

Annex I

Schedule of the Interchange Association

Reservations for Measures referred to
in paragraph 1 of Article 8

1. This Schedule sets out with respect to the Interchange Association, pursuant to paragraph 1 of Article 8, the existing measures that are not covered by the following provisions of this Arrangement:

- (a) Article 3;
- (b) Article 4; or
- (c) Article 7.

2. Each schedule entry sets out the following elements:

- (a) "Sector" refers to the general sector for which the entry is made;
- (b) "Sub-Sector" refers to the specific sector for which the entry is made;
- (c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activities covered by the entry according to the relevant industry classification codes. In this regard, "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007;
- (d) "Provisions Concerned" specifies the provisions referred to in paragraph 1 for which the entry is made;
- (e) "Level of Authority" indicates the level of the authorities maintaining the measure(s) for which the entry is made;
- (f) "Measures" identifies the existing laws, regulations or other measures for which the entry is made. A measure cited in the "Measures" element:
 - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Arrangement; and
 - (ii) includes any subordinate measure adopted or

maintained under the authority of and
consistent with the measure; and

- (g) "Description" illustrates, with regard to the provisions referred to in paragraph 1, the non-conforming aspects of the existing measures for which the entry is made.

3. In the interpretation of each entry, all elements of the entry shall be considered. Each entry shall be interpreted in the light of the relevant provisions of this Arrangement for which the entry is made. The "Measures" element shall prevail over all the other elements.

4. For the purposes of this schedule, when the term "foreign" is employed, it refers to something belonging to or coming from, or to characteristics of, other country or region than Japan.

1 Sector: Agriculture, Forestry and Fisheries
(Plant Breeder's Right)

Sub-Sector:

Industry Classification: JSIC 0119 Miscellaneous crop farming

JSIC 0243 Tree seed gathering and forest nursery services

JSIC 0413 Seaweed aquaculture

JSIC 0415 Seed aquaculture

Provisions Concerned: Article 3

Article 4

Level of Authority: Central Authority

Measures: Seeds and Seedlings Law
(Law No. 83 of 1998), Article 10

Description: A foreign person who has neither a domicile nor residence (nor the place of business, in the case of a legal person) in Japan cannot enjoy a plant breeder's right or related rights except in any of the following cases:

(a) where the country or region of which the person is a national or citizen or the country or region in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991;

- (b) where the country or region of which the person is a national or citizen or the country or region in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, and on October 23, 1978 (hereinafter referred to in this Annex as "the 1978 UPOV Convention"), or a country or region in relation with which Japan shall apply the 1978 UPOV Convention in accordance with paragraph (2) of Article 34 of the 1978 UPOV Convention, and further provides the protection for plant genus and species to which the person's applied variety belongs; or
- (c) where the country or region of which the person is a national or citizen provides Japanese nationals with the protection of varieties under the same condition as its own nationals or citizens (including a country or region which provides such protection for Japanese nationals under the condition that Japan allows enjoyment of the plant breeder's right or related rights for the nationals or citizens of that country or region), and further provides the protection for plant genus and species to which the person's applied variety belongs.

2 Sector: Finance

Sub-Sector: Banking

Industry Classification: JSIC 622 Banks, except central bank

JSIC 631 Financial institutions for small-businesses

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Deposit Insurance Law (Law No. 34 of 1971), Article 2

Description: The deposit insurance system only covers financial institutions which have their head offices within the jurisdiction of Japan. The deposit insurance system does not cover deposits taken by branches of foreign banks.

3 Sector: Heat Supply

Sub-Sector:

Industry Classification: JSIC 3511 Heat supply

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in heat supply industry in Japan.

4 Sector: Information and Communications

Sub-Sector: Telecommunications

Industry Classification: JSIC 3700 Head offices primarily engaged in managerial operations

JSIC 3711 Regional telecommunications, except wire broadcast telephones

JSIC 3731 Services incidental to telecommunications

Provisions Concerned: Article 3

Article 7

Level of Authority: Central Authority

Measures: Law Concerning Nippon Telegraph and Telephone Corporation (Law No. 85 of 1984), Articles 6 and 10

Description: 1. Nippon Telegraph and Telephone Corporation may not enter the name and address in its register of shareholders if the aggregate of the ratio of the voting rights directly and/or indirectly held by the persons set forth in subparagraphs (a) through (c) reaches or exceeds one third:

(a) a natural person who does not have Japanese nationality;

(b) a foreign government or authority or its representative; and

(c) a foreign legal person or a foreign entity.

2. Any natural person who does not have Japanese nationality may not assume the office of director or auditor of Nippon Telegraph and Telephone Corporation, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation.

5 Sector: Information and Communications

Sub-Sector: Telecommunications and Internet Based Services

Industry Classification: JSIC 3711 Regional telecommunications, except wire broadcast telephones

JSIC 3712 Long-distance telecommunications

JSIC 3719 Miscellaneous fixed telecommunications

JSIC 3721 Mobile telecommunications

JSIC 401 Internet based services

Note: The activities covered by the reservation under JSIC 3711, 3712, 3719, 3721 or 401 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.

6 Sector: Manufacturing

Sub-Sector: Drugs and Medicines Manufacturing

Industry Classification: JSIC 1653 Biological preparations

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in biological preparations manufacturing industry in Japan. For greater certainty, "biological preparations manufacturing industry" deals with economic activities in an establishment which mainly produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products.

7 Sector:	Manufacturing	
Sub-Sector:	Leather and Leather Products Manufacturing	
Industry Classification:	JSIC 1189	Textile apparel and accessories, n.e.c.
	JSIC 1694	Gelatine and adhesives
	JSIC 192	Rubber and plastic footwear and its findings
	JSIC 2011	Leather tanning and finishing
	JSIC 2021	Mechanical leather products, except gloves and mittens
	JSIC 2031	Cut stock and findings for boots and shoes
	JSIC 2041	Leather footwear
	JSIC 2051	Leather gloves and mittens
	JSIC 2061	Baggage
	JSIC 207	Handbags and small leather cases
	JSIC 2081	Fur skins
	JSIC 2099	Miscellaneous leather products
	JSIC 3253	Sporting and athletic goods

Note 1: The activities covered by the reservation under JSIC 1189 or 3253 are limited to the activities related to leather and leather products manufacturing.

Note 2: The activities covered by the reservation under JSIC 1694 are limited to the activities related to animal glue (nikawa) and gelatine manufacturing.

Provisions Concerned:

Article 3

Level of Authority:

Central Authority

Measures:

Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description:

The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in leather and leather products manufacturing industry in Japan.

8 Sector: Matters Related to the Nationality
of a Ship

Sub-Sector:

Industry
Classification:

Provisions Concerned: Article 3
Article 7

Level of Authority: Central Authority

Measures: Ship Law (Law No. 46 of 1899),
Article 1

Description: The Japanese nationality shall be
given to a ship whose owner is a
Japanese national, or a company
established under Japanese law, of
which all the representatives and
not less than two-thirds of the
executives administering the affairs
are Japanese nationals.

9 Sector: Mining

Sub-Sector:

Industry Classification: JSIC 05 Mining and quarrying of stone and gravel

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Mining Law (Law No. 289 of 1950), Chapters 2 and 3

Description: Only a Japanese national or a Japanese legal person may have mining rights or mining lease rights.

10 Sector: Oil Industry

Sub-Sector:

Industry Classification:	JSIC 053	Crude petroleum and natural gas production
	JSIC 1711	Petroleum refining
	JSIC 1721	Lubricating oils and greases (not made in petroleum refineries)
	JSIC 1741	Paving materials
	JSIC 1799	Miscellaneous petroleum and coal products
	JSIC 4711	Ordinary warehousing
	JSIC 4721	Refrigerated warehousing
	JSIC 5331	Petroleum
	JSIC 6051	Petrol stations (gasoline service stations)
	JSIC 6052	Fuel stores, except gasoline service stations
	JSIC 9299	Miscellaneous business services, n.e.c.

Note 1: The activities covered by the reservation under JSIC 1741, 1799, 4711, 4721 or 6052 are limited to the activities related to oil industry.

Note 2: The activities covered by the reservation under JSIC 9299 are limited to the activities related to liquefied petroleum gas industry.

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in oil industry in Japan. All organic chemicals such as ethylene, ethylene glycol and polycarbonates are outside the scope of the oil industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

11 Sector: Agriculture, Forestry and Fisheries, and Related Services (except Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf provided for in the reservation No.6 in the Schedule of the Interchange Association in Annex II)

Sub-Sector:

Industry Classification:	JSIC 01	Agriculture
	JSIC 02	Forestry
	JSIC 03	Fisheries, except aquaculture
	JSIC 04	Aquaculture
	JSIC 6324	Agricultural cooperatives
	JSIC 6325	Fishery and fishery processing cooperatives
	JSIC 871	Agriculture, forestry and fisheries cooperative associations, n.e.c.

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description:

The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in agriculture, forestry and fisheries, and related services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the entry No. 6 in the Schedule of the Interchange Association in Annex II) in Japan.

12 Sector: Security Guard Services

Sub-Sector:

Industry Classification: JSIC 9231 Guard services

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in security guard services in Japan.

13 Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations

JSIC 4611 Air transport

Provisions Concerned: Article 3

Article 4

Article 7

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description: 1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in air transport business in Japan.

2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting air transport business as a Japanese air carrier is not granted to the following natural persons or entities applying for the permission:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

- (c) a legal person or other entity constituted under the laws of any foreign country or region; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event an air carrier falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the air carriers.

3. A Japanese air carrier or a company having substantial control over such air carrier, such as a holding company, may reject the request from a natural person or an entity set forth in subparagraphs 2(a) through (c), who owns equity investments in such air carrier or company, to enter its name and address in the register of shareholders, in the event such air carrier or company falls into a legal person referred to in subparagraph 2(d) by accepting such request.

4. Foreign air carriers are required to obtain permission of the Minister of Land, Infrastructure, Transport and Tourism to conduct international air transport business.

5. Permission of the Minister of Land, Infrastructure, Transport and Tourism is required for the use of foreign aircraft for air transportation of passengers or cargoes to and from Japan for remuneration.

6. A foreign aircraft may not be used for a flight between points within Japan.

14 Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations

JSIC 4621 Aircraft service, except air transport

Provisions Concerned: Article 3

Article 7

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description: 1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in aerial work business in Japan.

2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting aerial work business is not granted to the following natural persons or entities applying for the permission:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event a person conducting aerial work business falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the person conducting aerial work business.

3. A foreign aircraft may not be used for a flight between points within Japan.

15 Sector: Transport

Sub-Sector: Air Transport (Registration of Aircraft in the National Register)

Industry Classification:

Provisions Concerned: Article 3
Article 7

Level of Authority: Central Authority

Measures: Civil Aeronautics Law (Law No. 231 of 1952), Chapter 2

Description: 1. An aircraft owned by any of the following natural persons or entities may not be registered in the national register:

- (a) a natural person who does not have Japanese nationality;
- (b) a foreign country or region, or a foreign public entity or its equivalent;
- (c) a legal person or other entity constituted under the laws of any foreign country or region; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. A foreign aircraft may not be registered in the national register.

16 Sector: Transport

Sub-Sector: Freight Forwarding Business
(excluding freight forwarding
business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver
freight transport

JSIC 4821 Deliver freight
transport, except
collect-and-deliver
freight transport

Provisions Concerned: Article 3

Article 4

Article 7

Level of Authority: Central Authority

Measures: Freight Forwarding Business Law
(Law No. 82 of 1989), Chapters 2
through 4

Enforcement Regulation of Freight
Forwarding Business Law (Ministerial
Ordinance of the Ministry of
Transport No. 20 of 1990)

Description: The following natural persons or
entities are required to be
registered with, or to obtain
permission or approval of, the
Minister of Land, Infrastructure,
Transport and Tourism for conducting
freight forwarding business using
international shipping. Such
registration shall be made, or such
permission or approval shall be
granted, on the basis of
reciprocity:

(a) a natural person who does not
have Japanese nationality;

(b) a foreign country or region, or
a foreign public entity or its
equivalent;

- (c) a legal person or other entity constituted under the laws of any foreign country or region; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

17 Sector: Transport

Sub-Sector: Freight Forwarding Business (only freight forwarding business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver freight transport

JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport

Provisions Concerned: Article 3

Article 4

Article 7

Level of Authority: Central Authority

Measures: Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4

Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)

Description: 1. The following natural persons or entities may not conduct freight forwarding business using air transportation between points within Japan:

- (a) a natural person who does not have Japanese nationality;
- (b) a foreign country or region, or foreign public entity or its equivalent;
- (c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. The natural persons or entities referred to in subparagraphs 1(a) through (d) are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international air transportation. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity.

18 Sector: Transport

Sub-Sector: Railway Transport

Industry Classification: JSIC 421 Railway transport
JSIC 4851 Railway facilities services

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in railway transport industry in Japan. The manufacture of vehicles, parts and components for the railway transport industry is not included in railway transport industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

19 Sector: Transport

Sub-Sector: Road Passenger Transport

Industry Classification: JSIC 4311 Common omnibus operators

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in omnibus industry in Japan. The manufacture of vehicles, parts and components for omnibus industry is not included in omnibus industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

20 Sector: Transport

Sub-Sector: Water Transport

Industry Classification: JSIC 452 Coastwise transport
 JSIC 453 Inland water transport
 JSIC 4542 Coastwise ship leasing

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water transport industry in Japan. For greater certainty, "water transport industry" refers to oceangoing/seagoing transport, coastwise transport (i.e. maritime transport between ports within Japan), inland water transport and ship leasing industry. However, oceangoing/seagoing transport industry and ship leasing industry excluding coastwise ship leasing industry are exempted from the prior notification requirement.

21 Sector: Transport

Sub-Sector: Water Transport

Industry
Classification:

Provisions
Concerned: Article 3
Article 4

Level of
Authority: Central Authority

Measures: Ship Law (Law No. 46 of 1899),
Article 3

Description: Unless otherwise specified in the laws and regulations of Japan, or international agreements to which Japan is a party, ships not flying the Japanese flag are prohibited from entering Japanese ports which are not open to foreign commerce and from carrying cargoes or passengers between Japanese ports.

22 Sector: Water Supply and Waterworks

Sub-Sector:

Industry Classification: JSIC 3611 Water for end users,
except industrial users

Provisions Concerned: Article 3

Level of Authority: Central Authority

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

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261
of 1980), Article 3

Description: The prior notification requirement
under the Foreign Exchange and
Foreign Trade Law applies to foreign
investors who intend to make
investments in water supply and
waterworks industry in Japan.

(The Interchange Association may modify or rectify this draft Annex before the conclusion of the negotiations.)

Annex II

Schedule of the Interchange Association

Reservations for Measures referred to in paragraph 2 of Article 8

1. This Schedule sets out with respect to the Interchange Association, pursuant to paragraph 2 of Article 8, the reservations made by the Interchange Association with respect to specific sectors, sub-sectors or activities for which the existing measures may be maintained, or new or more restrictive measures may be adopted that do not conform with the following provisions of this Arrangement:

- (a) Article 3;
- (b) Article 4; or
- (c) Article 7.

2. Each schedule entry sets out the following elements:

- (a) "Sector" refers to the general sector for which the entry is made;
- (b) "Sub-Sector" refers to the specific sector for which the entry is made;
- (c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activities covered by the entry according to the relevant industry classification codes. In this regard, "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007;
- (d) "Provisions Concerned" specifies the provisions referred to in paragraph 1 for which the entry is made;
- (e) "Description" illustrates the scope of the sector, sub-sector or activities covered by the entry; and
- (f) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the

entry.

3. In the interpretation of each entry, all elements of the entry shall be considered. The "Description" element shall prevail over all the other elements.

4. For the purposes of this schedule, when the term "foreign" is employed, it refers to something belonging to or coming from, or to characteristics of, other country or region than Japan.

1 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Provisions Concerned: Article 3
Article 7

Description: When transferring or disposing of the equity interests in, or the assets of, a state enterprise or a governmental entity,

- (a) the ownership of such interests or assets by investors of the Taiwanese Side or their investments may be prohibited or restricted;
- (b) the ability of investors of the Taiwanese Side or their investments as owners of such interests or assets to control any resulting enterprise may be restricted; or
- (c) any measure relating to the nationality of executives, managers or members of the board of directors of any resulting enterprise may be adopted or maintained.

Existing
Measures:

2 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Provisions
Concerned: Article 3

Article 7

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

Existing
Measures:

3 Sector: Aerospace Industry

Sub-Sector: Aircraft Industry

Space Industry

Industry
Classification:

Provisions Concerned: Article 3

Article 7

Description: Any measure relating to investment in aircraft industry and space industry may be adopted or maintained.

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

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5

4 Sector: Arms and Explosives Industry

Sub-Sector: Arms Industry

Explosives Manufacturing Industry

Industry
Classification:

Provisions
Concerned: Article 3

Article 7

Description: Any measure relating to investment
in arms industry and explosives
manufacturing industry may be
adopted or maintained.

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

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261
of 1980), Articles 3 and 5

5 Sector: Energy

Sub-Sector: Electricity Utility Industry
Gas Utility Industry
Nuclear Energy Industry

Industry
Classification:

Provisions
Concerned: Article 3
Article 7

Description: Any measure relating to investment
in the energy industry listed in the
"Sub-Sector" element may be adopted
or maintained.

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

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261
of 1980), Articles 3 and 5

6 Sector: Fisheries

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

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

Provisions Concerned: Article 3
 Article 4
 Article 7

Description: Any measure relating to investment in fisheries in the territorial sea, internal waters, exclusive economic zone and continental shelf of Japan may be adopted or maintained.

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

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

(e) provision of supplies to other vessels used for fisheries.

Existing
Measures:

Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Law for Regulation of Fishing Operation by Foreign Nationals (Law No. 60 of 1967), Articles 3, 4 and 6

Law concerning the Exercise of Sovereign Rights concerning Fisheries in the Exclusive Economic Zones (Law No. 76 of 1996), Articles 4, 5, 7, 8, 9, 10, 11, 12 and 14

7	Sector:	Information and Communications
	Sub-Sector:	Broadcasting Industry
	Industry Classification:	<p>JSIC 380 Establishments engaged in administrative or ancillary economic activities</p> <p>JSIC 381 Public broadcasting, except cablecasting</p> <p>JSIC 382 Private-sector broadcasting, except cablecasting</p> <p>JSIC 383 Cablecasting</p>
	Provisions Concerned:	<p>Article 3</p> <p>Article 7</p>
	Description:	Any measure relating to investment in broadcasting industry may be adopted or maintained.
	Existing Measures:	<p>Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27</p> <p>Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3</p> <p>Radio Law (Law No. 131 of 1950), Article 5</p> <p>Broadcast Law (Law No. 132 of 1950), Articles 93, 116, 125, 159 and 161.</p>

8 Sector: Land Transaction

Sub-Sector:

Industry
Classification:

Provisions Concerned: Article 3
Article 4

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

Existing Measures: Alien Land Law (Law No. 42 of 1925), Article 1

9 Sector: Public Law Enforcement and
Correctional Services and Social
Services

Sub-Sector:

Industry
Classification:

Provisions Article 3
Concerned:

Article 4

Article 7

Description: Any measure relating to investment
in public law enforcement and
correctional services, and in social
services such as income security or
insurance, social security or
insurance, social welfare, primary
and secondary education, public
training, health and child care, may
be adopted or maintained.

Existing
Measures: