type merger agreement must be approved by a resolution of the general meeting, the day two weeks before the date of the meeting of the general meeting

(ii) the date of the public notice or notification under paragraph (5), whichever is earlier.

(iii) The date of the public notice under Article 73(2) as applied mutatis mutandis pursuant to paragraph (7) or the date of the demand under paragraph (2) of the said Article as applied mutatis mutandis pursuant to paragraph (7), whichever comes first.

2 The partners and creditors of the surviving partnership may make the following demands to the surviving partnership at any time during the hours of operation of the surviving partnership in the absorption-type merger (1) The surviving partnership may make the following demands to the absorbed partnership; provided, however, that in making the demands set out in items (2) and (4), the surviving partnership shall pay the expenses determined by the absorbed partnership

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for the provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the surviving partnership in the absorption-type merger, or a request for the delivery of a document containing such matters.

(3) The surviving partnership shall obtain approval of the absorption-type merger agreement by a resolution of the general meeting at least one day before the effective date of the absorption-type merger. However, this shall not

apply in the case of a merger in which the total number of partners of the absorbed partnership does not exceed one-fifth of the total number of partners of the surviving partnership, and the total assets existing on the final balance sheet of the absorbed partnership do not exceed one-fifth of the total assets existing on the final balance sheet of the surviving partnership. (2) The preceding paragraph does not apply to a merger in which

(4) In the event that the Surviving Partnership conducts a merger without a resolution of the general meeting pursuant to the proviso of the preceding paragraph, if not less than one-sixth ($1/6$) of the total partners of the Surviving Partnership notify the Surviving Partnership of their opposition to the merger within two (2) weeks from the date of the public notice or notification pursuant to the following paragraph, the Surviving Partnership shall obtain approval of the absorption-type merger agreement by a resolution of the general meeting no later than the day before the effective date of the merger. the general meeting must approve the absorption-type merger agreement by a resolution of the general meeting.

(5) In the event that the Surviving Partnership carries out a merger without a resolution of the General Assembly pursuant to the proviso to paragraph 3, the Surviving Partnership shall publicly announce or give notice to its partners of the fact that the merger is to take place and the name and address of the Partnership Dissolved in the Absorption-Type Merger at least 20 days prior to the effective date of the merger.

(6) If an absorption-type merger violates laws and regulations or the articles of incorporation and there is a risk that the partners of the surviving partnership will be disadvantaged, the partners of the surviving partnership may demand that the surviving partnership cease such absorption-type merger. (3) If the surviving Partnership conducts a merger without a resolution of the general meeting pursuant to the proviso to paragraph 3 (except in cases where notice has been given pursuant to paragraph 4) (3) The preceding paragraph does not apply to a merger by absorption.

(7) Article 73 applies mutatis mutandis to the surviving Partnership in an absorption-type merger.

(8) The surviving partnership shall, without delay after the day on which the absorption-type merger takes effect, prepare a document or an electromagnetic record stating or recording the rights and obligations of the absorbed partnership that the surviving partnership succeeds to as a result of the absorption-type merger and other matters specified by Ordinance of the Ministry of Health, Labour and Welfare as matters relating to the absorption-type merger.

(9) The surviving Partnership shall keep the documents or electromagnetic records set out in the preceding paragraph at its principal office for six months from the day on which the absorption-type merger takes effect.

(10) The partners and creditors of the Surviving Partnership may make the following demands to the Surviving Partnership at any time during its business hours (1) The surviving partnership may make the following demands to the absorbed partnership; provided, however, that in making the demands set out in items (2) and (4), the surviving partnership shall pay the expenses determined by the absorbed partnership

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for the provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the surviving partnership in the absorption-type merger, or a request for the delivery of a document containing such matters.

(Procedures for the Partnership Dissolved in the Merger)

Article 88

(2) A Partnership Dissolved in a Consolidation-Type Merger shall keep at its principal office a document or an electromagnetic record stating or recording the details of the Consolidation-Type Merger Agreement and other matters specified by Ordinance of the Ministry of Health, Labour and Welfare from the

earlier of the following dates until the date of formation of the Partnership Established in a Consolidation-Type Merger

(i) two weeks before the date of the meeting of the general meeting referred to in paragraph 3

(ii) The date of the public notice under Article 73(2) as applied mutatis mutandis pursuant to paragraph (5) or the date of the demand under paragraph (2) of the said Article as applied mutatis mutandis pursuant to paragraph (5), whichever comes first.

(2) The partners and creditors of the Partnership Dissolved in the New Merger may make the following demands to the Partnership Dissolved in the New Merger at any time during its business hours (1) The partners and creditors of the Partnership Dissolved in a Consolidation may make the following requests to the Partnership Dissolved in a Consolidation at any time during the hours of operation of the Partnership Dissolved in a Consolidation

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for the provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the Partnership Dissolved in the Merger, or a request for the delivery of a document containing such matters.

3 The dissolving partnership must obtain approval for the new merger agreement by a resolution of the general meeting.

(4) If a merger into a new company violates laws and regulations or the articles of incorporation and there is a risk that the partners of the partnership dissolved in the merger into a new company will be disadvantaged, the partners of the partnership dissolved in the merger into a new company may demand that the partnership dissolved in the merger into a new company cease the merger.

(5) Article 73 applies mutatis mutandis to a Partnership Dissolved in a Merger.

(Procedures for newly-formed partnerships)

Article 89

Chapter II, Section 4 (excluding Article 26) (2) The provisions of Chapter II, Section 4 (excluding Article 26) shall apply to the establishment of a newly incorporated partnership.

Not for use.

(2) In order to establish a Partnership by way of merger, each Partnership shall jointly prepare its articles of association, appoint its officers and perform other acts necessary for its establishment by the founding members appointed from among the partners at the general meeting.

3 The term of office of the officers under the preceding paragraph shall expire on the date of the first ordinary general meeting.

(4) The provisions of Article 65 shall apply mutatis mutandis to the appointment of the founding members under paragraph (2).

(5) The provisions of the main clause of paragraph 4 and paragraph 5 of Article 32 shall apply mutatis mutandis to the election of officers under paragraph 2.

(6) The Partnership Establishing a New Merger shall, without delay after the date of its formation, prepare a document or an electromagnetic record in which the rights and obligations of the Partnership Dissolving in the New Merger that the Partnership Establishing a New Merger has succeeded as a result of the New Merger and other matters specified by Ordinance of the Ministry of Health, Labour and Welfare as matters relating to the New Merger are described or recorded.

(7) The newly merged and incorporated Partnership shall keep the documents or electromagnetic records set out in the preceding paragraph at its principal office for six months from the date of its formation.

(8) The partners and creditors of the newly incorporated partnership may make the following demands to the newly incorporated partnership at any time during its business hours (1) The partners and creditors of the newly incorporated partnership may make the following demands to the newly incorporated

partnership at any time during its business hours; provided, however, that in making the demands set out in items (2) and (4), the partners and creditors shall pay the fees determined by the newly incorporated partnership

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the Partnership Incorporating the Merger or a request for delivery of a document containing such matters.

(Effect of merger)

Article 90

(2) The Surviving Partnership shall, on the effective date of the Absorption-Type Merger, acquire the rights and obligations of the Dissolving Partnership (including the rights and obligations of the Partnership based on the permission, approval and other dispositions of the administrative agency with respect to the business conducted by the Partnership; the same shall apply in the following paragraph). The same shall apply in the following paragraph). The same shall apply in the following paragraph.

(2) The newly-formed partnership shall succeed to the rights and obligations of the dissolved partnership on the date of its formation.

(Notification of merger)

Article 91

(2) In the event of a merger, a Partnership shall notify the administrative agency to that effect (or, in the case of a newly incorporated Partnership, to that effect and the names and addresses of its officers) within two weeks of the date of the merger, together with a certificate of registered matters (or, in the case of

a newly incorporated Partnership, a certificate of registered matters and articles of incorporation).

(Action for invalidation of merger)

Article 92

Article 828(1) (limited to the portions pertaining to items (vii) and (viii)) and (2) (limited to the portions pertaining to items (vii) and (viii)) of the Companies Act Article 828(1) (limited to the part pertaining to items (vii) and (viii)) and (2) (limited to the part pertaining to items (vii) and (viii)) of the Companies Act Article 838, paragraph 1 (limited to the part pertaining to items 7 and 8) and paragraph 2 (limited to the part pertaining to items 7 and 8) Article 834 (limited to the part pertaining to items (vii) and (viii)) (2) The provisions of Articles 868(6), 870(2) (limited to the portion pertaining to item (vi)), 870(3) (limited to the portion pertaining to item (vii)) and 846 of this Act shall apply to an action for invalidation of a merger of a Partnership. Article 872-2, the main clause of Article 871, Article 872-2 (limited to the part pertaining to item 5), Article 872-2, the main clause of Article 871, Article 872 (limited to the part pertaining to item 5), Article 872-2, the main clause of Article 873, Article 875 and Article 876 of this Act shall apply mutatis mutandis to the petition set forth in Article 843(4) of said Act as applied mutatis mutandis pursuant to this Article.

(Liquidator)

Article 93

(2) If a Partnership is dissolved, the directors shall be its liquidators, except in the case of a merger or dissolution by a decision to commence bankruptcy proceedings. However, this shall not apply if another person is appointed by the general meeting.

(Mutatis mutandis application of the Companies Act, etc.)

Article 94

Article 476, Article 478, paragraphs (2) and (4), Article 479, paragraphs (1) and (2) (limited to the portions other than those listed in the respective items), Article 481, Article 483, paragraphs (4) and (5), Article 484, Article 483, paragraph (4) and (5), Article 484, Article 484, paragraph (1) and (2) of the Companies Act (limited to the part pertaining to items (i) and (ii)) Article 871,

Article 872 (limited to the part pertaining to item (iv)), Article 874 (limited to the part pertaining to items (i) and (iv)) (2) The provisions of Article 872 (limited to the portions relating to item 4), Article 874 (limited to the portions relating to items 1 and 4), Article 875 and Article 876 of this Act shall apply mutatis mutandis to the dissolution and liquidation of a Partnership. In this case, the term "the following shareholders" in the portions of Article 479(2) of said Act other than those listed in the respective items shall be deemed to be replaced with "partners who have obtained the consent of not less than one-fifth of all partners", the term "Ordinance of the Ministry of Justice" in Article 492(1) and Article 507(1) of said Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare", and the term "public notice in the official gazette" in Article 499(1) of said Act shall be deemed to be replaced with "public notice in the official gazette". in the official gazette" in Article 499, paragraph (1) of the same Act shall be deemed to be replaced with "public notice", and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

2 Articles 34, 35, 37, 38, paragraphs 1 and 2, 39 to 47 (excluding Article 41, paragraph 4) (3) The provisions of Article 384, Article 385, Article 386, paragraph (1) (limited to the part pertaining to item (i)) and paragraph (2) (limited to the part pertaining to item (i) and item (ii)), and Article 508 shall apply mutatis mutandis.) and Article 508 shall apply mutatis mutandis to the liquidator of the Partnership. In this case, the term "balance sheet, profit and loss statement, proposed appropriation of surplus or proposed disposition of losses" in paragraph 2 of Article 51 shall be deemed to be replaced with "balance sheet", the term "business report" in paragraph 2 of Article 51 shall be deemed to be replaced with "administrative report", the term "business report" in paragraph 3 and paragraphs 5 through 10 of Article 51 shall be deemed to be replaced with "administrative report", and the term "liquidator" in Article 382 of the same Act shall be deemed to be replaced with "liquidator". in Article 382 of the said Act shall be deemed to be replaced with "the board of directors (in the case of a company with a board of directors, the board of directors)" and "the board of liquidators" respectively, and the term "Ordinance of the Ministry of Justice" in Article 384 of the said Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare", and any other necessary technical replacement of terms shall be provided for by Cabinet Order.

3 Section 2 of Chapter II of Part VII of the Companies Act (excluding Article 847(2), Article 847-2, Article 847-3, Article 849(2), paragraph (3)(ii) and (iii) and paragraphs (6) to (11), Article 849-2(ii) and (iii), Article 851 and Article 853(1)(ii) and (iii)) Article 853(1)(ii) and (iii).) of this Act shall apply mutatis mutandis to an action to pursue the liability of a liquidator of a Partnership. In this case, the term "Ordinance of the Ministry of Justice" in paragraphs 1 and 4 of Article 847 of this Act shall be deemed to be replaced with "Ordinance of the Ministry of Health, Labour and Welfare" and any other necessary technical replacement of terms shall be prescribed by Cabinet Order.

Chapter 3: Workers' Cooperative Unions

(Personality and address)

Article 95

The Federation of Workers' Co-operative Societies (hereinafter referred to as the "Federation") shall be a legal entity.

2 The address of the Federation shall be at the place where its principal office is situated.

(Prohibition of use on behalf of a particular political party)

Article 96

The Federation must not be used for the benefit of any particular political party.

(Name)

Article 97

(2) A federation shall use in its name the words "workers' co-operative federation".

(2) A non-federation shall not use in its name any characters which might lead to the misidentification of it as a workers' cooperative federation.

(Registration)

Article 98

(2) The Federation shall be registered in accordance with the provisions of the Cabinet Order.

(2) Matters requiring registration pursuant to the provisions of the preceding paragraph may not be asserted against a third party by virtue of such matters until after registration.

(Eligibility for membership)

Article 99

(2) The persons entitled to be members of a federation shall be unions or federations, as determined by the articles of association.

(Business)

Article 100

The Federation shall carry out projects relating to the guidance, communication and coordination of its members.

(Investment)

Article 101

(2) The Federation may, as provided for in the Articles of Association, allow its members to make capital contributions.

(2) The provisions of Article 9 (excluding paragraphs (3) and (4)) (2) The provisions of Article 9 (excluding paragraphs (3) and (4)) shall apply mutatis mutandis to capital contribution. In this case, the term "its" in paragraph (5) of the said Article shall be deemed to be replaced with "its, in addition to bearing expenses under the provisions of Article 104.

(Preparation, maintenance and inspection of the register of members)

Article 102

Article 10 (In the case of a federation that does not allow its members to make capital contributions (hereinafter in this Chapter referred to as a "non-contributing federation"), the following shall apply (excluding paragraph (1) item (iii) of the same Article in the case of a membership list of a federation that does not allow its members to make capital contributions (hereinafter referred to as a "non-contributing federation" in this Chapter))) shall apply mutatis mutandis to the membership list of a federation.

(Voting and election rights)

Article 103

(2) Each member shall have one vote and the right to vote for officers. However, the articles of association may provide otherwise on the basis of the number of members of the association.

(2) The provisions of the first sentence of paragraph (2) and paragraphs (3) to (6) of Article 11 shall apply mutatis mutandis to the right of voting and the right of election.

(Assignment of expenses)

Article 104

(2) The Federation may levy expenses on its members as provided for in the Articles of Association.

2 A member may not oppose the Federation by way of set-off the payment of the expenses referred to in the preceding paragraph.

(subscription)

Article 105

(2) Where a person who is eligible for membership of the Federation wishes to join the Federation, the Federation shall not, without just cause, refuse to admit him or impose on him more difficult conditions of membership than those imposed on the present member at the time of his admission.

(2) A person who wishes to become a member of a federation which makes capital contributions to its members (hereinafter in this Chapter referred to as a "capital contribution federation") shall obtain the approval of the federation for membership as provided for in the articles of association and shall become a member when he has completed the payment of the amount corresponding to the number of capital contributions subscribed. (2) A person who wishes to become a member of a federation (hereinafter in this Chapter referred to as a "federation of investment associations") shall become a member when he has obtained the consent of the federation to become a member as provided for in the articles of incorporation and has completed the payment of the amount corresponding to the number of investment units subscribed.

3 A person who wishes to join a non-funded federation shall become a member when he has obtained the federation's consent to join as provided for in the articles of association.

(Withdrawal)

Article 106

A member may withdraw from membership at the end of the financial year with 30 days' notice.

(2) The provisions of Article 14 paragraph (2) and Article 15 shall apply mutatis mutandis to the withdrawal of a member, and the provisions of Articles 16 to 18 shall apply mutatis mutandis to the withdrawal of a member of a federation of investment associations. In this case, the term "death" in Article 15, paragraph (1), item (ii) shall be deemed to be replaced with "dissolution", the term "not engaging in" in Article 15, paragraph (2), item (i) shall be deemed to be replaced with "not using", and the term "payment of contributions" in Article 15, paragraph (2), item (ii) shall be deemed to be replaced with "payment of contributions, payment of expenses".

(Decrease in the number of investment units)

Article 107

(2) The members of a federation of investment associations may reduce the number of their investments as provided for in the articles of association.

(2) The provisions of Article 16 and Article 17 shall apply mutatis mutandis to the case referred to in the preceding paragraph.

(Founder)

Article 108

(2) In order to establish a federation, two or more unions or federations wishing to become its members shall be required to act as promoters.

(Inaugural meeting)

Article 109

The promoters shall draw up the articles of association, publish them together with the date, time and place of the meeting, and hold the founding meeting.

(2) The provisions of the preceding paragraph shall not apply if a resolution has been passed at the founding general meeting to postpone or continue the meeting.

3 The minutes of the proceedings of the founding general meeting shall be prepared in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

(4) The provisions of Article 23(2) to (5) and Article 103 shall apply mutatis mutandis to the general meeting of the Company, Article 830, Article 831, Article 834 (limited to the part pertaining to items (xvi) and (xvii)), Article 835(1), Article 836(1) and (3), Article 837, Article 838 and Article 846 of the Companies Act. (2) The provisions of Article 837, Article 838 and Article 846 (excluding the part of these provisions relating to auditors) shall apply mutatis mutandis to an action for confirmation or rescission of the absence or invalidity of a resolution of the founding general meeting.

(Establishment)

Article 110

(2) The provisions of Articles 24 to 28 inclusive (excluding Article 25 in the case of the establishment of a non-funded federation)) shall apply mutatis mutandis to the establishment.

(Articles of Association)

Article 111

(2) The articles of association of a federation shall contain or record the following matters (in the case of a non-funded federation, excluding the matters set forth in items (vi), (viii) and (ix)) (1) The articles of association of a federation shall contain or record the following matters (in the case of a non-funded federation, excluding matters referred to in items 6, 8 and 9)

(i) Business

(ii) Name

(iii) Address of the office

(iv) provisions relating to membership.

- (v) provisions relating to the admission and withdrawal of members
- (vi) the amount of each unit of investment and the method of payment thereof
- (vii) Provisions relating to the sharing of expenses
- (viii) Provisions relating to the appropriation of surpluses and the treatment of losses
- (ix) the amount of the reserve and the method of accumulation thereof
- (x) Provisions relating to the number of officers and their election or appointment
- (xi) Business year
- (xii) the method of giving public notice (which means the method by which the Federation gives public notice)

(2) The provisions of paragraphs (2) to (7) of Article 29 shall apply mutatis mutandis to the articles of association and public notices of the Federation.

(Terms and Conditions)

Article 112

The following matters may be provided for in the constitution, except those which must be provided for in the articles of association

- (i) Provisions relating to general meetings
- (ii) Provisions relating to the conduct of business and accounting
- (iii) Provisions relating to officers
- (iv) Provisions relating to membership
- (v) any other necessary matters.

(Keeping and inspection of the Articles of Association, etc.)

Article 113

(2) The provisions of Article 31 shall apply mutatis mutandis to the Articles of Association and the Constitution.

(Directors)

Article 114

(2) The Federation shall have directors and auditors as its officers.

2 The number of directors shall be five or more, and the number of auditors shall be two or more.

(Duties of officers)

Article 115

The Directors shall observe the laws, the Articles of Association, the Statutes and the resolutions of the General Assembly, and shall faithfully perform their duties in the service of the Federation.

(2) The auditors shall audit the performance of the duties of the directors. In this case, the auditors shall prepare an audit report in accordance with the provisions of the Ordinance of the Ministry of Health, Labour and Welfare.

(Powers of the Board of Directors, etc.)

Article 116

(2) The Federation shall have a Board of Directors.

2 The Board of Directors shall consist of all members of the Board.

(3) The Board of Directors shall decide on the conduct of the business of the Federation.

(Representative Director)

Article 117

(2) The Board of Directors shall select from among the Directors a Director who shall represent the Federation (referred to in paragraph 1 of the following Article as the "Representative Director"). (2) The Board of Directors shall select from among the Directors a Director who shall represent the Federation (in paragraph 1 of the following Article, the "Representative Director").

(Provisions mutatis mutandis)

Article 118

(2) The provisions of Article 32, paragraphs (3) and (4) and paragraphs (6) to (12), Articles 33 to 37 inclusive, Article 38, paragraph (3) and Articles 45 to 50 inclusive shall apply mutatis mutandis to the Officers, the provisions of Articles 40 and 41 shall apply mutatis mutandis to the Board of Directors, the provisions of Article 42, paragraphs (2) to (5) inclusive shall apply mutatis mutandis to the Representative Director, the provisions of Article 44 and Article 51, paragraphs (7) to (9) inclusive shall apply mutatis mutandis to the Auditors, and the provisions of Article 43 shall apply mutatis mutandis to the Directors. The provisions of Article 44 and paragraphs 7 to 9 inclusive of Article 51 shall apply mutatis mutandis to the Directors, and the provisions of Article 43 shall apply mutatis mutandis to the Auditors. In this case, the term "a partner" in the main clause of paragraph 4 of Article 32 shall be deemed to be replaced with "an officer of the Partnership or Federation who is a member", the term "a person who intends to become a partner" in the proviso of the same paragraph shall be deemed to be replaced with "an officer of the Partnership or Federation who intends to become a member", and the term "one person" in paragraph 8 of the same Article shall be deemed to be replaced with "one voting right".

(2) The provisions of Article 51 (excluding paragraphs (7) to (9)) (2) The provisions of Article 51 (excluding paragraphs 7 to 9), Article 52 and Article 53 shall apply mutatis mutandis to the Federation.

(General Meeting)

Article 119

An ordinary general meeting shall be convened once in each business year, as provided for in the Articles of Association.

2 An Extraordinary General Meeting may be convened at any time when necessary, as provided for in the Articles of Association.

3 The following matters must be resolved by the General Assembly

(i) Amendments to the articles of association

(ii) the establishment, amendment or abolition of rules

(iii) establish or change the budget for income and expenditure and the business plan for each fiscal year

- (iv) Method of levying and collecting expenses
- (v) membership of or withdrawal from the Federation
- (vi) Other matters specified in the Articles of Association.

4 The following matters shall require a resolution by a two-thirds majority or more of the voting rights of the members present at a meeting where members holding more than half of the total number of voting rights are present.

- (i) Amendments to the articles of association
- (ii) dissolution or merger of the Federation
- (iii) Expulsion of a member
- (iv) Exemption from liability under the provisions of paragraph 5 of Article 45 as applied mutatis mutandis pursuant to paragraph 1 of the preceding Article.

5 The provisions of Article 59(2) to (4), Article 60 to 62, Article 63(2) and (3), Article 64 and Article 67 to 70 shall apply mutatis mutandis to the General Assembly.

(Decrease in the amount of investment per unit)

Article 120

(2) The provisions of Articles 72 to 74 inclusive shall apply mutatis mutandis to a reduction in the amount of one unit of capital contribution pertaining to a federation of capital contributions.

(Calculation)

Article 121

(2) The provisions of Article 75 shall apply mutatis mutandis to the accounts of the Federation.

(2) The provisions of Article 76, paragraphs (1) to (3) and Articles 77 to 79 inclusive shall apply mutatis mutandis to the calculation of a federation of capital contribution. In this case, the term "the reserve set forth in paragraph (1) of the preceding Article, the reserve for work creation, etc. set forth in paragraph (4) of the same Article, and the carry-over for education set forth in paragraph (5) of the same Article" in Article 77, paragraph (1) shall be deemed to be

replaced with "the reserve set forth in Article 76, paragraph (1) as applied mutatis mutandis pursuant to Article 121, paragraph (2)", and the term "the extent to which the employees have been engaged in" in paragraph (2) of the same Article shall be deemed to be replaced with "the ratio of the amount of use of the shall be deemed to be replaced with "the proportion of the quantity used".

(Reasons for dissolution)

Article 122

(2) The Federation shall be dissolved for any of the following reasons

(i) Resolutions of the general meeting

(ii) Merger of federations (limited to cases where the federation concerned ceases to exist as a result of the merger)

(iii) an order to open bankruptcy proceedings in respect of the Federation

(iv) Expiration of the period of duration specified in the articles of incorporation or the occurrence of an event of dissolution

(v) An order of dissolution pursuant to the provision of Article 127(3)

(vi) the loss of a member.

(2) In addition to the provisions of the preceding paragraph, the Federation shall be dissolved upon the expiration of six months from the date on which it becomes a member, even if the number of its members does not exceed two for a further period of six months.

(3) When a federation is dissolved for reasons other than those listed in items (ii), (iii) and (v) of paragraph (1), it shall notify the administrative agency to that effect within two weeks of the date of dissolution.

(Dissolution, liquidation and merger)

Article 123

(2) The provisions of Articles 81 to 94 inclusive shall apply mutatis mutandis to the dissolution and liquidation of the Federation and to mergers.

Chapter IV Miscellaneous Provisions

(Submission of documents related to financial statements, etc.)

Article 124

(2) The Partnership and the Federation shall submit to the administrative agency a balance sheet, a profit and loss statement, a document stating the method of appropriation of surplus or disposal of losses, and a business report, as well as their supporting schedules, within two weeks from the end of the ordinary general meeting for each business year.

(2) The matters to be entered in the documents set forth in the preceding paragraph and other necessary matters shall be specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(Collection of reports)

Article 125

(2) The administrative agency may collect from the union or federation such reports as are necessary to enable it to know whether the union or federation is observing the laws and regulations, the dispositions of the administrative agency made under the laws and regulations, the articles of association or the constitution.

(Inspection, etc.)

Article 126

(2) If the administrative agency finds that the business or accounting of a Partnership or a federation is suspected of violating laws and regulations, dispositions by the administrative agency based on laws and regulations, the articles of association or the rules, or that the management of the Partnership or the federation is suspected of being extremely unfair, the administrative agency may inspect the business or accounting of the Partnership or the federation.

(2) The official who conducts the inspection pursuant to the preceding paragraph shall carry a certificate of identification and produce it upon request of the person concerned.

(3) The powers of inspection under paragraph (1) shall not be construed as being granted for the purpose of criminal investigation.

(Punishments for breaches of laws and regulations)

Article 127

(2) In cases where the administrative agency collects reports pursuant to Article 125 or conducts an inspection pursuant to paragraph 1 of the preceding Article, if the administrative agency finds that the business or accounting of the Partnership or the Federation violates laws and regulations, a disposition by the administrative agency based on laws and regulations, the articles of association or the articles of incorporation, or that the management of the Partnership or the Federation is extremely unfair may order the Partnership or the Federation to take the necessary measures for a specified period.

(2) If a Partnership or a federation does not comply with the order set out in the preceding paragraph, the administrative agency may order the suspension of all or part of the business or the election of new officers for a specified period.

(3) The administrative agency may order the Partnership or the federation to dissolve if it finds that the Partnership or the federation has violated the order under paragraph 1, or if it finds that the Partnership or the federation has failed to commence its business within one year from the date of its formation or has continued to suspend its business for one year or more without justifiable grounds.

(4) If the person who has the right to represent the Partnership or the Federation is absent or his/her whereabouts are unknown, the administrative agency may publish the gist of the order in the Official Gazette instead of giving notice of the order as provided for in the preceding paragraph.

(5) In the case of the preceding paragraph, the said order shall become effective on the day on which 20 days have elapsed from the date of publication in the official gazette.

(Hearing)

Article 128

(2) The Administrative Agency may, upon suspicion that a Partnership falls under any of the items of paragraph 6 of Article 3, or that an officer or liquidator of the Partnership or the Federation falls under any of the items of paragraph 5 of Article 35 (including cases where it is applied mutatis mutandis pursuant to paragraph 2 of Article 94 (including cases where it is applied mutatis mutandis pursuant to Article 123)) or paragraph 1 of Article 118 (including cases where it is applied mutatis mutandis pursuant to Article 123), order the Partnership or the Federation to cease to exist. The same shall apply in the following Article. The same shall apply in the following Article). (2) The Minister of Health, Labour and Welfare, the Commissioner-General of the National Police Agency, the Superintendent-General of the Metropolitan Police Department or the Chief of Prefectural Police Headquarters (referred to as the "Commissioner-General of the National Police Agency or the Chief of Prefectural Police Headquarters" in the following Article) may, when he/she finds that there is a suspicion that the administrative agency falls under any of the following items

(Opinion to the Administration)

Article 129

(2) The Commissioner of the National Police Agency or the Chief of the National Police Agency may, when he/she finds it necessary for the Administrative Agency to take appropriate measures against a Partnership or a Federation because he/she has reasonable grounds to suspect that the Partnership falls under each item of paragraph 6 of Article 3 or that an officer or a liquidator of the Partnership or the Federation falls under item 5 of Article 35 (3) If the Administrative Agency finds it necessary to take appropriate measures against the Partnership or the Federation because it has reasonable grounds to suspect that an officer or a liquidator of the Partnership or the Federation falls under item 5 of Article 35, the Administrative Agency may state its opinion to that effect.

(Guidelines)

Article 130

(2) The Minister of Health, Labour and Welfare shall establish necessary guidelines to contribute to the proper management of unions and federations.

(2) When the Minister of Health, Labour and Welfare intends to establish or change the guidelines set forth in the preceding paragraph, he/she shall consult in advance with the heads of the relevant administrative organs and hear the opinions of the Labor Policy Council.

(3) When the Minister of Health, Labour and Welfare has established or changed the guidelines referred to in paragraph (1), he/she shall make them public without delay.

(Delegation to the Ministry of Health, Labour and Welfare)

Article 131

(2) In addition to what is provided for in this Act, the procedures for notification under this Act and other matters necessary for implementing this Act shall be prescribed by the Ordinance of the Ministry of Health, Labour and Welfare.

(Competent administrative authority)

Article 132

(3) The term "administrative agency" as used in this Act shall be deemed to be replaced with "administrative agency" in paragraph 1 of Article 90 (including the cases where it is applied mutatis mutandis pursuant to Article 123). (2) The term "administrative agency" as used in this Act shall mean the prefectural governor having jurisdiction over the location of the principal office in the case of a union and the Minister of Health, Labour and Welfare in the case of a federation, except in the case of a federation (including the case where it is applied mutatis mutandis pursuant to Article 123)

Chapter V Penalties

Article 133

(2) Any person who falls under any of the following items shall be punished by a fine of not more than 300,000 yen

(i) in violation of the provisions of Article 955 paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to Article 29 paragraph (6) (including the cases where it is applied mutatis mutandis pursuant to Article 111 paragraph (2)) (ii) Any person who, in violation of the provisions of Article 955 paragraph (1) of the Companies Act as applied mutatis mutandis pursuant to paragraph

(6) of Article 29 (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of Article 111), has failed to enter or record, or has made a false entry or record in the investigation record book, etc. provided for in the said paragraph, what is provided for in the applicable Ordinance of the Ministry of Justice in relation to the electronic public notice investigation provided for in the said paragraph, or has failed to preserve the investigation record book, etc.

(ii) A person who has failed to make a report pursuant to the provision of Article 125 or has made a false report.

(iii) A person who has refused, obstructed or evaded an inspection pursuant to the provision of Article 126, paragraph 1

(iv) A person who has violated an order pursuant to the provision of Article 127, paragraph 1 or 2

Article 134

(2) Where a representative of a juridical person, or an agent, employee or other worker of a juridical person or an individual has committed a violation of the preceding Article in connection with the business of the juridical person or individual, not only the offender shall be punished but also the juridical person or individual shall be punished by the fine prescribed in the same Article.

Article 135

(2) Any person who falls under any of the following items shall be punished by a civil fine of not more than one million yen

(i) a person who has failed to make a report or has made a false report in violation of the provisions of Article 946, paragraph 3 of the Companies Act as applied mutatis mutandis pursuant to Article 29, paragraph 6 (including the cases where it is applied mutatis mutandis pursuant to Article 111, paragraph 2) (ii) A person who has failed to make a report or has made a false report in violation of the provisions of Article 946(3) of the Companies Act as applied mutatis mutandis pursuant to paragraph (6) of Article 29 (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of Article 111)

(ii) A person who has refused a request listed in each item of Article 951 paragraph (2) or each item of Article 955 paragraph (2) of the Companies Act

applied mutatis mutandis pursuant to Article 29 paragraph (6) (including the cases where it is applied mutatis mutandis pursuant to Article 111 paragraph (2)) without justifiable grounds (iii) A person who has refused a request listed in each item of Article 951(2) or each item of Article 955(2) of the Companies Act as applied mutatis mutandis pursuant to paragraph (6) of Article 29 (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of Article 111) without justifiable grounds.

Article 136

(2) The promoter, officer or liquidator of a partnership or federation shall be liable to a civil fine of not more than 200,000 yen in the following cases

(i) Where the person has failed to make a registration in violation of the provisions of Article 5, paragraph (1) or Article 98, paragraph (1).

(ii) When it has conducted a business specified by a Cabinet Order under Article 7, paragraph 2.

(iii) The provisions of Article 10 (including the cases where it is applied mutatis mutandis pursuant to Article 102)), the provisions of Article 51, paragraph 1 (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 2)), Article 51, paragraph 1 (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 2), Article 51, paragraph 2 or paragraph 10 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123)), or Article 118, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123). (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where they are applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 2)), the provisions of Article 51, paragraph (12) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123)) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph (2)).), the provisions of Article 72 (including the cases where it is applied mutatis mutandis

pursuant to Article 120)), or the provisions of Article 86 (including the cases where it is applied mutatis mutandis pursuant to Article 86). (2) When a person refuses to allow the inspection or copying of documents or the delivery of transcripts or extracts of documents, or to provide matters recorded in electromagnetic records by electromagnetic means, or to deliver documents containing such matters, without justifiable grounds.

(iv) The provisions of Article 15, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 106, paragraph 2) (v) Where the person has violated the provisions of Article 15, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 106, paragraph (2)) or Article 53, paragraph (5) or (6) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 118, paragraph (2)). (2) When the provisions of Article 53, paragraph 5 or 6 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 118, paragraph 2) have been violated

(v) The provisions of Article 23, paragraph (7), Article 41, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph (1)) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph (1))), the provisions of Article 69, paragraph 1 (including the cases where it is applied mutatis mutandis pursuant to Article 119, paragraph 5)), the provisions of Article 69, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 119, paragraph (5)), the provisions of Article 94, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) of the Companies Act as applied mutatis mutandis pursuant to (ii) the Company has failed to prepare the minutes or the inventory of property or the balance sheet, or has failed to state or record matters that should be stated or recorded in these documents or electromagnetic records, or has made a false statement or record, in violation of the provisions of Article 492(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied

mutatis mutandis pursuant to Article 123) or the provisions of Article 109(3).

(2) When the Company has made a false entry or record.

(vi) The provisions of Article 27 (including the cases where it is applied mutatis mutandis pursuant to Article 110) (vi) The provisions of Article 27 (including the cases where it is applied mutatis mutandis pursuant to Article 110), Article 33 (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 1), Article 63, paragraph 3 (including the cases where it is applied mutatis mutandis pursuant to Article 119, paragraph 5)), the provisions of Article 63, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 119, paragraph (5)), the provisions of Article 80, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to), the provision of Article 80, paragraph 3, the provision of Article 82, paragraph 3 or Article 91 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 123), or the provision of Article 122 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 123). (2) The Minister of Economy, Trade and Industry has failed to give a notification pursuant to the provision of Article 80, paragraph 3 (including the cases where it is applied mutatis mutandis pursuant to Article 123), Article 82, paragraph 3 or Article 91 (including the cases where it is applied mutatis mutandis pursuant to Article 123), or Article 122, paragraph 3, or has given a false notification.

(vii) in violation of the provisions of Article 941 of the Companies Act as applied mutatis mutandis pursuant to Article 29 paragraph (6) (including the cases where it is applied mutatis mutandis pursuant to Article 111 paragraph (2)) (vii) Where the Company has not requested an investigation under Article 941 of the Companies Act as applied mutatis mutandis pursuant to Article 29 paragraph (6) (including the cases where it is applied mutatis mutandis pursuant to Article 111 paragraph (2)) in violation of the provisions of Article 941 of the Companies Act.

(viii) The provisions of Article 32, paragraph 5 (including the cases where it is applied mutatis mutandis pursuant to Article 89, paragraph 5 (including the cases where it is applied mutatis mutandis pursuant to Article 123)) (including the cases where it is applied mutatis mutandis pursuant to Article 89, paragraph

5 (including the cases where it is applied mutatis mutandis pursuant to Article 123))

(ix) When a person violates the provisions of Article 32, paragraph 6 (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 1) (ix) Where the person has violated the provisions of Article 32, paragraph 6 (including cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 1)

(x) in the case of a request under Article 38(3) (including the case where it is applied mutatis mutandis pursuant to Article 118(1)) (x) where a request has been made under Article 343(2) of the Companies Act as applied mutatis mutandis pursuant to Article 38(3) (including the cases where it is applied mutatis mutandis pursuant to Article 118(1)), the Company has failed to make the matters pertaining to the request the object of the general meeting or has failed to submit a proposal pertaining to the request to the general meeting.

(xi) The provisions of Article 388(3) (including the cases where it is applied mutatis mutandis pursuant to Article 118(1)) of the Companies Act as applied mutatis mutandis pursuant to (2) The provision of Article 492(1) of the same Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or the provision of Article 394(2) of the same Act as applied mutatis mutandis pursuant to Article 94(2) (including the cases where it is applied mutatis mutandis pursuant to Article 123) (2) The Minister of Economy, Trade and Industry has interfered with an investigation pursuant to the provision of Article 391, paragraph (2) or Article 384 of the same Act as applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123).

(xii) The provisions of Article 41, paragraph 5 (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123)) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph (1))), the provisions of Article 52, paragraph (3) (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph (2)), or the provisions of Article 69, paragraph (1) (including

the cases where it is applied mutatis mutandis pursuant to), the provisions of Article 52, paragraph 3 (including the cases where it is applied mutatis mutandis pursuant to Article 118, paragraph 2), or the provisions of Article 69, paragraph 4 (including the cases where it is applied mutatis mutandis pursuant to Article 119, paragraph 5). (2) When the Minister of Health, Labour and Welfare has, in violation of the provisions of paragraph (3) of Article 2 (including the cases where it is applied mutatis mutandis pursuant to paragraph (2) of Article 118) or paragraph (4) of Article 69 (including the cases where it is applied mutatis mutandis pursuant to paragraph (5) of Article 119), refused without justifiable grounds to allow inspection or copying of the matters recorded in a document or electromagnetic record which are indicated by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare

(xiii) The provisions of Article 43 (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123)) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1) (xiii) When a person has violated the provisions of Article 43 (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1)

(xiv) The provisions of Article 44, paragraph 1 or Article 45, paragraph 6 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where they are applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where they are applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1). (2) When a Designated Examining Body has failed to disclose information pursuant to the provisions of Article 5, paragraph 6 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where they are applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1)

(xv) The provisions of Article 44, paragraph 3 (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123)) (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1) (iv) In the case of failing to report to the Board of Directors or making a false report in violation of the provisions of Article 44, paragraph 3 (including the cases where it is applied mutatis mutandis pursuant to Article 94, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 118, paragraph 1)

(xvi) Where the provisions of Article 58 or Article 119, paragraph 1 have been violated.

(xvii) in violation of the provisions of Article 66, has failed to report to the general meeting or has made a false report

(xviii) A person who has violated the provision of Article 72(1) or Article 73(5) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 120) (xviii) A person who has violated the provision of Article 72, paragraph (1) or Article 73, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 120) by reducing the amount of one unit of capital contribution, or has violated the provision of Article 86, paragraph (5), Article 87, paragraph (7) or Article 88, paragraph (5) (including the cases where it is applied mutatis mutandis pursuant to Article 123) (ii) Where the merger is conducted in violation of the provisions of Article 73, paragraph 5 as applied mutatis mutandis pursuant to Article 76, paragraph 5, Article 87, paragraph 7 or Article 88, paragraph 5 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 123)

(xix) The provisions of Article 73, paragraph 2 (including the cases where it is applied mutatis mutandis pursuant to Article 86, paragraph 5, Article 87, paragraph 7 or Article 88, paragraph 5 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 123)) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 123) or Article 120)) or Article 94(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123). (2) The Company has failed to make

a public notice under the provisions of Article 49(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) or Article 99(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123), or has made a fraudulent public notice

(xx) The provisions of Article 76, paragraphs 1 to 3 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 121, paragraph 2) (ii) Where the person has violated the provisions of Article 76, paragraphs 1 to 3 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 121, paragraph 2), the provisions of Article 76, paragraph 4 or 5, or the provisions of Article 77 (including the cases where these provisions are applied mutatis mutandis pursuant to Article 121, paragraph 2). (2) When the provisions of Article 76, paragraph 4 or 5 or Article 77 (including the cases where it is applied mutatis mutandis pursuant to Article 121, paragraph 2) have been violated

(xxxi) If a juridical person acquires a partner's or member's interest in a Partnership in violation of Article 79 (including cases where it is applied mutatis mutandis pursuant to Article 121(2)). (2) If a partner or a member acquires or receives a partner's or a member's interest as the object of a pledge in violation of Article 79 (including cases where it is applied mutatis mutandis pursuant to Article 121(2)).

(xxii) if the Company has failed to file a petition for commencement of bankruptcy proceedings in violation of the provision of Article 484(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) (ii) Where the Trustee has failed to file a petition for commencement of bankruptcy proceedings in violation of the provision of Article 484(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123).

(xxiii) where the period set forth in Article 49(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) is unreasonably specified for the purpose of delaying the completion of liquidation (ii) Where the period set

forth in Article 499(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) has been unreasonably determined for the purpose of delaying the conclusion of liquidation.

(xxiv) when the Company has made a payment of a debt in violation of the provisions of Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123) of the Companies Act (ii) Where the Company has made a payment of a debt in violation of the provisions of Article 500(1) of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including the cases where it is applied mutatis mutandis pursuant to Article 123).

(xxv) if the assets of the Partnership or the Federation as applied mutatis mutandis pursuant to Article 94(1) (including cases where it is applied mutatis mutandis pursuant to Article 123) (ii) if the assets of the Partnership or the Federation have been distributed in violation of Article 502 of the Companies Act as applied mutatis mutandis pursuant to Article 94(1) (including cases where it is applied mutatis mutandis pursuant to Article 123).

(xxvi) where it has conducted any business other than the business prescribed in Article 100

(xxvii) In the case of failing to submit a document or submitting a false document in violation of the provision of Article 124, paragraph 1.

(2) Where a person prescribed in Article 976 of the Companies Act has interfered with an investigation under Article 38(3) (including the cases where it is applied mutatis mutandis pursuant to Article 118(1)). (2) The same shall apply to the case where a person prescribed in Article 976 of the Companies Act has interfered with an investigation under Article 381(3) of the said Act as applied mutatis mutandis pursuant to Article 38(3) (including the cases where it is applied mutatis mutandis pursuant to Article 118(1)).

Article 137

(2) Any person who falls under any of the following items shall be punished by a non-penal fine of not more than 100,000 yen

(i) a person who, in violation of the provisions of Article 4, paragraph 2, has used in its name letters which are likely to be misunderstood as those of a workers' cooperative

(ii) A person who, in violation of paragraph 3 of Article 4, uses a name which is likely to be misunderstood as that of another Partnership.

(iii) A person who, in violation of the provisions of Article 97, paragraph 2, has used letters in the name of the federation that are likely to be misunderstood as a workers' cooperative federation.

Supplementary provisions

(Effective date)

Article 1.

(1) This Act shall come into force as from the date specified by a Cabinet Order within a period not exceeding two years from the day of promulgation. However, the provisions of the following Article and Article 33 of the Supplementary Provisions shall come into force as from the day of promulgation.

(Preparation before implementation)

Article 2.

(3) The Minister of Health, Labour and Welfare may, even before the enforcement of this Act, establish guidelines under paragraph (1) of Article 130 (hereinafter simply referred to as "guidelines" in this Article), pursuant to the provisions of paragraphs (1) and (2) of the same Article. (3) The Minister of Labour may, even before the enforcement of this Act, establish the guidelines set forth in paragraph 1 of Article 130 (hereinafter referred to simply as the "Guidelines") in accordance with the provisions of paragraphs 1 and 2 of the same Article.

(2) When the Minister of Health, Labour and Welfare has established guidelines pursuant to the preceding paragraph, he/she shall make them public without delay.

(3) The guidelines established pursuant to the provision of paragraph (1) shall be deemed to be the guidelines established pursuant to the provision of Article 130, paragraph (1) and paragraph (2) on the date of enforcement of this Act

(referred to as the "enforcement date" in Article 4 of the Supplementary Provisions). (3) The guidelines established pursuant to the provision of paragraph 1 shall be deemed to be the guidelines established pursuant to the provision of Article 130, paragraphs 1 and 2 on the day of enforcement of this Act (referred to as the "enforcement date" in Article 4 of the Supplementary Provisions)

(Special provisions for unions providing specified support for continued employment)

Article 3.

(2) The designated welfare service for persons with disabilities prescribed in paragraph 1 of Article 29 of the Act for Comprehensive Support of Daily Life and Social Life of Persons with Disabilities (Act No. 123 of 2005) pertaining to the support for continuous employment prescribed in paragraph 14 of Article 5 of the same Act or the corresponding welfare service for persons with disabilities listed in item 2 of paragraph 1 of Article 30 of the same Act (hereinafter referred to as "specified support for continuous employment" in this Article) shall be the support for continuous employment prescribed in paragraph 1 of Article 5 of the same Act. (hereinafter referred to as "specified continuous employment support" in this Article).), for the time being, persons who receive Specified Continuous Employment Support shall not be included in the persons who are engaged in the businesses conducted by the Partnership and the partners who are the basis for calculating the ratio of the number of partners to the total number of persons engaged in the businesses conducted by the Partnership prescribed in paragraph 2 of Article 8.

Reorganisation

Article 4.

(2) A business association (meaning a business association listed in Article 3, item (iv) of the Small and Medium-sized Enterprise Cooperative Act (Act No. 181 of 1949); the same shall apply hereinafter) existing at the time of the enforcement of this Act shall be deemed to be a business association. The same shall apply hereinafter. The same shall apply hereinafter) or a specified non-profit corporation (meaning a specified non-profit corporation as provided in Article 2, paragraph (2) of the Act on the Promotion of Specified Non-profit

Activities (Act No. 7 of 1998). The same shall apply hereinafter. The same shall apply hereinafter) may change its organization and become a Partnership within three years from the Effective Date.

(Approval of plans for reorganisation of trade unions, etc.)

Article 5.

(2) The Enterprise Partnership shall, in order to make the organizational changes prescribed in the preceding Article (hereinafter simply referred to as "organizational changes") (hereinafter simply referred to as "Organizational Change"), the Enterprise Partnership shall prepare a plan for Organizational Change and obtain approval for it by a resolution of the General Assembly.

(2) In the case referred to in the preceding paragraph, the resolution as provided in Article 53 of the Small and Medium Sized Enterprise Cooperative Act shall be adopted.

(3) With respect to the application of Article 49(1) of the Small and Medium-sized Enterprise Cooperative Act to the convocation of a general meeting as set out in paragraph (1), the term "ten days" in the same paragraph shall be deemed to be replaced with "two weeks" and the term "matters" in the same paragraph shall be deemed to be replaced with "matters, the outline of the reorganization plan and the articles of incorporation of the worker cooperative after the reorganization".

(4) The plan for the reorganisation of the enterprise association shall set out the following matters

(i) the business, name and location of the office of the Enterprise Partnership after its organizational change (hereinafter referred to as the "Partnership after Organizational Change" in this Article through Article 13 of the Supplementary Provisions) (ii) the business of the Partnership after the organizational change (hereinafter referred to as the "Partnership after the organizational change" in this Article through Article 13 of the Supplementary Provisions), its name and the location of its office

(ii) In addition to what is listed in the preceding item, such other matters as may be prescribed by the articles of association of the Partnership after the reorganization.

- (iii) the names of the directors of the Partnership after the reorganisation
 - (iv) the names of the auditors of the Partnership after the Reorganization (if the Partnership after the Reorganization is a Partnership with an Audit Committee, a statement to that effect)
 - (v) the number of units of capital contribution of the Partnership after the Reorganization to be acquired by the partners of the Enterprise Partnership upon the Reorganization, or the method of calculating such number of units
 - (vi) matters relating to the allotment of capital contributions as referred to in the preceding item to the partners of the Enterprise Partnership that is reorganized.
 - (vii) The date on which the organizational change takes effect (hereinafter referred to as the "effective date")
 - (viii) Other matters specified by an Ordinance of the Ministry of Health, Labour and Welfare in addition to the matters listed in the preceding items.
- (Public notice of resolution on reorganisation of enterprise partnership, etc.)

Article 6.

(2) Where a company partnership has passed a resolution on reorganisation, it shall give public notice of the details of the resolution and its balance sheet within two weeks of the date of the resolution.

(2) The creditors of an Enterprise Partnership which is to be reorganised may object to the reorganisation to the Enterprise Partnership concerned.

(3) An Enterprise Partnership that makes an organizational change shall publish a public notice of the following matters in the official gazette and give notice thereof to each known creditor separately. However, the period referred to in item (ii) shall not be less than one month.

(i) that a change of organization is to be made

(ii) That the creditor may state an objection within a certain period of time

(4) Notwithstanding the preceding paragraph, if an Enterprise Partnership that is to be reorganized makes a public notice as provided for in the preceding paragraph in the official gazette or by any of the public notice methods listed in

item (ii) or (iii) of Article 33(4) of the Small and Medium Sized Enterprise Cooperative Act in accordance with the provisions of the articles of incorporation as provided for in the said paragraph, it shall not be required to give a separate notice as provided for in the preceding paragraph.

(5) If the creditors have not raised any objection within the period referred to in paragraph 3(2), they shall be deemed to have approved the reorganisation.

(6) If a creditor raises an objection within the period set out in paragraph (3)(ii), the Enterprise Partnership making the organizational change shall pay or provide reasonable security to the creditor concerned, or shall place reasonable assets in trust with a Trust Company, etc. for the purpose of having the creditor concerned receive payment. (2) A juridical person that is to make a reorganization shall not make any changes to its creditors; provided, however, that this shall not apply if there is no risk of harm to such creditors as a result of such reorganization.

(Right of partners opposing reorganisation of enterprise partnership to claim refund of their share)

Article 7.

(2) A member of an Enterprise Partnership which is to be reorganized and who has notified the Enterprise Partnership in writing of his or her opposition to the reorganization prior to the general meeting set forth in Article 5(1) of the Supplementary Provisions may withdraw from the Enterprise Partnership on the effective date by making a request in writing for a refund of his or her share within 20 days from the date of the resolution on the reorganization. (2) A company may withdraw from the enterprise association on the effective date by requesting a refund of its share in writing within 20 days of the date of the vote on the reorganisation.

(2) Articles 20 to 22 of the Small and Medium-sized Enterprise Cooperative Act shall apply mutatis mutandis to the withdrawal of a partner under the preceding paragraph. In this case, notwithstanding the provisions of the articles of incorporation, the partners may demand a refund of all of their equity interests.

(3) In the case of the preceding paragraph, the effective date shall be deemed to be the end of the business year in which the withdrawal took place as

provided for in Article 20(2) of the Small and Medium-sized Enterprise Cooperative Act.

(Allotment of capital to partners of company partnership)

Article 8.

(2) The members of the Enterprise Partnership that is to be reorganized (excluding those who have made a request as set forth in paragraph 1 of the preceding Article and other persons specified by Cabinet Order; hereinafter the same shall apply in this Article) shall be the members of the Enterprise Partnership that is to be reorganized. The same shall apply hereinafter in this Article)) shall receive an allotment of capital contributions of the Partnership after the Reorganization as provided in the Reorganization Plan.

(2) The allotment of capital contributions under the preceding paragraph shall be made in proportion to the number of units of capital contributed by the partners of the Enterprise Partnership to be reorganized.

(Amounts to be credited to reserves, etc.)

Article 9.

(2) The amount to be appropriated as a reserve upon a change in the organization of a company partnership and other necessary matters concerning the calculation upon a change in the organization of a company partnership shall be prescribed by Ordinance of the Ministry of Health, Labour and Welfare.

(Effect of pledge, etc.)

Article 10

(2) A pledge over an interest in a company partnership shall exist in respect of the money that the partners are entitled to receive as a result of a demand under Article 7(1) of the Supplementary Provisions (including cases where such demand is deemed to have been made under paragraph (3)). (2) A pledge over an interest in a company partnership shall exist in respect of the money to which the partners are entitled by virtue of a request under Article 7(1) of the Supplementary Provisions (including cases where the partners are deemed to have made such a request under paragraph 3).

(2) When the Enterprise Partnership has passed a resolution for reorganization, it shall, within two weeks from the date of such resolution, notify each known holder of a pledge on the equity interest in the Enterprise Partnership to that effect.

(3) If a partner of an Enterprise Partnership which is to be reorganized and which has established a pledge over its equity interest in such Enterprise Partnership does not make a request as provided for in Article 7(1) of the Supplementary Provisions within the period provided for in the same paragraph, it shall be deemed that such request was made at the end of such period.

(Entry into force of reorganisation of company partnership, etc.)

Article 11

An enterprise partnership which is to be reorganised shall become a partnership on the effective date.

(2) On the effective date, the partners of the Enterprise Partnership to be reorganized shall become partners of the Partnership after the reorganization in accordance with the provisions on the matters listed in Article 5(4)(vi) of the Supplementary Provisions.

(3) The provisions of the preceding two paragraphs shall not apply where the procedures under Article 6 of the Supplementary Provisions have not been completed or where the organizational change has been discontinued.

(Notification of changes to the organisation of a company partnership)

Article 12

(2) When an Enterprise Partnership has made an organizational change, the Enterprise Partnership shall, without delay, notify the administrative agency prescribed in Article 111(1) of the Small and Medium Sized Enterprise Cooperative Act (limited to the part pertaining to item (v)) to that effect. (2) A business cooperative shall notify the administrative agency prescribed in Article 111(1) (limited to the part pertaining to item (v)) of the Small and Medium-sized Enterprise Cooperative Act without delay to that effect.

(2) The provisions of Article 27 shall apply mutatis mutandis to a change in the organization of the Enterprise Partnership.

(Keeping of documents stating changes in the organisation of the enterprise association, etc.)

Article 13

(2) After the organizational change, the Partnership shall keep at its principal office a written or electromagnetic record describing or recording the progress of the procedures as provided in Article 6 of the Supplementary Provisions, the effective date and other matters relating to the organizational change for six months from the effective date.

(2) The partners and creditors of the Partnership after the Reorganization may make the following demands to the Partnership after the Reorganization at any time during its business hours (1) The partners and creditors of the Partnership after the Reorganization may make the following demands to the Partnership after the Reorganization at any time during the hours for handling the business of the Partnership after the Reorganization

(i) A request for inspection of the document set forth in the preceding paragraph

(ii) Request for delivery of a transcript or extract of the document set forth in the preceding paragraph

(iii) A request for inspection of the matters recorded in the electromagnetic record set forth in the preceding paragraph, which are displayed in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare.

(iv) A request for provision of the matters recorded in the electromagnetic record set forth in the preceding paragraph by electromagnetic means as determined by the Partnership after the Reorganization, or a request for delivery of a document containing such matters.

(Action for invalidation of reorganisation of company union)

Article 14

Article 828(1) (limited to the part pertaining to item (vi)) and (2) (limited to the part pertaining to item (vi)) of the Companies Act Article 828, paragraph (1) (limited to the part pertaining to item (vi)) and paragraph (2) (limited to the part pertaining to item (vi)) of the Companies Act

(Registration of changes to the organisation of a company partnership)

Article 15

(2) When a company partnership has made a change in its organisation, it shall be registered as provided for by a Cabinet Order.

(2) Matters requiring registration pursuant to the provisions of the preceding paragraph may not be asserted against a third party by virtue of such matters until after registration.

(Approval of plans to change the organization of a specified non-profit organization, etc.)

Article 16

In order to change its organization, a Specified Non-Profit Organization must prepare a plan for organizational change and obtain approval for it by a resolution of the General Meeting of Members.

(2) In the case of the preceding paragraph, the resolution prescribed in Article 31-2 of the Specified Nonprofit Activities Promotion Act shall be adopted.

(3) With respect to the application of Article 14-4 of the Act on the Promotion of Specified Non-Profit-Making Activities to the convocation of the general meeting of members set forth in paragraph 1, the term "five days" in the said Article shall be deemed to be replaced with "two weeks" and the term "matters" in the said Article shall be deemed to be replaced with "matters, the outline of the plan for organizational changes and the articles of incorporation of the workers' cooperative after the organizational changes.

(4) The provisions of Article 5 paragraph (4) of the Supplementary Provisions (excluding items (v) and (vi)) (2) The provisions of Article 5 paragraph (4) (excluding items (v) and (vi)) of the Supplementary Provisions shall apply mutatis mutandis to a plan for organizational change of a specified nonprofit corporation.

(First payment of capital contribution at the time of organizational change of a specified non-profit organization)

Article 17

(2) When the plan of reorganization is approved pursuant to the provisions of the preceding article, the directors shall cause the first payment of capital contribution to be made without delay.

(2) The provisions of paragraphs (2) and (3) of Article 25 shall apply mutatis mutandis to the first payment of capital contribution under the preceding paragraph.

(Inclusion in the articles of association of the amount of assets at the time of reorganisation, etc.)

Article 18

(2) The articles of incorporation of a partnership of a Specified Non-Profit Corporation after amendment of its organization (hereinafter referred to as a "Partnership after Amendment" in this Article through Article 27 of the Supplementary Provisions) shall contain or record the following matters in addition to the matters set out in paragraph 1 of Article 29 (2) The articles of incorporation of a Specified Non-Profit Corporation (hereinafter referred to in this Article through Article 27 of the Supplementary Provisions as the "Amended Partnership") shall contain or record the following matters in addition to the matters set out in paragraph 1 of Article 29

(i) The amount of assets at the time of organizational change (meaning the amount calculated pursuant to the provisions of Ordinance of the Ministry of Health, Labour and Welfare as the amount equivalent to the amount of residual assets that are to be transferred to the national government or local governments or vested in the persons listed in the items of Article 11, paragraph (3) of the Specified Nonprofit Activities Promotion Act or the national treasury pursuant to the provisions of Article 32 of the said Act in the case where the said specified nonprofit corporation is dissolved on the effective date) The same shall apply hereinafter. The same shall apply hereinafter)

(ii) the specified residual assets (the amount of the residual assets at the time of the Reorganization (meaning the amount of the residual assets at the time of the Reorganization (including the amount of the residual assets at the time of the Reorganization less the amount of the residual assets at the time of the Reorganization as applied mutatis mutandis pursuant to paragraph 1 of Article 20 of the Supplementary Provisions (including the cases where it is applied

mutatis mutandis pursuant to paragraph 4 of said Article or paragraph 2 of Article 26 of the Supplementary Provisions)) (2) The amount obtained by deducting the total of the amount appropriated for filling in losses pertaining to the business pertaining to the Confirmation (including the cases where it is applied mutatis mutandis pursuant to Article 26, paragraph 2 of the Supplementary Provisions) (simply referred to as "Confirmation" in Articles 21 to 23 inclusive). The same shall apply in Article 26 of the Supplementary Provisions). The same shall apply hereinafter) (or, if such amount of assets exceeds the amount of the residual assets of the Partnership after the Reorganization, such residual assets). The same shall apply hereinafter). (2) Matters concerning the disposition of

(2) In the event that provisions are made in the matters listed in item (ii) of the preceding paragraph concerning the person to whom the specified residual assets shall belong, such person shall be selected from among the specified non-profit corporations and other persons listed in the items of Article 11, paragraph (3) of the Act on the Promotion of Specified Non-profit Activities.

(Application mutatis mutandis of provisions relating to reorganisation of enterprise partnerships)

Article 19

(2) The provisions of Article 6, Article 9 and Articles 11 to 15 inclusive of the Supplementary Provisions shall apply mutatis mutandis to organizational changes of a Specified Nonprofit Corporation. In this case, in Article 6(4) of the Supplementary Provisions, the term "Article 33(4) of the Act on Cooperative Associations of Small and Medium-sized Enterprises, etc." shall be deemed to be replaced with "Article 28-2(1) of the Act on Promotion of Specified Nonprofit Activities"; in Article 11(2) of the Supplementary Provisions, the term "on the effective date, in accordance with the provisions on the matters listed in Article 5(4)(vi) of the Supplementary Provisions" shall be deemed to be replaced with "on the effective date"; and (2) The term "the administrative agency prescribed in Article 111(1) of the Small and Medium Sized Enterprise Cooperative Act (limited to the part pertaining to item (v))" in Article 12(1) shall be deemed to be replaced with "the administrative agency prescribed in Article 111(1) of the Small and Medium Sized Enterprise Cooperative Act (limited to the part

pertaining to item (v)). In addition, the necessary technical replacement of terms shall be prescribed by Cabinet Order.

(Confirmation)

Article 20

(2) A Specified Non-Profit Organization that has obtained approval as provided for in Article 16(1) of the Supplementary Provisions shall, as provided for by Ordinance of the Ministry of Health, Labour and Welfare, notify the Minister of Health, Labour and Welfare of the fact that the business conducted by the Partnership after the organizational change pertaining to said approval is a Specified Non-Profit Activity (meaning a Specified Non-Profit Activity as provided for in Article 2(1) of the Specified Non-Profit Activity Promotion Act; the same shall apply in the following paragraph). The same shall apply in the following paragraph).

(2) If the administrative agency finds that the business conducted by the Partnership after the organizational change set out in the preceding paragraph falls under the category of business pertaining to Specified Non-Profit-Making Activities, the administrative agency shall make the confirmation set out in the same paragraph.

(3) When the administrative agency finds that the business pertaining to the confirmation set forth in paragraph (1) has ceased to be carried out, it may rescind the confirmation set forth in the same paragraph.

(4) The preceding three paragraphs apply mutatis mutandis to the Partnership after the reorganisation.

(Special provisions for appropriation of surplus)

Article 21

Surplus property shall not be used except for the purpose of making up losses from the business relating to the Confirmation (or, if there are profits from a business other than the business relating to the Confirmation and the amount of such losses exceeds the amount of such profits, the part of the losses corresponding to the difference).

(Separate accounting for projects other than those relating to confirmation)

Article 22

(2) The accounts relating to the business other than the business relating to confirmation shall be separated from the accounts relating to the business relating to confirmation and shall be accounted for as special accounts.

(Report on the use of the amount of property at the time of the reorganisation)

Article 23

(2) The post-reorganization Partnership that has received confirmation shall report to the administrative agency on the status of use of the amount of assets at the time of the reorganization after the end of each business year, as provided for by Ordinance of the Ministry of Health, Labour and Welfare.

(Attribution of specific residual assets)

Article 24

(2) The specified residual assets of a dissolved reorganized Partnership shall, except in the case of a merger or dissolution by a decision to commence bankruptcy proceedings, vest in the person to whom they are to belong as provided in the articles of association at the time of notification of the conclusion of liquidation to the administrative agency.

(2) If the articles of association do not provide for a person to whom the specified residual assets shall belong, the liquidator may, with the confirmation of the administrative agency, transfer the assets to the national or local government.

(3) Property not disposed of in accordance with the provisions of the preceding two paragraphs shall vest in the national treasury.

(Mutatis mutandis application of the Law for the Promotion of Specified Nonprofit Activities)

Article 25

(2) Notwithstanding Article 94, with respect to the dissolution and liquidation of the Partnership after the Reorganization, the provisions of Articles 31-3 to 32-8 (excluding Articles 32 and 32-7) of the Act on the Promotion of Specified Nonprofit Activities shall apply.) of the Specified Nonprofit Activities Promotion

Act (including penal provisions pertaining to these provisions).) shall apply mutatis mutandis. In this case, the necessary technical replacement of terms shall be specified by a Cabinet Order.

(Replacement of terms in the event of a merger of the union after a reorganisation, etc.)

Article 26

(2) With respect to the application of the provisions of Article 18 and Article 21 through to the preceding Article of the Supplementary Provisions to a Partnership after Organizational Restructuring or a Partnership surviving an absorption-type merger or a Partnership incorporated in a consolidation-type merger in the case of a merger of a Partnership after Organizational Restructuring (excluding a Partnership dissolved in an absorption-type merger only if the Partnership does not have any remaining assets at the time of Organizational Restructuring) and a Partnership incorporated in a consolidation-type merger (2) With respect to the application of the provisions of Article 18 and Article 21 through to the preceding Article of the Supplementary Provisions to a Specified Nonprofit Corporation in the case of a merger of a Specified Nonprofit Corporation or a newly incorporated partnership, the term "said Specified Nonprofit Corporation" in Article 18(1)(i) of the Supplementary Provisions shall be deemed to be replaced with "a partnership dissolved in an absorption-type merger and a surviving partnership in an absorption-type merger" and the term "in the event" in Article 18(1)(i) of the Supplementary Provisions shall be deemed to be replaced with "in the event or a partnership dissolved in an incorporation-type merger is dissolved on the date of the formation of a newly incorporated partnership. (3) The term "the amount of residual assets" shall be deemed to be replaced with "the total amount of the specified residual assets" and the necessary technical replacement of terms shall be prescribed by a Cabinet Order.

(2) Article 20 of the Supplementary Provisions shall apply mutatis mutandis to a Partnership surviving an absorption-type merger in the case of a merger of the Partnership after the Reorganization or the Partnership surviving an absorption-type merger or the Partnership established through a consolidation-type merger in relation to the Partnership after the Reorganization (excluding a Partnership dissolved in an absorption-type merger only if the Partnership has

no remaining assets at the time of the Reorganization). (2) The preceding paragraph shall apply mutatis mutandis to the surviving partnership in a merger by absorption (except that only a partnership that has no remaining assets at the time of reorganization is a dissolved partnership in a merger by absorption) and the newly incorporated partnership. In this case, the necessary technical replacement of terms shall be prescribed by Cabinet Order.

(Operational considerations)

Article 27

(2) In administering the provisions of Article 18 through to the preceding Article of the Supplementary Provisions, care shall be taken to ensure that the use by the Partnership after the Reorganization of the amount of assets at the time of the Reorganization contributes to the promotion of the public interest in accordance with the spirit of the Specified Non-Profit Organization Promotion Act.

(Code of Practice)

Article 28

(2) Except as otherwise provided in these Supplementary Provisions, the procedures for implementing these Supplementary Provisions and other detailed regulations necessary for their execution shall be prescribed by the Ordinance of the Ministry of Health, Labour and Welfare.

(Overcharge)

Article 29

(2) In the following cases, an officer of the Enterprise Partnership or the Specified Non-Profit Organization, or a director of the Partnership after Organizational Restructuring as provided for in Article 5(4)(i) of the Supplementary Provisions or the Partnership after Organizational Restructuring as provided for in Article 18(1) of the Supplementary Provisions shall be punished by a civil fine of not more than two hundred thousand yen

(i) Where the procedures for organizational change have been carried out in violation of the provisions of Article 5, paragraph 1 or Article 16, paragraph 1 of the Supplementary Provisions.

(ii) Where a person has failed to give a public notice, demand notice or notice under the provisions of Article 6, paragraph (1) or paragraph (3) of the Supplementary Provisions (including the cases where these provisions are applied mutatis mutandis under Article 19 of the Supplementary Provisions) or Article 10, paragraph (2) of the Supplementary Provisions (iii) Where the Company has neglected to give a public notice, demand or notice under the provisions of Article 6, paragraph (1) or paragraph (3) of the Supplementary Provisions (including the cases where these provisions are applied mutatis mutandis under Article 19 of the Supplementary Provisions) or Article 10, paragraph (2) of the Supplementary Provisions, or has given an improper public notice, demand or notice

(iii) When a person who has violated the provisions of Article 6, paragraph 6 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions) (ii) the organization has been changed in violation of the provisions of Article 6, paragraph 6 of the Supplementary Provisions (including cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions).

(iv) The provisions of Article 12 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions) or Article 23 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 26, paragraph 1 of the Supplementary Provisions) (iii) When a person has failed to give notification pursuant to the provisions of Article 12 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions) or Article 23 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 26, paragraph 1 of the Supplementary Provisions). (2) When a person has failed to give a notification pursuant to the provisions of Article 12 (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions) or Article 23 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 26, paragraph 1 of the Supplementary Provisions) or has given a false notification

(v) a person who has violated the provisions of Article 13 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to

Article 19 of the Supplementary Provisions) (v) in violation of the provisions of Article 13 of the supplementary provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the supplementary provisions), fails to keep the documents or electromagnetic records, fails to state or record matters that should be stated or recorded in the documents or electromagnetic records, or makes false statements or records, or without justifiable grounds fails to state or record matters recorded in the documents or electromagnetic records in a manner specified by an Ordinance of the Ministry of Health, Labour and Welfare (2) When a person refuses to allow inspection of a document or a transcript or extract of a document indicating matters recorded in an electromagnetic record by a method specified by an Ordinance of the Ministry of Health, Labour and Welfare, or to provide matters recorded in an electromagnetic record by an electromagnetic method, or to deliver a document stating such matters, without justifiable grounds.

(vi) Where the person has violated the provisions of Article 15, paragraph (1) of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions). (vii) Where the person has failed to make a registration in violation of the provisions of Article 15, paragraph 1 of the Supplementary Provisions (including the cases where it is applied mutatis mutandis pursuant to Article 19 of the Supplementary Provisions)

(Transitional measures concerning restrictions on the use of the name of workers' co-operatives)

Article 30

(2) The provisions of Article 4, paragraph (2) shall not apply, within the period prescribed in Article 4 of the Supplementary Provisions, to any person who, at the time of the enforcement of this Act, actually uses in its name letters that may be misunderstood as a workers' cooperative.

(Transitional measures concerning restrictions on the use of the name of workers' co-operative federations)

Article 31

(2) The provisions of Article 97, paragraph 2 shall not apply for a period of six months after the enforcement of this Act to a person who, at the time of the enforcement of this Act, uses in its name letters that may be misunderstood as a workers' cooperative federation.

(Review)

Article 32

(2) The provisions of this Act shall be reviewed approximately five years after the enforcement of this Act, taking into consideration the state of enforcement of this Act and other factors, and if deemed necessary, necessary measures shall be taken based on the results of the review.

(Partial amendment to the law establishing the Ministry of Health, Labour and Welfare)

Article 33

(1) The Act for Establishment of the Ministry of Health, Labour and Welfare (Act No. 97 of 1999) shall be partially revised as follows. The following item shall be added after item 50 of Article 4, paragraph 1

(50-2) Matters relating to workers' co-operatives.

(2) In Article 9, paragraph (1), item (iv), for "Act for Partial Revision of the Small and Medium Enterprise Retirement Allowance Mutual Aid Act (Act No. 46 of 1998)" substitute "and the Workers Cooperative Act (Act No. 78 of 2020)".

(Partial amendments to the Companies Act)

Article 34

(1) The Companies Act shall be partially amended as follows.

(2) The term "and the Act on Funds Settlement" in Article 943, item (i) shall be revised to "and the Act on Funds Settlement", and "and Article 29, paragraph (6) of the Workers' Cooperative Union Act (Act No. 78 of 2020) (including the cases where it is applied mutatis mutandis pursuant to Article 111, paragraph (2) of the same Act)" shall be added after "Article 63-20, paragraph (7)". in Article 29, paragraph 6 of the Workers Cooperative Act (Act No. 78 of 2020)

(including cases where it is applied mutatis mutandis pursuant to Article 111, paragraph 2 of the same Act).

Minister of Justice Yoko Kamikawa

Norihisa Tamura, Minister of Health, Labour and Welfare

Prime Minister Yoshihide Suga