

**ORDER FOR ENFORCEMENT OF THE NATIONWIDE
SHINKANSEN RAILWAY DEVELOPMENT ACT**

(Cabinet Order No. 272 of September 25, 1970)

As last amended by the Cabinet Order No. 197 of May 17, 2006

This English translation of the Order for Enforcement of the National Shinkansen Railway Development Act (Entered into force on September 25, 1970) has been prepared (up to the revisions by the Cabinet Order No. 197 of 2006 (Entered into force on May 17, 2006)) in compliance with the Standard Bilingual Dictionary March 2008 edition.

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RAILWAY DEVELOPMENT ACT

(Cabinet Order No. 272 of September 25, 1970)

As last amended by the Cabinet Order No. 197 of May 17, 2006

Article 1 (Basic Plan)

The Basic Plan under Article 4, Paragraph 1 of the Nationwide Shinkansen Railway Development Act (hereinafter referred to as the “Act”) shall stipulate the name of the railway, origin, terminus, and major way points of the Construction Line under the said paragraph.

Article 2 (Research for Decision on Basic Plan)

In the case where the Minister of Land, Infrastructure, Transport and Tourism intends to make decision on the Basic Plan pursuant to the provisions of Article 4, Paragraph 1 of the Act, the Minister of Land, Infrastructure, Transport and Tourism shall do so based on the results of the research on the matters set forth hereunder.

(i) Prospect for the volume of the transportation demand for the Shinkansen Railway

(ii) Economic effect to be brought about by the reduced transportation time required and increased transportation capability by the development of the Shinkansen Railway

(iii) Prospect for revenue and expenditure and the impacts imposed by the development of the Shinkansen Railway on the revenue and expenditure of the other railways

Article 3 (Development Plan)

(1) The Development Plan under Article 7, Paragraph 1 of the Act shall stipulate the matters set forth hereunder for each Construction Line under Article 4, Paragraph 1.

(i) Propulsion method

(ii) Maximum design speed

(iii) Estimated total costs required for the construction

(iv) any other matters required

- (2) The Development Plan in the preceding paragraph may be determined for each section of the Construction Line in accordance with the time to implement the construction thereof.

Article 4 (Land available for Designation as a Conduct Restriction Area)

The land designated by a Cabinet Order set forth under Article 10, Paragraph 1 of the Act shall be the land provided for the use as the facilities of the Shinkansen Railways listed in the following.

- (i) Railroad track facilities (including bridges, tunnels, drainage system, and railway forests for railroad track protection.)
- (ii) Station facilities
- (iii) Carriage shed facilities
- (iv) Inspection and repair facilities
- (v) Operational safety facilities
- (vi) Electricity facilities
- (vii) Telecommunication facilities

Article 5 (Excepted Conducts within Conduct Restriction Area)

The conducts stipulated under the proviso of Article 11, Paragraph 1 shall be the conducts listed in the following.

- (i) Conducts that are executed as the performance of duty under acts and regulations and the dispositions based on the acts and regulations.
- (ii) Development of a garden in a building site or other minor changes of the land characteristic that is stipulated under the Ordinance of the Ministry of Land, Infrastructure, Transportation and Tourism.
- (iii) New construction, reconstruction or expansion of a provisional structure (other than those offered for dwelling or lodging use)
- (iv) New construction, reconstruction or expansion of storage, sign, fence or any other simple structure set forth in the Ordinance of the Ministry of Land, Infrastructure, Transportation and Tourism.
- (v) Any such conduct other than what is listed in the preceding items that is deemed to have no risk to impose any extreme hindrance on the efficient implementation of the Shinkansen Railway construction and that is implemented after obtaining the Constructor's consent

Article 6 (Application to Compulsory Purchase Committee for Determination)

A person who intends to apply for the determination under the provisions of Article 94 under the Eminent Domain Act (Act No. 249 of 1951) pursuant to the provision of Article 11, Paragraph 4 of the Act (including the cases where the provision is applied mutatis mutandis pursuant to the provision of Article 12, Paragraph 8 (including the cases where the provision is applied mutatis mutandis pursuant to the provision of Article 20 of the Act) of the Act) shall submit to the Compulsory Purchase Committee an Application for Determination completed by entering the matters listed under the items (except for Item iii) of the Paragraph 3 under the same article pursuant to the provisions of the Ordinance of the Ministry of Land, Infrastructure, Transportation and Tourism.

Article 7 (Amounts to be Calculated as the Amount to be Allocated for the Costs Required for the Works Related to Shinkansen Railway Construction)

- (1) The Minister of Land, Infrastructure, Transport and Tourism shall calculate the amounts listed hereafter for each section of works related to Shinkansen Railway construction for the purpose of the calculation of the amount under Article 13, Paragraph 1 of the Act.
 - (i) Prospective amount of costs required for the construction works related to the railroad facilities pertaining to the section concerned.
 - (ii) Prospected rental revenue that Japan Railway Construction, Transport and Technology Agency (hereinafter referred to as "JRJT") is going to obtain from the Operator after the transfer to the Operator of the leasehold of the railroad facilities pertaining to the section concerned (less the portion to be allocated for tax and administration costs (including those allocated by JRJT as pertaining to the railway facilities))
- (2) The amount calculated pursuant to the provisions of Cabinet Order under Article 13 Paragraph 1 of the Act for respective business years shall be the amount determined by the Minister of Land, Infrastructure, Transport and Tourism by means of prorating the amount derived by subtracting the amount set forth under Item ii from the amount set forth under Item i for the business year concerned to the amount derived by

multiplying the amount required for the works related to the construction of the railroad facilities pertaining to the section concerned by the ratio of the amount set forth under Item ii of the preceding paragraph to the amount set forth under Item i of the same for the respective sections of the works related to the Shinkansen Railway construction, and considering the amount pro-rata as the standard.

- (i) The amount of income from the rent of the railway facilities related to the Shinkansen Railway and other incomes pertaining to the operation related to the Shinkansen Railway (less the income that is pertaining to the loan to be allocated for the costs required for the reimbursement of the debt and payment for its interest by means of the transfer to the construction account through the period from April 1, 2013 to September 20, 2017 pursuant to the provision of Article 17, Paragraph 3 of the Japan Railway Construction, Transport and Technology Agency Independent Administrative Institution Act (Act No. 180 of 2002) and that is allocated for the portion of the costs required for the businesses listed under Item i of the same paragraph (hereinafter referred to as “Income to be Allocated for the Transfer in the Future Fiscal Years.”))
 - (ii) The amount of taxes and costs pertaining to the railway facilities related to Shinkansen Railways leased to the Operator by JRJT (including taxes and costs allocated by JRJT as pertaining to the railway facilities) and the costs required by JRJT for the reimbursement of the debt and payment for its interest pertaining to the loan related to the projects concerning the construction of the railway facilities pertaining to Shinkansen Railway (less the costs pertaining to the Income to be Allocated for the Transfer in the Future Fiscal Years of the previous business years of the business year concerned.)
- (3) In the case where the Minister of Land, Infrastructure, Transport and Tourism intends to determine the amount stipulated in the preceding paragraph, the Minister of Land, Infrastructure, Transport and Tourism shall consult with the Public Management, Home Affairs, Posts and Telecommunications Minister and the Finance Minister.

Article 8 (Contribution of National Government and Prefectural Government)

- (1) The amount of costs to be incurred by National Government and the amount of costs to be incurred by prefectural governments pursuant to the provision of Article 13, Paragraph 1 of the Act shall be the amount derived by multiplying the amount of costs required for the works related to Shinkansen Railway construction subtracted by the amount determined by the Minister of Land, Infrastructure, Transport and Tourism under Paragraph 2 of the preceding article by two thirds in case of National Government, or by one third in case of prefectural governments.
- (2) The amount transferred to the portion of the costs required for the businesses listed under Item i of Article 17, Paragraph 3 of the Japan Railway Construction, Transport and Technology Agency Independent Administrative Institution Act pursuant to the provision of the same paragraph (including the Income to be Allocated for the Transfer in the Future Fiscal Years, and less the amount to be allocated for the costs required for the reimbursement of the debt and payment for its interest pertaining to the Income to be Allocated for the Transfer in the Future Fiscal Years) shall be deemed to be incurred by the National Government to be allocated for the portion of the said costs with respect to the calculation of the amount of the costs to be incurred by the National Government pursuant to the provision of the preceding paragraph.