

The Amendment to the Law concerning Passenger Railway Companies and Japan Freight Railway Company (Law No. 61, promulgated on June 22th, 2001)

The Law concerning Passenger Railway Companies and Japan Freight Railway Company shall be partially amended as follows:

Delite “East Japan Railway Company, Central Japan Railway Company, West Japan Railway Company” from Article 1 (1) and 2.

Amend the title of Article 12 to “(Management Stabilization Fund of Railway Companies)”, amend “Hokkaido Railway Company, Shikoku Railway Company and Kyushu Railway Company (hereinafter referred to as the “Hokkaido Railway Companies”) of (1) of the said article to “Railway Companies”, and amend “Hokkaido Railway Companies” of (2) and (5) of the said article to “Passenger Companies”.

Amend “50,000 yen” of Article 21 to “100,000 yen”.

Supplementary Provisions

(Date of Enforcement)

Article 1 This Law shall come into force as from the date to be determined by a Cabinet

Order within six months from the date of its promulgation (hereinafter referred to as the “Enforcement Date”), provided that the provision of Article 6 of the Supplementary Provisions shall come into effect as from the date of its promulgation.

(Publications of guidelines)

Article 2

1. In order to secure the convenience of users and the maintenance of appropriate conditions for use related to the railway business run by the entities listed below (hereinafter referred to as the “New Companies”) and , as well as of strengthening the foundation for sound development of the economy and society of the region where the New Companies should conduct its business, the Minister of Land, Infrastructure and Transport shall, in consideration of the history of restructuring of Japanese National Railways promoted pursuant to the purpose described in Article 1 of the Japanese National Railways Restructuring Law (Law No. 87, 1986), determine and publicize the guidelines to which the New Companies should pay particular attention (hereinafter referred to as “Guidelines”) for the time being in their management of business,

1) East Japan Railway Company, Central Japan Railway Company and West Japan Railway Company established under the Law concerning Passenger Railway Companies and Japan Freight Railway Company before amendment by this Law (hereinafter referred to as the “Former Law”),

2) The entity which manages the whole or part of the railway business which shall have been run by one of the entities listed in the preceding item, acquiring it at the preceding day of the date of enforcement through assignment, merger or divestiture or inheritance after the date of enforcement, and designated by the Minister of Land, Infrastructure and Transport in consideration of the contents, scale, contributors of capital, etc.

2. The Guidelines shall determine the following items:

1) Matters related to appropriate setting of passenger fares and freight rates, smooth use of railway facilities, and other securing of coordination and cooperation between the companies about the railway business between the companies (meaning between the New Companies or between the New Companies and the Company under Article 1 (3) of the Law concerning the Passenger Railway Companies and Japan Freight Railway Company after it has been amended by this law; the same hereinafter)

2) Matters related to appropriate maintenance of the railway lines presently operated in the light of the trend of demand for transportation and other changes in circumstances following implementation of restructuring of the Japanese National Railways and securing of convenience of users in the development of stations and other railway facilities; and,

3) Matters related to consideration to be given to small and medium-sized enterprises engaged in similar businesses in the regions where the New Companies should be running their business by avoiding unreasonable interference with their activities or unfair usurpation of their interest.

(Guidance and advice)

Article 3 If there is any reason to believe that it is necessary to have the business management of the New Companies follow the guideline, The Minister of Land, Infrastructure and Transport may give required guidance and advice on the management to such New Companies.

(Recommendation and order)

Article 4

1. If there is any reason to believe that, in the light of the guidelines, a New Company fails to secure the convenience of users and the maintenance of appropriate conditions for use related to the railway business run by the New Companies and as well as of strengthening the foundation for sound development of the economy and society of the region where the New Companies should conduct its business, the Minister of Land, Infrastructure and Transport may issue a recommendation to that New Company that they should take necessary measures to rectify their management behavior.

2. The Minister of Land, Infrastructure and Transport may, if the New Company which received the recommendation under the preceding paragraph fails to follow the recommendation, publicize the fact.

3. If there is any reason to believe that the relevant New Company, having failed to comply with the recommendation given under Paragraph 1 and after the fact is publicized under the provisions of the preceding paragraph, has still failed to take the measures in accordance with the recommendation, and thereby the securing of convenience of users of the railway business run by the relevant New Company or the maintenance of appropriate conditions for use or strengthen the infrastructure for sound development of the economy and society of the region where the New Company runs its business has been excessively jeopardized, issue an order to the relevant New Company demanding that it take measures to comply with the recommendation.

4. If the Minister of Land, Infrastructure and Transport intends to issue an order in the preceding paragraph, he/she should consult with the Transport Council.

(Penal Provisions)

Article 5 If the New Company disobeys an order issued under Paragraph 3 of the preceding article, the directors of the New Company shall be penalized with a minor fine as indicated below for the said act of violation.

(Transitional measures)

Article 6

1. A person listed in Article 2, Paragraph 1, Item 1 of the Supplementary Provisions

may, on a day prior to the date of enforcement, resolve to change the articles of incorporation with effect as from the date of enforcement.

2. The provision of Article 9 of the Former Law shall not apply to the resolution under the preceding paragraph.

Article 7 The provision of Article 4 of the Former Law shall remain effective even after the date of enforcement for the bonds and coupons issued by the entity listed in Article 2, Paragraph 1, Item 1 of the Supplementary Provisions before the date of enforcement and bonds or coupons issued by the entity listed in the said item on or later than the date of enforcement for delivery to the person who has lost the bonds or coupons.

Article 8 Submission to the Minister of Land, Infrastructure and Transport of the balance sheet, income statement and business report for the business year to which the date of enforcement for an entity listed in Article 2, Paragraph 1, Item 1 of the Supplemental Provisions belongs shall still be subject to the provisions of the former law.

Article 9 Application of the penal provisions to an act committed before the date of enforcement and an act committed on or after the date of enforcement in a case where the act should be subject to the former practice shall follow the former practice.

(Application of the provisions of the Welfare Pension Insurance Law, etc. to the New

Companies)

Article 10 For the purpose of the provisions of Article 19, Paragraphs 2 through 4 of the Supplementary Provisions of the Welfare Pension Insurance Law (Law No. 115 of 1954), the New Company shall be deemed as a listed incorporated company in Article 2, Paragraph 1, Item 7. iii) of the Government Employees, etc. Mutual Aid Association Law before amendment (Law No. 128 of 1958; hereinafter called the “Mutual Aid Association Law before 1998 Amendment”) by the Law for Partial Amendment of the Welfare Pension, etc. Insurance Law (Law No. 82 of 1996; hereinafter called the “1996 Welfare Pension, etc. Amendment Law” in this article).

2. With respect to the rate of premium to be used for the purpose of the Welfare Pension Insurance Law for the beneficiary under the said law applicable to the offices of the New Company or to those applicable offices out of the offices specified in Article 6, Paragraph 1 or 3 of the Welfare Pension Insurance Law, in the provisions of Article 18, Paragraph 2 of the Supplementary Provisions of the 1996 Welfare Pension, etc., Amendment Law, the business establishments or the offices of the New Company shall be deemed as the business establishments or offices of the corporations specified in Article 2, Paragraph 1, Item 8 of the Mutual Aid Association Law before the 1996 amendment.

3. For the purpose of the provisions of Article 54, Paragraphs 1 through 5 of the Supplementary Provisions of the 1996 Welfare Pension, etc. Amendment Law, the New

Company shall be deemed as the Passenger Railway Companies, etc. specified in Article 2, Paragraph 1, Item 8 of the Mutual Aid Law before the 1996 amendment.

(Application of the provisions of the Enforcement Law for the Japanese National Railways Restructuring Law to the New Company)

Article 11 For the purpose of the provisions of Article 27, Paragraph 14 of the Enforcement Law for the Japanese National Railways Restructuring Law (Law No. 93 of 1986), the New Company shall be deemed as the Succeeding Corporation specified in Article 2, Item 6 of the said law.

(Application of the provisions of the Law for Establishment of Corporation for Advanced Transport & Technology to the New Company)

Article 12 For the purpose of application of the provisions of Article 20, Paragraph 5, Item 1 of the Law for Establishment of Corporation for Advanced Transport & Technology (Law No. 83 of 1997), the New Company shall be deemed as the Passenger Railway Company specified in Article 2 of the Law Concerning Transfer, etc. of Railway Facilities for Shinkansen (Law No. 45 of 1991).

(Application of the provisions of the Law Concerning Disposal of Liabilities, etc. of the JNR Settlement Corporation to the New Company)

Article 13 For the purpose of application of the provisions of the Law Concerning

Disposal of Liabilities, etc. of the JNR Settlement Corporation (Law No. 136 of 1998), the New Company shall be deemed as the Succeeding Corporation specified in Article 9 of the said law.

(The Law to Partially Amend the Law Concerning the Annual Salary, Travel Allowance and Other Benefits for the Members of the National Diet)

Article 14 The Law Concerning the Annual Salary, Travel Allowance and Other Benefits for the Members of the National Diet (Law No. 80 of 1947) shall be amended as follows.

The text “and the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company” (Law No. 61 of 2001) shall be inserted after “Passenger Company” in Article 10, Paragraph 1.

(Partial amendment of the Public Offices Election Law (Law No. 100 of 1950))

Article 15 The text “and the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company” (Law No. 61 of 2001) shall be inserted after “Passenger Company” in Article 176, Paragraph 1.

(Partial amendment of the Local Tax Law)

Article 16 The Local Tax Law (Law No. 226 of 1950) shall be partially amend as follows.

With respect to Article 348, Paragraph 2, Item 35, the text “or the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company” (Law No. 61 of 2001; To be called the “Passenger Company Law Amendment Law” in Article 349-3, Paragraph 23) shall be inserted after “Passenger Company specified”; “Passenger Company” shall be amended to “Passenger Company, etc.”; and “Passenger Company” of Paragraph 5 of the same article shall be amended to “Passenger Company, etc.”

With respect to Article 349-3, Paragraph 23, the text “before amendment by the Passenger Company Law Amendment Law” shall be inserted after “under the provisions of Article 23, Paragraph 8.

With respect to Article 10, Paragraph 6 of the Supplementary Provisions, the text “or the New Company (hereinafter called the “Passenger Company, etc.” in this paragraph) specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company” (Law No. 61 of 2001) shall be inserted after the “Passenger Company specified”, and “relevant Passenger Company” shall be amended to “the relevant Passenger Company, etc.”.

With respect to Article 11, Paragraph 10 of the Supplementary Provisions, the text “to Tokai Passenger Railway Company” shall be amended to “to Tokai Passenger Railway Company specified in Article 2, Paragraph 1, Item 1 of the Supplementary Provisions (hereinafter called “Tokai Passenger Railway Company” in this paragraph) of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 61 of 2001; hereinafter called the “Passenger Company Law Amendment Law” in this paragraph); and “April 1, 2000” shall be amended to “or on the date of enforcement of the Passenger Company Law Amendment Law by those entities listed in Article 2, Paragraph 1 of the Passenger Company Law Amendment Law (limited to those entities which will start running the whole or part of the railway business as from the date of enforcement of the Passenger Company Law Amendment Law by acquiring the said business from Tokai Passenger Railway Company through transfer, merger or divestiture or inheritance as of the date immediately prior to the date of enforcement of the Passenger Company Law Amendment Law)”.

With respect to Article 15, Paragraph 41 of the Supplementary Provisions, the text “the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions (hereinafter called the “Passenger Company, etc.” in this paragraph) of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 61 of 2001; hereinafter called the “Passenger Company Law Amendment Law” in Paragraph 1 of the following article) and the “relevant Passenger

Company” shall be amended to the “relevant Passenger Company, etc.”.

With respect to each item of Article 15, Paragraph 1, “or the Passenger Company or Freight Company specified in Paragraph 2” shall be amended to “the Passenger Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Passenger Company Law Amendment Law”.

With respect to Article 32-9, Paragraph 2 of the Supplementary Provisions, “to Tokai Passenger Railway Limited” shall be amended to “Tokai Passenger Railway Company specified in Article 2, Paragraph 1, Item 1 of the Supplementary Provisions (hereinafter called “Tokai Passenger Railway Company” in this paragraph) of the Law to Partially Amend the Law Concerning the Passenger Railway Company and the Japan Freight Railway Company (Law No. 61 of 2001; hereinafter called the “Passenger Company Law Amendment Law”), and “or by those entities listed in Article 2, Paragraph 1, Item 2 of the Supplementary Provisions of the Passenger Company Law Amendment Law (limited to those entities which will start running the whole or part of the railway business as from the date of enforcement of the Passenger Company Law Amendment Law by acquiring the said business from Tokai Passenger Railway Company through transfer, merger or divestiture or inheritance as of the date immediately prior to the date of enforcement of the Passenger Company Law Amendment Law)”.

(Partial amendment of the Self Defense Forces Law)

Article 17 The Self Defense Forces Law (Law No. 165 of 1954) shall be partially amended as follows.

With respect to Paragraph 15 of the Supplementary Provisions, the text “and West Japan Telecommunication Company Limited” shall be amended to “the company specified in Article 1, Paragraph 3 of the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 88 of 1986)” shall be amended to “the company specified in Article 1, Paragraph 3 of the Law Concerning the Passenger Railway Company and the Japan Freight Railway Company (Law No. 88 of 1986), the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 61 of 2001)” and the text “and West Japan Telecommunication Company”.

(Partial amendment of the Special Taxation Measures Law)

Article 18 The Special Taxation Measures Law (Law No. 26 of 1957) shall be partially amended as follows.

With respect to the title of Article 71-8, “Hokkaido Passenger Company, etc.” shall be amended to “Passenger Company”, and “Article 12, Paragraph 1” and “Hokkaido Passenger Company, etc.” in Paragraph 1 of the same article to “Article 1, Paragraph 1” and

“Passenger Company” respectively, and “Hokkaido Passenger Company, etc. ” in Paragraphs 2 and 3 of the same article shall be amended to “Passenger Company”.

“Hokkaido Passenger Company, etc.” in Article 71-9, Paragraph 3, Article 71-10, Paragraph 2, Article 71-11, Paragraph 2, and Article 71-12, Paragraph 2 respectively shall be amended to “Passenger Company”.

With respect to Article 84, Paragraph 2, the text “including the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 61 of 2001) to be deemed as the Successor Corporation under the provisions of Article 13 of the said law; the same hereinafter in this paragraph) shall be inserted after “the Successor Corporation”.

With respect to Article 84-2, “or the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Company and the Japan Freight Railway Company” shall be added after “the Passenger Company specified”; “the Passenger Company” shall be amended to “the Passenger Company, etc.”; and “the Passenger Company” of Items 1 and 2 of the said article shall be amended to “the Passenger Company, etc.”.

(The Law for Special Aid to the War Wounded and Diseased)

Article 19 The Law for Special Aid to the War Wounded and Diseased (Law No. 168 of 1963) shall be partially amended as follows.

With respect to Article 9, Item 7, “(hereinafter called the “Passenger Company)” shall be amended to “the New Company specified in Article 2, Paragraph 1 of the Supplementary Provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Companies and the Japan Freight Railway Company (Law No. 61 of 2001) (hereinafter called the “Passenger Company, etc.”)”.’”.

The “Passenger Company” in the title and Paragraph 1 of Article 23 shall be amended to “Passenger Company, etc.”

(Partial Amendment of the Law for Establishment of the Ministry of Land, Infrastructure and Transport)

Article 20 The Law for Organizing the Ministry of Land, Infrastructure and Transport (Law No. 100 of 1999) shall be partially amended as follows.

Article 20 Article 9 of the Supplementary Provisions shall be numbered ten and the following article shall be added after Article 8 of the Supplementary Provisions.

(Exceptions to the jurisdiction covered by the Transport Council)

Article 9

1. The Transport Council shall, in addition to performing the missions specified in Article 15, Paragraph 1, manage the matters that have been assigned to its jurisdiction under the provisions of the Law to Partially Amend the Law Concerning the Passenger Railway Company, etc. and the Japan Freight railway Company (Law No. 61 of 2001) for the time being.

2. The provisions of Article 15, Paragraphs 2 through 4 and those of Articles 23 through 25 shall be applied *mutatis mutandis* to the matters specified in the preceding paragraph.

(Delegation to Cabinet Orders)

Article 21 Other than those determined under Articles 6 through 13, any other matters such as required transitional measures for enforcement of this Law (including those concerning penal provisions) shall be determined by a cabinet order.