

Railway Business Act

(Act No. 92 of December 4, 1986)

Chapter I General Provisions (Article 1 and Article 2)

Chapter II Railway Business (Article 3 to Article 31)

Chapter III Cableway Business (Article 32 to Article 38)

Chapter IV Private Siding (Article 39 and Article 40)

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Chapter VI Miscellaneous Provisions (Article 54 to Article 66)

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Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to secure the safety of transportation and protect the benefit of users of railways, etc. as well as to ensure the sound advancement of railway business, etc. by making the operation of railway business, etc. appropriate and reasonable, and thus to advance the public welfare.

(Definitions)

Article 2 (1) In this Act, "Railway Business" means First Type I Railway Business, Type II Railway Business and Type III Railway Business.

(2) In this Act, "Type I Railway Business" means the business of transportation of passengers or freight by railway (except the tramways defined in the Act on Rail Tracks (Act No. 76 of 1921) and those equivalent to the tramways to which the said Act applies mutatis mutandis. The same shall apply hereafter.) other than Type II Railway Business.

(3) In this Act, "Type II Railway Business" means the business of transportation of passengers or freight using the railway tracks other than those constructed by the operator of the business (including the railway tracks constructed by others which were assigned to the operator) to meet the needs of others.

(4) In this Act, "Type III Railway Business" means the business of constructing railway tracks for the purpose of assigning them to an operator of Type I Railway Business and the business of constructing railway tracks to have an operator of Type II Railway Business use them exclusively.

- (5) In this Act, "Cableway Business" means the business of transportation of passengers and freight by cableway to meet the needs of others.
- (6) In this Act, "Private Siding" means the railway constructed by a person for exclusive use of himself/herself connected to the railway used for Railway Business.

Chapter II Railway Business

(License)

- Article 3 (1) The person who intends to operate Railway Business shall obtain a license of the Minister of Land, Infrastructure, Transport and Tourism.
- (2) The license of Railway Business is granted on the route and the classification of Railway Business (meaning the classification of Railway Business of paragraph 1 of the preceding Article. The same shall apply hereafter.).
- (3) The license of Type I Railway Business and Type II Railway Business may be granted by limiting the range of business to transportation of passengers or transportation of freight.
- (4) The license of Railway Business to meet the temporary needs may be granted by limiting the period.

(Application for License)

- Article 4 (1) The person who intends to obtain a license of Railway Business shall submit an application which describes the followings to the Minister of Land, Infrastructure, Transport and Tourism.
- (i) The name and the address of the applicant, and, if the applicant is a juridical person, the name of the representative
- (ii) The route being planned
- (iii) The classification of Railway Business the applicant intends to operate
- (iv) In the case the applicant intends to obtain a license with a limited range of business for transportation of passengers or transportation of freight, the description to that effect
- (v) In the case the applicant intends to obtain a license with a limited period, the period
- (vi) A plan concerning the type of railway prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, the outline of facilities, planned transportation capability and other matters that are the basis of business prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, for each type of railway (hereafter referred to as "Basic Business Plan".)

- (vii) Requirement or no requirement of construction for starting the business
- (viii) In the case the applicant intends to operate Type I Railway Business, whether he/she is going to be assigned any railway track or let anyone use any railway track, the description to that effect and the name and the address of the counter party.
- (ix) In the case the applicant intends to operate Type II Railway Business, the name and the address of the person who grants the use of the railway track.
- (x) In the case the applicant intends to operate Type III Railway Business, whether he/she is going to assign any railway track or let anyone use it, and the name and the address of the counter party.
- (2) An estimation of revenues and expenses of business and other documents prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism must be attached to the application of the preceding paragraph,.
- (3) The Minister of Land, Infrastructure, Transport and Tourism may request the applicant to submit a certificate of registration of the applicant and the other necessary documents in addition to what is provided in the preceding two paragraphs.

(Standards of License)

- Article 5 (1) When the Minister of Land, Infrastructure, Transport and Tourism intends to grant a license of Railway Business, he/she shall examine whether the application meets the following standards before granting the license.
- (i) The business plan is appropriate from the viewpoint of operation.
 - (ii) The business plan is appropriate from the viewpoint of the safety of transportation.
 - (iii) The applicant has an appropriate plan from the viewpoint of operating the business in addition to what is listed in the preceding two items.
 - (iv) The applicant has a capability to properly conduct the business on its own.
- (2) When the Minister of Land, Infrastructure, Transport and Tourism intends to grant a license to an applicant who intends to obtain a license of Railway Business for which the Minister finds that the applicant/application meets the requirements prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism as an operator of transportation of passengers with a certain purpose, the Minister may grant a license after examining whether or not the applicant meets the standards of item 2 and item 4 in the preceding paragraph notwithstanding the provision of the preceding paragraph.
- (3) When the Minister of Land, Infrastructure, Transport and Tourism intends to

grant a license of Type III Railway Business, he/she shall grant the license at the same time with the license of Type I or Type II Railway Business pertaining to the railway track that is constructed by the said business.

(Causes for Disqualification)

Article 6 In the case the person who intends to obtain a license of the Railway Business falls under any of the following items, the Minister of Land, Infrastructure, Transport and Tourism shall not grant the license.

- (i) The person who was punished by a sentence of not less than one (1) year of imprisonment with work or without work and two (2) years have not elapsed from the date of completion of execution of the sentence or the date sentence becomes no more executable.
- (ii) The person whose license of Railway Business was rescinded and two (2) years have not elapsed from the date of rescission.
- (iii) The person who is an adult ward or a person under curatorship, or a bankrupt whose rights have not been restored.
- (iv) The minor that does not have the same legal capacity as an adult with regard to business whose statutory representative falls under any of the preceding three items.
- (v) The juridical person, any of whose officers (including those who have the authority or control equivalent to or greater than that of an officer irrespective of the name) falls under any of the preceding items 1 to 3.

(Change of Basic Business Plan, etc.)

Article 7 (1) When the person who was granted a license of Railway Business (hereafter referred to as "Railway Business Operator") intends to change the Basic Business Plan or the matters listed in item 8 or item 10, paragraph 1 of Article 4, the person shall obtain approval of the Minister of Land, Infrastructure, Transport and Tourism, provided, however, that this shall not apply to the minor changes prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) The provision of paragraph 1 of Article 5 shall apply mutatis mutandis to the approval of the preceding paragraph.
- (3) When the Railway Business Operator made any minor change prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism provided in the proviso of paragraph 1, or made any change in the matters listed in item 9, paragraph 1 of Article 4, he/she shall notify the Minister of Land, Infrastructure,

Transport and Tourism to that effect without delay.

(Approval of Execution of Construction)

Article 8 (1) The Railway Business Operator shall establish a construction plan of railway tracks, stations and other railway facilities used for Railway Business prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism (hereafter referred to as "Railway Facilities") and apply for approval of execution of construction by the due date designated by the Minister of Land, Infrastructure, Transport and Tourism at the time of granting a license pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, provided, however, this shall not apply to the railway facilities that do not require construction.

(2) The Minister of Land, Infrastructure, Transport and Tourism shall give an approval of the preceding paragraph, when he/she finds that the construction plan conforms to the Basic Business Plan and the regulations prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1 of the Railway Operation Act (Act No. 65 of 1900).

(3) The Minister of Land, Infrastructure, Transport and Tourism may extend the due date of paragraph 1 when he/she finds that there is a justifiable grounds in the cases an application was made by the Railway Business Operator.

(Change of Construction Plan)

Article 9 (1) When the Railway Business Operator intends to change the construction plan, he/she shall obtain approval of the Minister of Land, Infrastructure, Transport and Tourism, provided, however, that this shall not apply to the minor changes prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) The provision of paragraph 2 of the preceding Article shall apply mutatis mutandis to the approval of the preceding paragraph.

(3) When the Railway Business Operator intends to make any of the minor changes prescribed by an ordinance of the Minister of Land, Infrastructure, Transport and Tourism prescribed in the proviso of paragraph 1, he/she shall notify the Ministry of Land, Infrastructure, Transport and Tourism to that effect.

(Completion Inspection of Construction)

Article 10 (1) The Railway Business Operator shall complete the construction of Railway Facilities by the due date of construction designated by the Minister of

Land, Infrastructure, Transport and Tourism at the time of the approval of execution of construction, and shall apply for an inspection by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) When the Minister of Land, Infrastructure, Transport and Tourism finds, as a result of the inspection in the preceding paragraph, that the said Railway Facilities conform to the construction plan and the regulation prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1 of the Railway Operation Act, he/she shall admit that the Railway Facilities have passed the inspection.
- (3) The provision of paragraph 3 of Article 8 shall apply mutatis mutandis to the due date of completion of construction.

(Inspection of Railway Facilities)

Article 11 (1) The Railway Business Operator shall apply for an inspection by the Minister of Land, Infrastructure, Transport and Tourism on the Railway Facilities that do not require construction, by the due date designated by an ordinance of the Minister of Land, Infrastructure, Transport and Tourism at the time of granting license, provided, however, that this shall not apply to the Railway Facilities that are being used for Railway Business at present.

- (2) When the Minister of Land, Infrastructure, Transport and Tourism finds, as a result of the inspection in the preceding paragraph, that the said Railway Facilities conform to the construction plan and the regulation prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1 of the Railway Operation Act, he/she shall admit that the Railway Facilities have passed the inspection.

(Change of Railway Facilities)

Article 12 (1) When the Railway Business Operator intends to change the Railway Facilities after passing the inspection of paragraph 1 of Article 10 or paragraph 1 of the preceding Article, he/she shall prepare a construction plan pertaining to the said change pursuant to the provisions of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, and obtain approval of the Minister of Land, Infrastructure, Transport and Tourism, provided, however, that this shall not apply to the minor changes prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) When the Railway Business Operator intends to make any of the minor changes

prescribed by an ordinance of the Minister of Land, Infrastructure, Transport and Tourism prescribed in the proviso of the preceding paragraph, he/she shall notify the Ministry of Land, Infrastructure, Transport and Tourism to that effect.

- (3) When the Railway Business Operator has completed the construction of Railway Facilities pertaining to the change prescribed by an ordinance of the Minister of Land, Infrastructure, Transport and Tourism out of the changes of Railway Facilities for which the approval of paragraph 1 was obtained, he/she shall apply for an inspection by the Minister of Land, Infrastructure, Transport and Tourism without delay pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.
- (4) The provision of paragraph 2 of Article 8 shall apply to the approval of paragraph 1, the provision of Article 9 shall apply to the change of the construction plan, and the provision of paragraph 2 of Article 10 shall apply to the inspection of the preceding paragraph, *mutatis mutandis*, respectively.

(Validation of Vehicles)

- Article 13 (1) When the Railway Transportation Business Operator (meaning the person who obtained the license of Type I Railway Business (hereafter referred to as "Type I Railway Business Operator") and the person who obtained the license of Type II Railway Business (hereafter referred to as "Type II Railway Business Operator". The same shall apply hereafter) intends to use any of their vehicles for the said Railway Business, he/she shall obtain validation of the Minister of Land, Infrastructure, Transport and Tourism that the said vehicles conform to the regulation prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism prescribed in Article 1 of the Railway Operation Act.
- (2) When the Railway Business Operator intends to change the structure or the equipment of the vehicle for which he/she obtained the validation of the preceding paragraph, and to use it for the said Railway Business, he/she shall obtain validation of the Minister of Land, Infrastructure, Transport and Tourism in accordance with the same rule as the provision of the said paragraph, provided, however, that this shall not apply if the Railway Transportation Business Operator intends to make any of the minor changes prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and use the vehicles for the said Railway Business.
 - (3) In the case of the proviso of the preceding paragraph, the Railway Transportation Business Operator shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect in advance.

(Certified Railway Business Operator, etc.)

Article 14 (1) The Minister of Land, Infrastructure, Transport and Tourism shall certify that the capability of the office conforms to the standard prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, by the application of the Railway Business Operator made for each office that conducts the business related to the design of the Railway Facilities or the vehicles systematically and in the organized manner.

(2) If the Railway Business Operator who obtained the certification of the preceding paragraph for the office it establishes (referred to as "Certified Railway Business Operator" in the following paragraph) is confirmed, at the time of application or notification of approval or validation pursuant to the provisions of paragraph 1 of Article 8, paragraph 1 or paragraph 3 of Article 9 (including the cases where they are applied mutatis mutandis in paragraph 4 of Article 12), paragraph 1 or paragraph 2 of Article 12, or the preceding Article, that the office that the Railway Business Operator establishes and for which the certification of the preceding paragraph was obtained has designed the Railway Facilities or the vehicles, and the office conforms to the regulation prescribed in the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1 of the Railway Operation Act, he/she may follow the procedure dispensing with a part of the entries or the required attachments pertaining to these application or notification or other simplified procedure prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism notwithstanding these provisions.

(3) The person who is a Railway Business Operator and obtained certification for a branch office, shall take the measures prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism as the measures necessary for properly conducting the business concerning the design of the Railway Facilities or the vehicles at branch offices.

(4) The Minister of Land, Infrastructure, Transport and Tourism may rescind the certification when he/she finds that an office that obtained the certification of paragraph 1 became nonconforming to the standards prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism in the said paragraph.

(5) If the pertinent Railway Facilities are those pertaining to the design made by Japan Railway Construction, Transport and Technology Agency (limited to the designs within the extent that the said Japan Railway Construction, Transport and Technology Agency has sufficient capability as specified by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism), the Railway Business

Operator may, at the time of application or notification of approval pursuant to the provisions of paragraph 1 of Article 8, paragraph 1 or paragraph 3 of Article 9 (including the cases where they are applied mutatis mutandis in paragraph 4 of Article 12), or paragraph 1 or paragraph 2 of Article 12, follow the procedure dispensing with a part of the entries or required attachments pertaining to these application or notification or other simplified procedure prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism notwithstanding these provisions.

- (6) In addition to what is provided for in paragraph 1 to paragraph 4 inclusive, the matters required for certification shall be prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Use of Railway Track, etc.)

Article 15 (1) The person who obtained license as Type I Railway Business Operator and the person who obtained license of Type III Railway Business (hereafter referred to as "Type III Railway Business Operator") shall obtain approval of the Minister of Land, Infrastructure, Transport and Tourism on the royalty and other conditions of use prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism when they intend to let a Type II Railway Business Operator use the railway track pertaining to the route for which license was obtained. The same shall apply if they intend to change the arrangement.

- (2) When the Type III Railway Business Operator intends to assign the railway track pertaining to the route for which license was obtained to a Type I Railway Business Operator, he/she shall obtain an approval of the Minister of Land, Infrastructure, Transport and Tourism on the price of assignment or other conditions of assignment prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism. The same shall apply if he/she intends to change the contents of the assignment.

- (3) The Minister of Land, Infrastructure, Transport and Tourism shall approve in the cases of the preceding two paragraphs unless he/she finds there is a risk that the conditions of use or the conditions of assignment may hinder the securing appropriate operation of Railway Business.

(Fares and Charges for Passengers)

Article 16 (1) The Railway Transportation Business Operator shall set forth the upper limits of the fares for the passengers and the charges for the passengers prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism

(hereafter referred to as "Passenger Fares") and obtain an approval of the Minister of Land, Infrastructure, Transport and Tourism. The same shall apply if he/she intends to change them.

- (2) When the Minister of Land, Infrastructure, Transport and Tourism intends to give the approval of the preceding paragraph, he/she shall examine whether the upper limits of the Passenger Fares, etc. do not exceed the amount of the appropriate costs under efficient management plus the appropriate profit, before giving the approval.
- (3) The Railway Transportation Business Operator shall set forth the Passenger Fares, etc. within the upper limits of Passenger Fares, etc. for which the approval of paragraph 1 was obtained and shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect in advance. The same shall apply if he/she intends to change them.
- (4) When the Railway Transportation Business Operator sets forth the special vehicle charge, the charge for other special facility of passenger car, and other charges prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism of the charges in advance. The same shall apply if he/she intends to change them.
- (5) When the Minister of Land, Infrastructure, Transport and Tourism finds that the Passenger Fares, etc. in paragraph 3 or the charges for passengers in the preceding paragraph fall under any of the following items, he/she may order the said Railway Transportation Business Operator to change the said Passenger Fares, etc. or the charge for passengers by setting the due date.
 - (i) When they are unjustifiably discriminating against certain passengers
 - (ii) When there is a risk that they may cause unjust competition with other Railway Transportation Business Operators

(Operation Plan)

Article 17 The Railway Transportation Business Operator shall make operation plans of trains pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, and notify it the Minister of Land, Infrastructure, Transport and Tourism of the plan in advance. The same shall apply if he/she intends to change the plan.

(Accord concerning Transportation)

Article 18 When the Railway Transportation Business Operator intends to conclude, with other Railway Transportation Business Operator, an agreement concerning

mutually connecting transportation or through transportation, or an agreement on fares or other agreement concerning transportation, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism. The same shall apply if he/she intends to change the accord.

(Improvement of Safety of Transportation)

Article 18-2 The Railway Business Operator shall recognize that securing the safety of transportation is the most critical and shall always make efforts to improve the safety of transportation.

(Safety Management Regulation, etc)

Article 18-3 (1) The Railway Business Operator shall set forth the Safety Management Regulation and notify the Minister of Land, Infrastructure, Transport and Tourism of it pursuant to the provision of the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism. The same shall apply if he/she intends to change it.

(2) Safety Management Regulation shall be a regulation which sets forth the necessary substances which Railway Business Operators shall comply with pursuant to the provision of the ordinance of Ministry of Land, Infrastructure, Transport and Tourism with respect to the matters listed in the following to secure the safety of transportation (except those relating to item 5 for Type III Railway Business Operators).

(i) The matters concerning the policy of operating business in order to secure the safety of transportation.

(ii) The matters concerning the system for execution of business and its management in order to secure the safety of transportation.

(iii) The matters concerning the method for execution of business and its management in order to secure the safety of transportation.

(iv) The matters concerning appointment of Chief Safety Management Officer (a person whom the Railway Business Operator appoints as such from the persons who are in a position to be involved in important decisions on the management of business and who meet the specified requirements concerning railway business such as experience and other requirements prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism to let him/her oversee the management of the business activities concerning the matters listed in the preceding three items. The same shall apply hereafter.)

- (v) The matters concerning appointment of Operation Manager (a person whom the Railway Business Operator appoints from the persons who meet the specified requirements such as a certain experience of actual duty concerning railway business and other requirements prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism to let him/her manage operation of trains, maintain the capabilities of drivers and conductors and perform other matters concerning operation of trains among the duties listed in item 2 and item 3. The same shall apply hereafter.)
- (3) When the Minister of Land, Infrastructure, Transport and Tourism finds that the Safety Management Regulation does not conform to the provision of the preceding paragraph, he/she may order the said Railway Business Operator to change the Safety Management Regulation.
- (4) The Railway Business Operator shall appoint Chief Safety Management Officer and Operation Manager (Chief Management Officer in the case of Type III Railway Business Operators).
- (5) When the Railway Business Operator appointed or dismissed Chief Safety Management Officer or Operation Manager, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect without delay pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.
- (6) The Railway Business Operator shall pay due attention to the opinion of Chief Safety Management Officer on performing his/her duties concerning the security of the safety of transportation.
- (7) The Minister of Land, Infrastructure, Transport and Tourism may order the Railway Business Operator to dismiss Chief Safety Management Officer or Operation Manager, when he/she finds that the said Chief Safety Management Officer or Operation Manager has neglected their duties and there is a risk that to have them stay in their job may extremely hinder the security of the safety of transportation.

(Reports on Accidents, etc.)

Article 19 In the event of collision of train or fire or other accidents during operation, a disturbance in the transportation by railway, or such electrical accidents pertaining to railway or such disasters pertaining to railway as prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, the Railway Business Operator shall notify, without delay, the Minister of Land, Infrastructure, Transport and Tourism of the type of accident, the cause and the matters prescribed by an

ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

Article 19-2 In addition of what is provided for in the preceding Article, when the Railway Business Operator finds that there is an occurrence of any of the situations prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism in which there is a risk of causing any of the accidents of train or vehicle during operation prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, he/she shall notify, without delay, the Minister of Land, Infrastructure, Transport and Tourism of the type of accident, the cause and the other matters prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Public Announcement of Information concerning Safety of Transportation by Minister of Land, Infrastructure, Transport and Tourism)

Article 19-3 The Minister of Land, Infrastructure, Transport and Tourism shall organize in order the matters pertaining to the notification pursuant to provisions of the preceding two Articles, the matters pertaining to the orders referred to in the provision of paragraph 1 of Article 23, the matters pertaining to the recommendation prescribed by the provision of paragraph 1 of Article 6 of the Act on Promotion of Railway Crossings (Act No. 195 of 1961), and other information concerning the safety of transportation prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism every fiscal year, and announce them to the public.

(Public Announcement of Safety Report by Railway Business Operator)

Article 19-4 The Railway Business Operator shall, every business year, prepare a safety report (which is the document or electronic record (the record made by an electronic method, a magnetic method or a method that human being cannot perceive and used for data processing by computers) which describes or records the measures taken or being taken to secure the safety of transportation and other information concerning the safety of transportation pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and announce it to the public.

(Accounting)

Article 20 (1) The Railway Business Operator shall keep accounts by establishing its business year and the classification of the titles of account as well as forms of

balance sheet, profit and loss statement, and other financial statements pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

- (2) In the case the loss from a disaster pertaining to the railway or the loss from the termination of a part of railway business or the cost for retirement of the facilities used for railway business (including vehicles. Hereafter referred to as "Facilities for Railway Business".) is large and it is difficult to bear the total amount in the business year in which these events occurred, the Railway Business Operator may record the amount equivalent to the said loss and cost in the asset section of the balance sheet at the time of closing of the said business year and amortize them as deferred assets by obtaining a permission by the Minister of Land, Infrastructure, Transport and Tourism. In this case, the amortization not less than the averaged amount shall be made at the closing of every business year within five (5) years from the said business year.
- (3) As for the application of paragraph 2 of Article 461 of the Company Act (Act No. 86 of 2005) in the case where the Railway Business Operator recorded the amount equivalent to the loss and the cost in the preceding paragraph in the asset section of its balance sheet in accordance with the provision of the said paragraph, , the words "obtained by reducing the total amount of" shall read as "obtained by reducing the total amount that is recorded in the asset section of the balance sheet pursuant to the provision of paragraph 2 of Article 20 of the Railway Business Act".

(Special Measure for Use of Facilities for Railway Business as Collateral)

Article 21 When the Railway Business Operator intends to use the Facilities for Railway Business as collateral, it shall be made pursuant to the provision of the Railway Mortgage Act (Act No. 53 of 1905).

(Entry to Estate and Use)

Article 22 (1) The Railway Business Operator may enter the land of other person or use it as a temporary storage space of materials, when it is necessary for measurement, site survey or construction concerning the Railway Facilities, with a permission of the Minister of Land, Infrastructure, Transport and Tourism.

- (2) When the Railway Business Operator intends to enter the land of other person or use it pursuant to the provision of the preceding paragraph, he/she shall notify the occupant of the estate to that effect unless it has a compelling reason for not doing so.

- (3) In the event the Railway Business Operator caused any loss by the entry or use pursuant to the provision of the paragraph 1, he/she shall compensate the loss to the person who suffered the loss.
- (4) The loss to be compensated pursuant to the provision of the preceding paragraph shall be the loss which would ordinarily arise.
- (5) The compensation for the loss pursuant to the provision of paragraph 3 shall be determined by negotiation between the parties. In the case an agreement is not made through the negotiation or the negotiation is not feasible, any of the parties may apply for a ruling by the prefectural governor.
- (6) When the prefectural governor received an application for a ruling by one party pursuant to the provision of the preceding paragraph, he/she shall notify the other party of to that effect and give the said party an opportunity to submit a written answer, by designating the period for submission.
- (7) When the prefectural governor made a ruling of paragraph 5, he/she shall notify the parties of to that effect without delay.
- (8) In the case of a ruling ordering the compensation, the ruling shall set forth the amount of compensation and the time and method of the payment.
- (9) The party that is not satisfied with the amount of compensation in the ruling referred to in the paragraph 5 may, within six (6) months from the date when the party is notified of the ruling,, request a increase or decrease of the amount by way of lawsuit.
- (10) The lawsuit prescribed in the preceding paragraph shall be filed against the other party.
- (11) In the filing of an objection to the ruling of paragraph 5, the dissatisfaction with the amount of compensation shall not be asserted as the cause for dissatisfaction with the ruling.

(Measures for Smooth Transit, etc.)

- Article 22-2 (1) The Railway Business Operator shall make efforts to take measures prescribed in the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism such as mutually connecting transportation, through transportation and other measures of transit of passengers or transshipment of freight with other transportation business operators, in cooperation with such other transportation business operators and other parties concerned, for the purpose of improving the convenience of users.
- (2) When a Railway Business Operator requested other Railway Business Operator to have a conference concerning the measures in the preceding paragraph pertaining to

connection of passengers, and related to the construction or improvement of the Railways Facilities (hereafter referred to as "Measures for Smoothing Connection", the said other Railways Business Operator shall comply with the request unless there is a risk that the Measures for Smoothing Transit may extremely hinder the functions of the Railway Facilities, or for other justifiable grounds prescribed by the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

- (3) In the case a Railway Business Operator requests other Railway Business Operator to have negotiation concerning the Measures for Smoothing Transit, but the latter refuses or the negotiation does not result an agreement, and if there is an application from the former Railway Business Operator, the Minister of Land, Infrastructure, Transport and Tourism may order the latter to participate or resume the negotiation unless he/she finds that it falls under the cases where there is any of the justifiable grounds prescribed in the preceding paragraph.
- (4) In the case there is an order pursuant to the provision of the preceding paragraph, if the parties cannot reach an agreement on the amount that the parties should receive or bear or other conditions of the arrangement concerning the Measures for Smoothing Transit in relation to the Measures for Smoothing Connection between the Railways Business Operators, any of the parties may apply for a ruling by the Minister of Land, Infrastructure, Transport and Tourism.
- (5) The provisions of paragraph 6, paragraph 7 and from paragraph 9 to paragraph 11 inclusive of the preceding Article shall apply mutatis mutandis to the ruling of the preceding paragraph. In this case, the term "the prefectural governor" in paragraph 6 and paragraph 7 shall be deemed to be replaced with "the Minister of Land, Infrastructure, Transport and Tourism", the term "the amount of compensation" in paragraph 9 and paragraph 11, to be replaced with "the amount that the parties should receive or bear" respectively.

Article 22-3 (1) In the case the Railway Business Operator intends to construct or improve a railway track or a station, when it is economical and reasonable to take Measures for Smoothing Connection related to the construction or improvement of the said railway track or station, or if the Minister of Land, Infrastructure, Transport and Tourism finds that it is especially necessary by taking into consideration the extent of improvement of the convenience of users, the cost necessary for the construction or improvement, etc., he/she may recommend the Railway Business Operator to take the Measures for Smoothing Connection.

- (2) In the case the Minister of Land, Infrastructure, Transport and Tourism made the

recommendation pursuant to the provision of the preceding paragraph, if the Railway Business Operator who received the recommendation did not follow the recommendation without a justifiable ground, he/she make public to that effect.

(Order to Improve Business Activities)

Article 23 (1) The Minister of Land, Infrastructure, Transport and Tourism may order the following matters to the Railway Business Operator, if he/she finds that there is a fact concerning the business activities of the Railway Business that is impairing the convenience of users or other public interests.

- (i) Change of the upper limits of Passenger Fares, etc. or the charges for passengers (except those prescribed in paragraph 1 and paragraph 4 of Article 16), or change of the fares or the charges of freight.
 - (ii) Change of operation plans of trains
 - (iii) Taking improvement measures concerning the implementation method of construction, the Railway Facilities or vehicles, or the operation of trains
 - (iv) Entering into an agreement concerning use or assignment of the Railway Facilities, or changing the conditions for use or the conditions for assignment.
 - (v) Entering into an agreement concerning interpenetrating transportation or through transportation or an agreement on fares or other agreement on transportation, or change of these agreements
 - (vi) Taking measures to secure safety and smooth transportation of passengers or freight
 - (vii) Obtaining insurance contracts that may cover the amount necessary for compensating the loss incurred in relation to the transportation of passengers or freight
- (2) In the case where there is an order pursuant to the provision of the preceding paragraph (limited to those of item 4 and item 5 of the said paragraph), if the parties cannot reach an agreement concerning the amount that the parties should receive or bear or other details of contract or accord, or if the negotiation is not feasible, any of the parties may apply for a ruling by the Minister of Land, Infrastructure, Transport and Tourism.
- (3) The provisions of paragraph 6, paragraph 7 and from paragraph 9 to paragraph 11 inclusive of Article 22 shall apply mutatis mutandis to the ruling of the preceding paragraph. In this case, the term "the prefectural governor" in paragraph 6 and paragraph 7 of the same Article shall be deemed to be replaced with "the Minister of Land, Infrastructure, Transport and Tourism", the term "the amount of compensation" in paragraph 9 and paragraph 11 of the same Article to be replaced

with "the amount that the parties should receive or bear" respectively.

(Prohibition of Use of Name, etc.)

Article 24 (1) The Railway Business Operator shall not allow other person to use his/her name for Railway Business.

(2) The Railway Business Operator shall not allow other person to manage the Railway Business under its name irrespective of the methods such as lease, etc. or whatever.

(Entrustment and Undertaking Entrustment of Management of Train Operation, etc.)

Article 25 (1) Entrusting and undertaking entrustment of the activities pertaining to the Railway Business prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism, such as management of the operation of trains, etc. shall only be allowed with a permission of the Minister of Land, Infrastructure, Transport and Tourism.

(2) When the Minister of Land, Infrastructure, Transport and Tourism is to grant the permission of the preceding paragraph, he/she shall do in accordance with the following standards.

(i) It is necessary for continuous operation of the business.

(ii) The trustee is competent for managing the said business activities.

(3) When the Minister of Land, Infrastructure, Transport and Tourism finds that the entrustment or undertaking of entrustment of the preceding paragraph no more conforms to any of the standards set forth in respective item of the preceding paragraph, he/she may order the trustee to take necessary measures for improvement of the business activities he/she undertook or revoke the permission of the preceding paragraph 1.

(Assignment and Receiving Assignment of Business)

Article 26 (1) The assignment and receiving assignment of Railway Business shall not be effective unless approved by the Minister of Land, Infrastructure, Transport and Tourism.

(2) The merger and split of a juridical person as a Railway Business Operator shall not be effective unless approved by the Minister of Land, Infrastructure, Transport and Tourism, provided, however, that this shall not apply, in the case of the merger between a juridical person as a Railway Business Operator and a juridical person that does not manage Railway Business, if the juridical person as

- a Railway Business Operator survives, or in the case of split of a juridical person as a Railway Business Operator, if the split of a juridical person as a Railway Business Operator does not allow the succession of the railway business.
- (3) The provisions of paragraph 1 of Article 5 and Article 6 shall apply mutatis mutandis to the approval of the preceding two paragraphs.
 - (4) When there was a merger or split of a juridical person as a Railway Business Operator, the juridical person that survives after the merger or the juridical person that was incorporated by the merger, or the juridical person that succeeded the Railway Business by the split (hereafter referred to as "Merged Juridical Person, etc.") shall succeed the rights and obligations pursuant to the approval.
 - (5) If the person who took assignment of the Railway Business or the Merged Juridical Person, etc. obtained the license for Type I Railway Business and the license for Type II Railway Business for the same route, the license for Type II Railway Business for the said route shall be deemed to have expired.
 - (6) If the person who took assignment of the Railway Business or the Merged Juridical Person, etc. obtained the license for Type I Railway Business and the license for Type III Railway Business for the same route, the license for Type III Railway Business for the said route shall be deemed to have expired.
 - (7) If the person who took assignment of the Railway Business or the Merged Juridical Person, etc. obtained the license for Type II Railway Business and the license for Type III Railway Business for the same route, it shall be deemed that these licenses for the said route have expired and the license for Type I Railway Business on the said route has been granted.

(Inheritance)

Article 27 (1) In the case the Railway Business Operator died, if the heir (in the cases there are two or more heirs, if the heir to succeed the said Railway Business was determined by their agreement, then it is said heir who succeeds. The same shall apply hereafter.) intends to continue to manage the Railway Business that the decedent was managing, he/she shall obtain approval of the Minister of Land, Infrastructure, Transport and Tourism within 60 days after the death of the decedent.

- (2) In the case the heir applied for the approval of the preceding paragraph, the license of Railway Business granted to the decedent is deemed to have been granted to the heir effective from the date of the death of the decedent until the date of receipt of notice that the approval has been given or has not been given.
- (3) The provisions of paragraph 1 of Article 5 and Article 6 shall apply mutatis

mutandis to the approval of paragraph 1.

- (4) The person who obtained the approval of paragraph 1 shall succeed the rights and obligations based on the license pertaining to the decedent.
- (5) The provisions from paragraph 5 to paragraph 7 inclusive of the preceding Article shall apply mutatis mutandis to the case where the approval of paragraph 1 was given.

(Suspension of Business)

Article 28 (1) When the Railway Business Operator intends to suspend the whole or part of the Railway Business, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect in advance.

- (2) The period of the suspension of the preceding paragraph shall not exceed one (1) year.

(Abolition of Business)

Article 28-2 (1) When the Railway Business Operator intends to terminate the whole or part of the Railway Business (except the case where the said termination is pertaining to the freight transportation), he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect one (1) year prior to the date of the termination.

- (2) The Minister of Land, Infrastructure, Transport and Tourism shall hear the opinions of the local governments concerned and the interested persons with respect to securing the convenience of the public pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism in the situation where the Railway Business Operator terminates pertaining to the notification of the preceding paragraph.
- (3) When the Minister of Land, Infrastructure, Transport and Tourism finds that there is no risk of impairment of the convenience of the public even if the said termination is made prior to the date of abolition pertaining to the notification of the preceding paragraph as a result of hearing of opinions pursuant to the provision of the preceding paragraph, he/she shall notify the said Railway Business Operator to that effect.
- (4) If the Railway Business Operator receives the notice of the preceding paragraph, he/she may bring forward the date of the termination pertaining to the notification of paragraph 1.
- (5) If the Railway Business Operator brings forward the date of termination pursuant to the provision of the preceding paragraph, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect in advance.

(6) When the Railway Business Operator intends to terminate the whole or part of the Railway Business (limited to the cases where the said termination is pertaining to freight transportation) he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect six (6) months prior to the date of termination (in the cases prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism where it is recognized that termination abolition does not impair the convenience of the public, three (3) months prior to the date of termination).

(Dissolution of Juridical Person)

Article 29 (1) A resolution for dissolution of a juridical person as a Railway Business Operator or consent thereto by all its members shall not be effective unless approved by the Minister of Land, Infrastructure, Transport and Tourism.

(2) The Minister of Land, Infrastructure, Transport and Tourism shall give approval of the preceding paragraph except the case where it decides that the resolution for dissolution of the said juridical person or consent thereto by all its members is likely to extremely impair the convenience of the public.

(Suspension of Business and Rescission of License)

Article 30 The Minister of Land, Infrastructure, Transport and Tourism may order the Railway Business Operator to suspend the business by setting the period or may rescind the license if the Railway Business Operator falls under any of the following items:

(i) If the Railway Business Operator violates the orders pursuant to this Act or the dispositions based on these orders, or the conditions attached to the license or the approval

(ii) If the Railway Business Operator does not perform the matters to which the license or approval was granted without a justifiable ground

(iii) If the Railway Business Operator falls under any of the items (except item 2) of Article 6

(iv) If the application pursuant to the provision of paragraph 1 of Article 8 was turned down

(v) In the case of Type I Railway Business Operator, if a Type III Railway Business Operator is to assign a route of the railway track pertaining to the said Railway Business to said Type I Railway Business Operator and if the license is rescinded or the business is terminated concerning the route of the said railway track

(vi) In the case of Type II Railway Business Operator, if the license is rescinded or

the business is terminated concerning the route of the said railway track of the Type I Railway Business Operator or Type III Business Operator who allowed the use of the railway track of the said Railway Business,

(vii) In the case of Type III Railway Business Operator, if the license is rescinded or the business of the route of the railway track is terminated, with regard to the Type I Railway Business Operator to whom the railway track is to be assigned pertaining to the said Railway Business or with respect to all of Type II Business Operators who use the said railway track,

Article 31 Deleted

Chapter III Cableway Business

(License)

Article 32 The person who intends to operate Cableway Business shall obtain a license of the Minister of Land, Infrastructure, Transport and Tourism for each cableway, provided, however, that this shall not apply to the cableway designated by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Application for License)

Article 33 (1) The person who intends to obtain a license of Cableway Business shall submit an application describing the following matters to the Minister of Land, Infrastructure, Transport and Tourism.

(i) The section being planned.

(ii) The type of the cableway prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(iii) A construction plan concerning the cableway facilities prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism I (in the cases where construction is not required, the structure of cableway. The same shall apply to the next Article).

(2) The documents prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism such as the drawing describing the place of installation of cableway facilities, etc. shall be attached to the application of the preceding paragraph.

(Standards of License)

Article 34 When the Minister of Land, Infrastructure, Transport and Tourism is to

grant a license of cableway business, he/she shall examine whether the application meets the following standards before granting the license.

- (i) The construction plan conforms to the technical standards prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 35.
- (ii) The applicant has the capability to conduct the business on its own and properly.

(Inspection of Cableway Facilities)

Article 34-2 (1) The person who obtained license of cableway business (hereafter referred to as "Cableway Business Operator") shall apply for an inspection by the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism before commencement of transportation, provided, however, that this shall not apply to the cable way facilities that do not require construction and are being used for the cableway business at present.

- (2) When the Minister of Land, Infrastructure, Transport and Tourism finds, as a result of the inspection in the preceding paragraph, that the said cableway facilities conform to the construction plan and the technical standards prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism in the next Article (in the case where the construction is not required, when the Minister of Land, Infrastructure, Transport and Tourism finds that they conform to the technical standards prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism in the same Article), he/she shall admit that the cable facilities have passed the inspection.

(Technical Standards concerning Cableway Facilities)

Article 35 The Cableway Business Operator shall maintain and operate the cableway facilities pursuant to the technical standards prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Fares for Passengers)

Article 36 The Cableway Business Operator shall set forth the fares for passengers (except those pertaining to the cableways of the types prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism) and notify the Ministry of Land, Infrastructure, Transport and Tourism to that effect in advance. The same shall apply if he/she is to change them.

(Suspension, Abolition, etc. of Business)

Article 37 (1) When the Cableway Business Operator suspends or terminates the whole or part of the cableway business, he/she shall notify the Minister of Land, Infrastructure, Transport and Tourism to that effect without delay.

(2) When the Cableway Business Operator is to resume the whole or part of the cableway business that has been suspended for six (6) months or more, he/she shall confirm that the said cableway facilities conform to the technical standards prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 35 and notify the Minister of Land, Infrastructure, Transport and Tourism to that effect.

(Application Mutatis Mutandis)

Article 38 The provisions of Article 6, Article 9, Article 12, from Article 18 to Article 19-4, Article 23 (except the parts pertaining to the provisions of item 2 and item 4 of paragraph 1), Article 24, Article 25, from paragraph 1 to paragraph 4 of Article 26, from paragraph 1 to paragraph 4 of Article 27 and Article 30 (except the parts pertaining to the provisions from item 5 to item 7) shall apply mutatis mutandis to the cableway business. In this case, the words "the Basic Business Plan and the regulation prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1 of the Railway Operation Act (Act No. 65 of 1900)" in paragraph 2 of Article 8 that is applied mutatis mutandis in paragraph 2 of Article 9 (including the cases where it is applied in paragraph 4 of Article 12) and paragraph 4 of Article 12 and the words "the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 1" in paragraph 2 of Article 10 that is applied mutatis mutandis shall be deemed to be replaced with "the technical standards prescribed by the ordinance of the Ministry of Land, Infrastructure, Transport and Tourism pursuant to Article 35", and the words "paragraph 1 of Article 10 or paragraph 1 of the preceding Article" in paragraph 12 to be replaced with "paragraph 1 of Article 34-2", the words "When... completed...without delay" in paragraph 3 of Article 12 to be replaced with "When...completed" (the words "without delay" were removed), the words "Operation Manager" in item 5 of paragraph 2, paragraph 4, paragraph 5 and paragraph 7 of Article 18-3 to be replaced with "cableway engineering manager", the words "the upper limits of Fares, etc. for Passengers or the charges for passengers (except those prescribed in paragraph 1 and paragraph 4 of Article 16, or change of the fares or the charges of freight" to be replaced with the fares of passengers (except those pertaining to the cableways of the types prescribed by the ordinance of the Ministry

of Land, Infrastructure, Transport and Tourism pursuant to Article 36)" and the words "paragraph 1 of Article 5" to be replaced with "Article 34" respectively.

Chapter IV Private Sidings

(Technical Standards, etc. concerning Private Siding)

Article 39 (1) The person who installs a private siding (hereafter referred to as "Private Siding Installer") shall maintain and manage the private siding facilities (including vehicles) pursuant to the technical standards prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) The provision of paragraph 1 of Article 23 (limited to the parts pertaining to item 3) shall apply mutatis mutandis to the Private Siding Installer.

Article 40 Deleted

Chapter V (Deleted)

Article 41 Deleted

Article 42 Deleted

Article 43 Deleted

Article 44 Deleted

Article 45 Deleted

Article 46 Deleted

Article 47 Deleted

Article 48 Deleted

Article 49 Deleted

Article 50 Deleted

Article 51 Deleted

Article 52 Deleted

Article 53 Deleted

Chapter VI Miscellaneous Provisions

(Conditions for License, etc.)

Article 54 (1) The licenses or approvals may be given with conditions that may be changed.

(2) The conditions of the preceding paragraph shall be as small as possible necessary to secure the public interest, and shall not impose undue obligations on the persons who obtain the said license or approval.

(Obtaining Report)

Article 55 (1) The Minister of Land, Infrastructure, Transport and Tourism may have the Railway Business Operator or Cableway Business Operator (including the trustee who obtained license pursuant to the provisions of paragraph 1 of Article 25 (including the cases where they are applied mutatis mutandis in Article 38) (referred to as "Permitted Trustee" in the next paragraph and the next Article)) report the status of the business activities or financial condition to the extent that is required for the enforcement of this Act as prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(2) The Minister of Land, Infrastructure, Transport and Tourism may have the persons who are entrusted with the business activities by Railway Business Operators or Cableway Business Operators (except the Permitted Trustees) report the status of the entrusted business activities if and to the extent that it is especially necessary for the enforcement of this Act.

(3) The Minister of Land, Infrastructure, Transport and Tourism may have the Private Siding Installers report the status of the business activities to the extent necessary for the enforcement of this Act, as prescribed in an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(On-Site Inspection)

Article 56 (1) The Minister of Land, Infrastructure, Transport and Tourism may have his/her officials enter into the offices or other workplaces of the Railway Business

Operators or the Cableway Business Operators (including the Permitted Trustees) to inspect the status of business activities or financial conditions, or the facilities, books, documents and other items, or ask questions to the persons concerned to the extent that is necessary for the enforcement of this Act.

- (2) In the case of making entry, inspection or asking questions of the preceding paragraph, when the Minister of Land, Infrastructure, Transport and Tourism finds it is especially necessary, he/she may have his/her officials enter into the offices and other workplaces of the person who is entrusted with the business activities by the Railway Business Operator or the Cableway Business Operator to inspect the status of entrusted business activities or the facilities used for the business pertaining to the said business activities, books, documents and other items, or ask questions to the persons concerned to the extent that it is necessary.
- (3) The Minister of Land, Infrastructure, Transport and Tourism may have his/her officials enter into the offices and other workplaces of the Private Siding Installers to inspect the Private Siding Facilities, books, documents and other items, or ask questions to the persons concerned to the extent that it is necessary for the enforcement of this Act.
- (4) The officials who conduct on-site inspection pursuant to the provision of the preceding three paragraphs shall carry a personal status identification and present it when requested by any person concerned.
- (5) The authority pursuant to the provisions from paragraph 1 to paragraph 3 shall not be construed as being granted for criminal investigation.

(Basic Policy Pertaining to Obtaining Report on Safety Management Regulation or Conducting On-Site Inspection)

Article 56-2 The Minister of Land, Infrastructure, Transport and Tourism shall set forth the basic policy to appropriately carry out the matters pertaining to the Safety Management Regulation (limited to the parts pertaining to item 1 (including the cases where it is applied *mutatis mutandis* in Article 38), paragraph 2 of Article 18) out of the matters pertaining to obtaining report pursuant to the provision of paragraph 1 of Article 55 or the on-site inspection pursuant to the provision of paragraph 1 of the preceding Article.

(Fees)

Article 57 The person who intends to receive any of the inspections provided in paragraph 1 of Article 10, paragraph 1 of Article 11, paragraph 3 of Article 12 (including the cases where it is applied *mutatis mutandis* in Article 38) or

paragraph 1 of Article 34-2, shall pay the fee prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism which is determined by taking into consideration of the actual cost.

Article 58 Deleted

(Exclusion from Application)

Article 59 (1) The provisions of this Act shall not apply to the business activities that fall under the Type III Railway Business conducted by Japan Railway Construction, Transport and Technology Agency or Japan Expressway Holding and Debt Repayment Agency.

(2) In the case of the preceding paragraph, as for the business that conducts transportation of passengers or freight by railway to meet the needs of others by directly borrowing railway tracks from Japan Railway Construction, Transport and Technology Agency or directly using the railway tracks that is owned by Japan Railway Construction, Transport and Technology Agency or Japan Expressway Holding and Debt Repayment Agency, the provisions of this Act shall apply to the said business by regarding the business as Type I Railway Business.

Article 60 The provisions of paragraph 2 of Article 26 and paragraph 1 of Article 29 shall not apply to the Passenger Railway Companies and Japan Freight Railway Company prescribed by paragraph 1 of Article 1 of the Act on Passenger Railway Companies and Japan Freight Railway Company (Act No. 88 of 1986).

(Prohibition of Laying Railway Tracks on Roads)

Article 61 (1) Railway tracks shall not be laid on roads prescribed by the Road Act (Act No. 180 of 1952), provided, however, that this shall not apply if the permission of the Minister of Land, Infrastructure, Transport and Tourism is obtained in the cases there is a compelling reason.

(2) The necessary matters concerning the procedure of the preceding paragraph shall be prescribed by a Cabinet Order.

(Change from Tram Way)

Article 62 (1) The person managing tram way business pursuant to the Tram Way Act may alter the said tram way business to Railway Business by obtaining license of the Minister of Land, Infrastructure, Transport and Tourism.

(2) The person who obtained the license of the preceding paragraph shall be considered

to have obtained the license of Type I Railway Business.

(3) In addition to what is provided in the preceding paragraph, the necessary matters concerning application of this Act to those who obtained the license of paragraph 1 shall be prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Transitional Measures)

Article 63 When an order is established, revised or abrogated pursuant to this Act, the order may set forth the transitional measures required (including the transitional measures on penal provisions) to the extent that is determined to be reasonably deemed to be necessary in connection with such establish, revision or abrogation.

(Delegation of Authority)

Article 64 The authority of the Minister of Land, Infrastructure, Transport and Tourism prescribed in this Act may be delegated to the Director of the District Transport Bureau pursuant to the provision of an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

(Consultation with Council for Transportation)

Article 64-2 The Minister of Land, Infrastructure, Transport and Tourism shall consult with the Council for Transportation when he/she intends to make the following dispositions.

- (i) Approval of the upper limits of Fares, etc. for Passengers pursuant to the provision of paragraph 1 of Article 16.
- (ii) An order to change the Fares, etc. for Passengers and the charges for passengers pursuant to the provision of paragraph 5 of Article 16.
- (iii) An order to change the upper limits of the Fares, etc. for Passengers or the charges for passengers, or the fares or charges for freight pursuant to the provision of paragraph 1 of Article 23.
- (iv) An order to suspend business or rescission of license pursuant to the provision of Article 30.
- (v) Formulation of basic policy pursuant to the provision of Article 56-2.

(Hearing of Opinions)

Article 65 (1) The Director of the District Transport Bureau may, in the case the matters pertaining to the approval concerning the upper limits of Fares, etc. for Passengers belongs to his/her authority pursuant to the provision of Article 64,

request appearance of the interested persons and witnesses to hear their opinions if he/she finds it is necessary to do so on the said matters.

- (2) The Director of the District Transport Bureau shall, if there is an application by an interested person concerning the matters prescribed in the preceding paragraph that belong to his/her authority, request appearance of the interested persons and witnesses to hear their opinions.
- (3) For the hearing of opinions of the preceding two paragraphs, the interested persons shall be given an opportunity to present proofs.

(Special Measures on Hearing)

Article 65-2 (1) When the Director of the District Transport Bureau intends to give an order to suspend Railway Business in the case where the said order belongs to his/her authority pursuant to the provision of Article 64, he/she shall hold hearing irrespective of the classification of the procedures for statement of opinion pursuant to the provision of paragraph 1 of Article 13 of the Administrative Procedure Act (Act No. 88 of 1993).

- (2) In the case where the order to suspend Railway Business or the rescission of license falls within the authority of the Director of the District Transport Bureau pursuant to the provision of Article 64, if an interested person pertaining to the said disposition requested permission to participate in the procedure of the said hearing pursuant to the provision of paragraph 1 of Article 17 of the Administrative Procedure Act, the person who presides the said hearing shall permit it.
- (3) The person who presides the hearing of the preceding paragraph may, when he/she finds it is necessary on the date of hearing, request appearance of witnesses to hear their opinions.

(Delegation to Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism)

Article 66 In addition to what is provided in this Act, the procedure and other matters that are necessary for enforcement of this Act shall be prescribed by an ordinance of the Ministry of Land, Infrastructure, Transport and Tourism.

Chapter VII Penal Provisions

Article 67 Any person who falls under any of the following items shall be punished by imprisonment with work for not more than three (3) years or a fine of not more than three million (3,000,000) yen, or both.

- (i) The person who operates Railway Business in violation of the provision of paragraph 1 of Article 3.
- (ii) The person who allows other person to use his/her name for Railway Business in violation of the provision of paragraph 1 of Article 24.
- (iii) The person who has other person operate the business in his/her own name in violation of the provision of paragraph 2 of Article 24.

Article 68 Any person who falls under any of the following items shall be punished by imprisonment with work for not more than two (2) years or a fine of not more than two million (2,000,000) yen, or both.

- (i) The person who managed Cableway Business in violation of the provision of Article 32.
- (ii) The person who allows other person to use his/her name for Cableway Business in violation of the provision of paragraph 1 of Article 24 that is applied mutatis mutandis in Article 38.
- (iii) The person who has other person operate the business in his/her own name in violation of the provision of paragraph 2 of Article 24 that is applied mutatis mutandis in Article 38.

Article 69 Any person who falls under any of the following items shall be punished by imprisonment with work for not more than one (1) year or a fine of not more than one million five hundred thousand (1,500,000) yen, or both.

- (i) The person who have other person use, or assigned or used for the business of transportation of passengers or freight the Railway Facilities that have not passed the inspection pursuant to the provision of paragraph 1 of Article 10, paragraph 1 of Article 11 or paragraph 3 of Article 13.
- (ii) The person who violated the order (limited to those issued concerning the safety of transportation) prescribed by paragraph 1 of Article 23.
- (iii) The person who entrusted or was entrusted with the management of business activities in violation of the provision of paragraph 1 of Article 25 (including the cases where it is applied mutatis mutandis in Article 38).
- (iv) The person who violated the order to suspend business by the provision of Article 30 (including the cases where it is applied mutatis mutandis in Article 38).
- (v) The person who used the Cableway Facilities for Cableway Business that have not passed the inspection pursuant to the provision of paragraph 1 of Article 34-2 or paragraph 3 of Article 12 that is applied mutatis mutandis in Article 38.

Article 70 Any person who falls under any of the following items shall be punished by

a fine of not more than one million (1,000,000) yen.

- (i) The person who performed, without approval, the matters that shall be done with approval pursuant to the provision of paragraph 1 of Article 7, paragraph 1 of Article 9 (including the cases where it is applied mutatis mutandis in paragraph 4 of Article 12 (including the cases where it is applied mutatis mutandis in Article 38) and in Article 38) or the provision of paragraph 1 or paragraph 2 of Article 15.
- (ii) The person who used any vehicle for business of transportation of passengers or freight without receiving the validation pursuant to the provision of paragraph 1 or paragraph 2 of Article 13.
- (iii) The person who received fares or charges without the notification pursuant to the provision of paragraph 3 or paragraph 4 of Article 16, or Article 36, or not based on the fares or charges for which notification was made.
- (iv) The person who received fares or charges in violation of the order pursuant to the provision of paragraph 5 of Article 16.
- (v) The person who made operation of trains without making notification pursuant to the provision of Article 17.
- (vi) The person who concluded an accord or change the substance of the accord without making notification pursuant to the provision of Article 18 (including the cases where it is applied mutatis mutandis in making a false notification.
- (vii) The person who conducted business without making notification pursuant to the provision of paragraph 1 of Article 18-3 (including the case applied mutatis mutandis in Article 38) or not pursuant to the Safety Management Regulation of which he/she notified (limited to the parts pertaining to item 2 and item 3 of paragraph 2 of Article 18-3 (including the cases where these provisions are applied mutatis mutandis in Article 38)).
- (viii) The person who violated the order pursuant to the provisions of paragraph 3 or paragraph 7 of Article 18-3 (including the cases where it is applied mutatis mutandis in Article 38), paragraph 3 of Article 22-2, paragraph 3 of Article 25 (including the cases where it is applied mutatis mutandis in Article 38) or paragraph 1 of Article 23 that is applied mutatis mutandis in Article 38 and in paragraph 2 of Article 39.
- (ix) The person who did not appoint Chief Safety Management Officer, Operation Manager or Cableway Engineering Manager in violation of the provision of paragraph 4 of Article 18-3 (including the cases where it is applied mutatis mutandis in Article 38).
- (x) The person who did not make a notification pursuant to the provision of paragraph 5 of Article 18-3 (including the cases where it is applied mutatis

- mutandis in Article 38) or made a false notification.
- (xi) The person who violated the order pursuant to the provision of paragraph 1 of Article 23 (except the persons who fall under the provision of item 2 of the preceding Article).
 - (xii) The person who suspended the whole or part of the Railway Business without making a notification pursuant to the provision of paragraph 1 of Article 28 or by making a false notification.
 - (xiii) The person who terminated the whole or part of the Railway Business without making a notification pursuant to the provision of paragraph 1 or paragraph 6 of Article 28-2 or by making a false notification.
 - (xiv) The person who resumed the whole or part of the Cableway Business Without making a notification pursuant to the provision of paragraph 2, Article 37 or by making a false notification.
 - (xv) The person who failed to make a report pursuant to the provision of Article 55 or made a false notification.
 - (xvi) The person who refused, interfered with or evaded the inspection pursuant to the provisions from paragraph 1 to paragraph 3 inclusive of Article 56, or did not make a statement or made a false statement.
 - (xvii) The person who laid a railway track in violation of the provision of paragraph 1 of Article 61.

Article 71 Any person who falls under any of the following items shall be punished by a fine of not more than five hundred thousand (500,000) yen.

- (i) The person who changed the construction plan without making a notification pursuant to the provision of paragraph 3 of Article 9 (including the cases where it is applied mutatis mutandis in paragraph 4 of Article 12 (including the cases where it is applied mutatis mutandis in Article 38) and in Article 38).
- (ii) The person who changed the Railway Facilities without making a notification pursuant to the provision of paragraph 2 of Article 12 (including the cases where it is applied mutatis mutandis in Article 38) or by making a false notification.
- (iii) The person who used any vehicle for the business of transportation of passengers or freight without making a notification pursuant to the provision of paragraph 3 of Article 13 or by making a false notification.

Article 72 When a representative of a juridical person, or an agent, a employee or any other worker of a juridical person or an individual conducted a violation of any of the provisions of the following items, not only the offender shall be punished but also

the said juridical person shall be punished by the fine prescribed in the respective items, and the individual shall also be punished by the fine prescribed in the respective Articles.

- (i) Article 69 (limited to the part pertaining to item 2): The fine of not more than one hundred thousand million (100,000,000) yen
- (ii) Article 67, Article 68, Article 69 (except the part pertaining to item 2) and the preceding two Articles: Fines of respective Articles

Article 73 The person who falls under any of the following items shall be punished by a non-penal fine of not more than one million (1,000,000) yen.

- (i) The person who did not make a report pursuant to the provision of Article 19 (including the cases where it is applied in Article 38) or made a false notification.
- (ii) The person who did not make a public announcement pursuant to the provision of Article 19-4 (including the cases where it is applied in Article 38) or made a false public announcement.

Article 74 Any person who falls under any of the following items shall be punished by a non-penal fine of not more than five hundred thousand (500,000) yen.

- (i) The person who did not make a notification pursuant to the provision of paragraph 3 of Article 7 or paragraph 1 of Article 37 or made a false notification.
- (ii) The person who terminated the whole or part of the Railway Business without making a notification by the provision of paragraph 5 of Article 28-2, or by making a false notification.