

[UNOFFICIAL PROVISIONAL TRANSLATION]

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**LAW CONCERNING
JAPAN AEROSPACE EXPLORATION AGENCY**

(Law Number 161 of 13th December 2002)

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CHAPTER 1. GENERAL PROVISIONS

Article 1. (Purpose)

The purpose of this Law is to establish the name, purpose and scope of activities and others of Japan Aerospace Exploration Agency.

Article 2. (Definitions)

1. The term “Space Science”, used in this Law, means scientific principles and their applications of space science and engineering.

2. The term “Fundamental Research & Development”, used in this Law, means research and development that fall within any of the following items:

- (1) Common research and development concerning science and technology;
- (2) Research and development concerning science and technology requiring facilities and equipment that are deemed, due to excessive cost, not appropriate to be installed redundantly at national experimental research institutes or incorporated administrative agencies (which means the incorporated administrative agencies as stipulated in Article 2, Paragraph 1 of the Incorporated Administrative Agency General Provisions Law (Law No. 103 of 1999, as amended; hereinafter referred to as the “General Provisions Law”); hereinafter the same) conducting research and development;
- (3) Integrated research and development concerning science and technology requiring the collaboration of multiple areas.

3. The term “Satellites”, used in this Law, means satellites (including flying

objects to be launched beyond Earth orbit and artificial objects to be placed on celestial bodies) and rockets for their launch

Article 3. (Name)

The incorporated administrative agency to be established pursuant to this Law and the General Provisions Law shall be called *Japan Aerospace Exploration Agency*.

Article 4. (Objectives of the Agency)

The objectives of Japan Aerospace Exploration Agency (hereinafter referred to as the “Agency”) are to facilitate;

- the development of academic research at universities or other institutes,
- the enhancement of the level of space science and technology (which means space-related science and technology; hereinafter the same) and aeronautics science and technology, and
- the promotion of space development and utilization,

by conducting;

- academic research concerning Space Science in collaboration with universities or otherwise,
- basic research on space science and technology and Fundamental Research and Development concerning space, and
- the development, launch, tracking and operation of Satellites and activities relating thereto,

only for peaceful purposes, in an integrated and programmatic manner; and

by conducting;

- basic research on aeronautical science and technology, Fundamental Research and Development on aeronautics, and activities relating thereto, in an integrated manner.

Article 5. (Offices)

The Agency shall have its main office in Tokyo.

Article 6. (Capital)

1. The capital of the Agency shall consist of the total sum of the amounts that is deemed to have been contributed by the Government and other non-governmental entities pursuant to the provisions of Paragraph 1, and Paragraphs 3 through 5 of Article 11 of the Supplemental Provisions.

2. The Agency, when necessary, may increase its capital with the authorization of the competent Ministers.

3. When the Agency is to increase its capital pursuant to the provisions of the immediately preceding Paragraph, the Government may, within the scope of the amount to be determined under the budget, make capital contributions to the Agency.

4. The Government, when making capital contributions to the Agency, may use

land, buildings and other fixtures on land (hereinafter referred to as "Land" in the next Paragraph) for the purpose of making its contribution.

5. The value of the Land which are to be contributed pursuant to the provisions of the immediately preceding Paragraph shall be the value that is appraised by the Appraisal Committee on the basis of the market value prevailing as of the date of the capital contribution.

6. Members of the Appraisal Committee and other necessary matters concerning the appraisal referred to in the immediately preceding Paragraph shall be stipulated by a Cabinet Order.

Article 7. (Investment Bonds)

1. The Agency shall issue investment bonds for capital contributions.
2. The investment bonds shall be issued in non-bearer form.
3. The necessary matters concerning the investment bonds other than those which are prescribed in the preceding Paragraphs shall be stipulated by a Cabinet Order.

Article 8. (Prohibition of Refundment of Holdings)

1. The Agency shall not be able to refund to the contributors their holdings.
2. The Agency shall be able neither to acquire holdings of the contributors nor receive the same for the purposes of establishing the right of pledge.

CHAPTER 2. EXECUTIVES AND EMPLOYEES

Article 9. (Executives)

1. The Agency shall have, as its executives, one President as its head, and two General Auditors.
2. The Agency may have, as its executives, one Vice President and not more than seven Executive Directors.

Article 10. (Duties and Functional Powers of the Vice President and Executive Directors)

1. The Vice President shall, as defined by the President, represent the Agency, assist the President and manage the activities of the Agency.
2. The Executive Directors shall, as defined by the President, assist the President (or in the event that the Vice President is appointed, the President and the Vice President) and manage the activities of the Agency.
3. "The executive set forth in the Respective Law", as set forth in Article 19, Paragraph 2 of the General Provisions Law, shall be the Vice President. However, in the event that no Vice President has been appointed while Executive Director(s) has been appointed,

then an Executive Director shall act as the corresponding executive and in the event that neither the Vice President nor Executive Directors have been appointed, then a General Auditor shall act as the corresponding executive.

4. In the case of the proviso of the immediately preceding Paragraph, a General Auditor, who acts on behalf of the President or carries out the duties of the President pursuant to Article 19, Paragraph 2 of the General Provisions Law, shall not perform his/her duties as the General Auditor for such period.

Article 11. (Consent of the Space Activities Commission to the Appointment of Executives)

1. The Minister of Education, Culture, Sports, Science and Technology shall obtain the consent of the Space Activities Commission in advance, when appointing a President of the Agency pursuant to the provision of Article 20, Paragraph 1 of the General Provisions Law.

2. The Minister of Education, Culture, Sports, Science and Technology shall obtain the opinion of the Space Activities Commission in advance, when appointing a General Auditor of the Agency pursuant to the provision of Article 20, Paragraph 2 of the General Provisions Law.

Article 12. (Term of Office of Executives)

1. The term of office of the President shall commence on the date of his/her appointment and expire on the final day of the Agency's medium-term goal period which is set forth in Article 29, Paragraph 2, Item (1) of the General Provisions Law (hereinafter referred to as the "Medium-Term Goal Period"), which includes the date of his/her appointment.

2. In the event that the Medium-Term Goal Period is changed when the Medium-Term Goal, as set forth in Article 29, Paragraph 1 of the General Provisions Law (hereinafter referred to as the "Medium-Term Goal"), is changed in accordance with the latter part of that Paragraph, the term of office of the President shall expire on the final day of the Medium-Term Goal Period so changed.

3. The terms of office of the Vice President and the Executive Directors shall be defined by the President, provided that the terms of those appointments shall expire on the day no later than the day on which the term of office of the President expires.

4. In the event the term of office of the President is changed pursuant to Paragraph 2, and the original terms of office of the Vice President or the Executive Directors are to expire after the day on which the term of office of the President expires, the term of office of the Vice President or the Executive Directors shall expire on the day on which the term of office of the President so changed expires.

5. The term of office of the General Auditors shall be two (2) years.

Article 13. (Special Exceptions to the Provision Regarding the Disqualification of Executives)

Notwithstanding the provision of Article 22 of the General Provisions Law, public education officials who are specified by a Cabinet Order (excluding any person falling under either of the paragraphs of the immediately following Article) may serve as part-time Executive Directors or General Auditors.

Article 14.

Other than those specified in Article 22 of the General Provisions Law, any person falling under either of the following Items shall not become an executive of the Agency:

- (1) Any person engaged in the business of manufacturing or selling goods or contracting construction, and have close interests with the Agency in business deals or, if such persons are juridical persons, their executives (including those who have authority or controlling power which is equivalent to or higher than that of such executives, regardless of their title); or
- (2) Any executives of a business organization referred to in the preceding Item (including those who have authority or controlling power which is equivalent to or higher than that of such executives, regardless of their title).

Article 15.

1. With regard to the application of the provision of Article 23, Paragraph 1 of the General Provisions Law relating to the dismissal of the President and the Vice President of the Agency, the reference to "the "immediately preceding Article" in that Paragraph shall be read as "the immediately preceding Article and Article 14 of the Law concerning Japan Aerospace Exploration Agency."

2. With regard to the application of the provision of Article 23, Paragraph 1 of the General Provisions Law relating to the dismissal of the Executive Directors and General Auditors of the Agency, the reference to "the immediately preceding Article" in that Paragraph shall be read as "the immediately preceding Article and Articles 13 and 14 of the Law concerning Japan Aerospace Exploration Agency."

Article 16. (Confidentiality Preservation Duty of Executives and Employees)

The executives and employees of the Agency shall not divulge any confidential information obtained in the course of the performance of their duties. The same confidentiality preservation duty shall apply after their retirement from the Agency.

Article 17. (Status of Executives and Employees)

The executives and employees of the Agency shall be regarded as officials engaged in public services by law with regard to the application of the Criminal Code (Law No. 45 of 1907, as amended) and other penal regulations.

CHAPTER 3. OPERATIONS

Article 18. (Scope of Activities)

1. In order to achieve the objectives referred to in Article 4, the Agency shall conduct the following activities:

- (1) Academic research relating to Space Science in collaboration with universities or otherwise;
- (2) Basic research relating to space science and technology, as well as aeronautical science and technology, and Fundamental Research and Development relating to space and aeronautics;
- (3) Development of Satellites and development of facilities and equipment necessary therefor;
- (4) Launch, tracking and operation of Satellites and development of methods, facilities and equipment necessary therefor;
- (5) Dissemination of results of the activities referred to in each of the preceding Items, and promotion of utilization thereof;
- (6) Provision of its facilities and equipment for the use by entities conducting academic research, research and development relating to science and technology, and space development and utilization;
- (7) Training of researchers and engineers in Space Science, space science and technology, and aeronautical science and technology, and to enhance their capabilities;
- (8) Cooperation, upon request by individual universities, in education programs for graduate school and other education at the corresponding university; and
- (9) Activities incidental to those stipulated in each of the foregoing.

2. The Agency, in carrying out the launch of Satellites referred to in Item (4) of the preceding Paragraph, shall comply with the guidelines which it establishes with authorization from the competent Ministers.

Article 19. (Japanese Long-Term Program of Space Activities)

The competent Ministers shall set or change the Medium-Term Goal (excluding the portions that relate to the basic research relating to the aeronautical science and technology and Fundamental Research and Development relating to aeronautics, and activities relating thereto) in accordance with the Japanese Long-Term Program of Space Activities which is to be stipulated by the competent Ministers after resolution by the Space Activities Commission.

Article 20. (Respect for the Characteristics of Academic Research)

The Minister of Education, Culture, Sports, Science and Technology shall set or change the Medium-Term Goal (limited to the portions that relate to academic research on Space Science and related activities), with consideration for characteristics of academic research including respect for the autonomy of researchers.

Article 21. (Conclusion of Insurance Contracts relating to the Launch of Satellites)

1. The Agency shall not launch any Satellites without entering into an insurance contract by which it can secure the amounts necessary to compensate for damage incurred by others as a result of the launch of the Satellites.

2. The amounts to be secured by the insurance contracts set forth in the

preceding Paragraph shall be defined by the competent Ministers, taking into account the amount that the insurers are able to underwrite and other relevant matters, so that those amount may be appropriate from the viewpoint of protection of the victims.

3. In the event that the launch of Satellites is to be performed by the Agency as a result of the consignment (hereinafter in the immediately following Article referred to as the “Consigned Launch”), the insurance contract set forth in Paragraph 1 hereof may, notwithstanding the provision of said Paragraph, be entered into by a person or entity which has consigned the launch of such Satellites (hereinafter in the immediately following Article referred to as the “Consignor”) for and on behalf of the Agency.

Article 22. (Special Arrangements Relating to Consigned Launch)

1. In the event that the Agency enters into an agreement with a Consignor with respect to a Consigned Launch, the Agency may, upon obtaining authorizations of the competent Ministers, enter into the following special arrangements with respect to its liability for compensation for damage caused by the Consigned Launch to any persons or entities other than those related to the Consigned Launch:

- (1) If the Agency is held liable for compensation for damage caused by the Consigned Launch to any persons or entities other than those related to the Consigned Launch, and the parties related to the Consigned Launch are also liable for compensation for such damage, the Agency shall assume the entire liabilities of those parties related to the Consigned Launch for compensation for the damage; and
- (2) In the case of the preceding Item, if such damage is caused by a willful misconduct of any of the parties related to the Consigned Launch, the Agency shall have the right of claiming compensation from such parties for the expense already paid by the Agency for such damage.

2. For the purpose of the preceding Paragraph, the “parties related to the Consigned Launch” mean the Consignor and any person or entity designated by the Agency and the Consignor in the said special arrangements as the persons or entities which are related to the Consigned Launch.

3. When the Agency enters into the special arrangements set forth in Paragraph 1 hereof, notwithstanding the provisions of Paragraphs 1 and 3 of the immediately preceding Article, the insurance contracts set forth in Paragraph 1 of that Article shall be entered into by the Consignor for and on behalf of the Agency.

Article 23. (Disposition of Reserve Funds)

1. If, after the Agency has made adjustment pursuant to Article 44, Paragraph 1 or 2 of the General Provisions Law for the last fiscal year of the Medium-Term Goal Period, there still remains reserved funds as set forth in Paragraph 1 of that Article, the Agency may allocate an amount equal to those funds that has been approved by the competent Ministers for revenue sources for the activities set forth in Article 18, Paragraph 1, as defined in the Medium-Term Plan in the following Medium Term Goal Period, which is authorized in accordance with Article 30, Paragraph 1 of the General Provisions Law (or, if the authorization for change is obtained pursuant to the latter part of that Paragraph, the Plan so

changed).

2. The competent Ministers shall obtain the opinion of the Evaluation Commission for Incorporated Administrative Agencies of the Ministry of Education, Culture, Sports, Science and Technology (hereinafter in this translation referred to as “MEXT”), and of the Ministry of Public Management, Home Affairs, Posts and Telecommunications (hereinafter in this translation referred to as the “MPHPT”) in advance, when the competent Ministers are to approve pursuant to the preceding Paragraph.

3. If, after the Agency deducts the amount approved, pursuant to in Paragraph 1, from the amount equivalent to the amount of the reserve funds set forth in the same Paragraph, there still remains a surplus, the Agency shall pay it back to the National Treasury.

4. In addition to those set forth in the preceding three Paragraphs, the procedures for payment and other matters necessary for the disposition of the reserve funds shall be stipulated by a Cabinet Order.

CHAPTER 4. MISCELLANEOUS PROVISIONS

Article 24. (Requests by the Competent Ministers)

1. If the competent Ministers deem it necessary for Japan to perform in good faith the treaties or other international instruments regarding space development and utilization, the competent Ministers may request the Agency to take necessary actions.

2. Upon requests of the competent Ministers pursuant to the preceding Paragraph, the Agency shall correspond to such requests.

Article 25. (Distribution of Remaining Assets upon Dissolution of the Agency)

In the event of dissolution of the Agency, if there remain assets after the Agency has paid its obligations, the Agency shall distribute them to each contributor within the limit of the amount of each contribution.

Article 26. (Competent Ministers)

1. The competent Ministers in charge of the Agency under this Law and the General Provisions Law shall be as follows:

- (1) For matters relating to executives and employees, finances and accounting, and other administrative management (excluding those stipulated in the following Items), the Minister of Education, Culture, Sports, Science and Technology;
- (2) For matters relating to the administrative management stipulated in Articles 6 and 23 of this Law, and Articles 38, 44, and 48 (limited to those relating to important properties made available for the activities set forth in Item (4)) of General Provision Law, the Minister of Education, Culture, Sports, Science and Technology and the Minister of Public Management, Home Affairs, Posts and Telecommunications;
- (3) For matters relating to the activities set forth in Article 18, Paragraph 1 (excluding those stipulated in the following Item), the Minister of Education,

Culture, Sports, Science and Technology;

- (4) For matters relating to the activities set forth in Article 18, Paragraph 1 Items (3) and (4) (excluding those activities for academic research on Space Science) and related activities in Items (5) and (6) of the same Paragraph (including activities incidental thereto), the Minister of Education, Culture, Sports, Science and Technology and the Minister of Public Management, Home Affairs, Posts and Telecommunications.

2. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall, solely from the viewpoint of securing appropriate and certain compliance of the activities set forth in Item (4) of the preceding Paragraph, give authorization or approval pursuant to the provision stipulated in Item (2) of that Paragraph.

3. The competent Ministry in charge of the Agency under the General Provisions Law shall be MEXT.

4. The competent Ministerial ordinances for the Agency under the General Provisions Law shall be those issued by the competent Ministers. However, the ordinances of the competent Ministers set forth in Article 50 of the General provisions Law concerning to the activities set forth in Paragraph 1, Item (4) shall be the ordinances of MEXT and MPHPT.

Article 27. (Hearing of Opinions of the Evaluation Commission for Incorporated Administrative Agencies)

1. For the purpose of application of the following provisions, references to the “Evaluation Commission” shall be read as the “Evaluation Commission and the evaluation commission for Incorporated Administrative Agencies of MPHPT”:

- (1) Provisions of Paragraph 3 of Article 38, Paragraph 4 of Article 44 and Paragraph 2 of Article 48 of the General Provisions Law (limited to those portions that relate to important assets made available for the activities set forth in Paragraph 1, Item (4) of the immediately preceding Article); and
- (2) Provisions of Paragraph 3 of Article 28, Paragraph 3 of Article 29, Paragraph 3 of Article 30 and Paragraph 2 of Article 35 of the General Provisions Law relating to the activities stipulated in Paragraph 1, Item (4) of the immediately preceding Article.

2. In the following cases, the evaluation commission for Incorporated Administrative Agencies of MEXT shall obtain the opinions of the evaluation commission for Incorporated Administrative Agencies of MPHPT with respect to the activities stipulated in Paragraph 1, Item (4) of the immediately preceding Article:

- (1) When it is to conduct evaluations pursuant to the provisions of Article 32, Paragraph 1 or Article 34, Paragraph 1 of the General Provisions Law; and
- (2) When it is to make recommendations pursuant to the provisions of the latter part of Article 32, Paragraph 3 of the General Provisions Law (including the cases which are applied *mutatis mutandis* under Article 34, Paragraph 3 of the General Provisions Law).

Article 28. (Consultations with the Minister of Finance)

In the following cases, the competent Ministers shall have prior consultations with the Minister of Finance:

- (1) When he/she is to give authorization pursuant to the provision of Article 6, Paragraph 2 or Article 22, Paragraph 1;
- (2) When he/she is to establish a Long-term Program of Space Activities pursuant to Article 19;
- (3) When he/she is to determine the amount to be secured by the insurance contract pursuant to the provision of Article 21, Paragraph 2; and
- (4) When he/she is to give approvals pursuant to the provision of Article 23, Paragraph 1.

Article 29. (Special Exceptions to the Application of the National Public Service Personnel Mutual Aid Association Law)

For the purpose of application of the provisions of the National Public Service Personnel Mutual Aid Association Law (Law No. 128 of 1958, as amended), the executives and employees of the Agency shall not fall within those employees set forth in Article 2, Paragraph 1, Item (1) of that law. Any matters necessary for this purpose shall be stipulated in a Cabinet Order.

CHAPTER 5. PUNISHMENTS

Article 30.

Those who have divulged any confidential information in violation of the provision of Article 16 shall be subject to imprisonment for a term not exceeding one year or a fine in the amount not exceeding 500,000 yen.

Article 31.

If any of the following violations occurs, an executive of the Agency who has committed that violation shall be subject to a correctional fine in the amount not exceeding 200,000 yen:

- (1) Failure to obtain the authorization or approval in case the authorization or approval must be obtained from the Minister of Education, Culture, Sports, Science and Technology or the competent Ministers under the provisions of this Law ;
- (2) Conducting activities other than those set forth in Article 18, Paragraph 1; or
- (3) Launching Satellites, without entering into an insurance contract, in violation of Article 21, Paragraph 1.

SUPPLEMENTAL PROVISIONS

Article 1. (Date of Enforcement)

This Law shall enter into effect from the date of its promulgation. However, the provisions below shall enter into effect from each of the dates set forth thereto:

- (1) Provisions of Articles 16 through 18, 20 through 24, and 28 of the Supplemental Provisions: October 1, 2003;
- (2) Provision of Article 25 of the Supplemental Provisions: Later date of either October 1, 2003 or the date of promulgation of the Law concerning Protection of Personal Information Held by Incorporated Administrative Agencies (Law No. of 2002);
- (3) Provision of Article 26 of the Supplemental Provisions: Date of enforcement of the Japan Post Law (Law No. 97 of 2002).

Article 2. (Succession of Employees)

Each employee who is actually employed by any of the following organizations as of the establishment of the Agency shall, unless a separate notice of appointment is given to him/her, become an employee of the Agency effective as of the date of establishment of the Agency:

- (i) Institutes stipulated in Article 9-2, Paragraph 1 of the National School Establishment Law (Law No.150 of 1949, as amended) that are designated by a Cabinet Order (hereinafter referred to as the “Inter-university Research Institutes”);
- (ii) National Aerospace Laboratory of Japan (hereinafter referred to as “NAL”); and
- (iii) National Space Development Agency of Japan (hereinafter referred to as “NASDA”).

Article 3.

For the purpose of application of the provisions of Article 82, Paragraph 2 of the National Public Service Personnel Law (Law No. 120 of 1947, as amended) regarding officials of the Inter-university Research Institutes and NAL who have become employees of the Agency under the provisions of the immediately preceding Article, the employees of the Agency shall be treated as special service national public service personnel stipulated in that Paragraph, and loss of their status as national public service personnel pursuant to the immediately preceding Article shall be regarded as retiring to become special service national public service personnel stipulated in that Paragraph upon request of the person authorized to designate them.

Article 4.

1. In the event that employees of the Inter-university Research Institutes and NAL become employees of the Agency pursuant to Article 2 of the Supplemental Provisions, they shall not be eligible to receive payment of retirement allowances under the Law concerning Retirement Allowance of National Public Service Personnel (Law No. 182 of 1953, as amended).

2. In the event that the Agency intends to pay retirement allowances upon retirement of any of its employees to whom the provision of the immediately preceding article applies, the Agency shall treat the period that the employee consistently served as the employee set forth in Article 2, Paragraph 1 of the Law concerning Retirement Allowance of National Public Service Personnel (including those who are deemed as such under the provision of Paragraph 2 of that Article) as the period of service as the employee of the Agency.

3. In the event that any person serving as an employee of any of the Inter-university Research Institutes or NAL as of the date immediately preceding the date on which the Agency is to be established becomes an employee of the Agency as set forth in Article 2 of the Supplemental Provisions, and consistently serves as such and then becomes an employee set forth in Article 2, Paragraph 1 of the Law concerning Retirement Allowance of National Public Service Personnel, the period of that person's service as an employee of the Agency, for the purposes of calculation of the continuous service period which is the basis of calculation of the retirement allowance payable to that person, shall be treated as the period of continuous service set forth in that Paragraph, except in cases where that person has received retirement allowance (including any benefit equivalent thereto) upon retirement from the Agency.

4. To those who have served as employees of any of the Inter-university Research Institutes or NAL as of the date immediately preceding the date on which the Agency is to be established, and become employees of the Agency as set forth in Article 2 of the Supplemental Provisions, and retire from the Agency during a time period from the date on which the Agency is to be established up to the time when they become eligible to receive unemployment benefit under the Employment Insurance Law (Law No.116 of 1974, as amended), and who could have been eligible to receive retirement allowance under the provision of Article 10 of the Law concerning Retirement Allowance of National Public Service Personnel if they had served as employees of that Inter-university Research Institute or NAL until the date of such retirement, the Agency shall pay them the amount equal to the amount of retirement allowance calculated in accordance with the provision of that Article as retirement allowance.

Article 5.

If employees of any Inter-university Research Institute who become employees of the Agency as set forth in Article 2 of the Supplemental Provisions and are recognized as being eligible under Article 7, Paragraph 1 of the Children's Allowances Law (Law No.73 of 1971, as amended) (including the cases that are applied *mutatis mutandis* in Paragraph 2 of Article 6, Paragraph 4 of Article 7 or Paragraph 4 of Article 8 of the Supplemental Provisions of that Law; hereinafter in this Article the same) by the Minister of Education, Culture, Sports, Science and Technology or any entity authorized by him/her on the date immediately preceding the date on which the Agency is to be established, meet the requirements for payment of the child care benefits or benefits under Paragraph 1 of Article 6, Paragraph 1 of Article 7 or Paragraph 1 of Article 8 of the Supplemental Provisions of that Law (hereinafter in this Article referred to as the "Special Benefits") as of the date on which the Agency is to be established, payments of the child care benefits or the Special Benefits to those employees shall be deemed to have been authorized by the relevant municipal heads as set forth in Article 7, Paragraph 1 of that Law (including heads of special wards) as of the date on which the Agency is to be established. In that case, payments of the child care benefits or the Special

Benefits so authorized shall begin in the month immediately following the month in which the date immediately preceding the date on which the Agency is to be established is included, notwithstanding the provision of Article 8, Paragraph 2 of that Law (including the cases that are applied *mutatis mutandis* in Paragraph 2 of Article 6, Paragraph 4 of Article 7 or Paragraph 4 of Article 8 of the Supplemental Provisions of that Law).

Article 6.

1. If employees set forth in Article 2, Paragraph 1, Item (1) of the National Public Service Personnel Mutual Aid Association Law who are members of a national public service personnel mutual aid association comprising the employees set forth in that Item who belong to MEXT and employees of incorporated administrative agencies under the control of that Ministry (hereinafter in this Article referred to as the “MEXT Mutual Aid Association”) pursuant to the provision of Article 3, Paragraph 1 of that Law as of the date immediately preceding the date on which the Agency is to be established (limited to those belonging to the Inter-university Research Institutes or NAL on that date) become executives and employees of the Agency (limited to those individuals equivalent to the employees set forth in that Item; hereinafter in this Article referred to as the “Executives/Employees”) on the date on which the Agency is to be established, and continue to serve as the Executives/Employees of the Agency thereafter, those Executives/Employees shall, notwithstanding the provision of Article 29, be considered to be employees set forth in that Item comprising the MEXT Mutual Aid Association while they continue to serve as such on and after the date on which the Agency is to be established for the purpose of application of the provisions of that Law, provided that they make requests therefor to the MEXT Mutual Aid Association by the time when 20 days have passed since that date (or, if the MEXT Mutual Aid Association agrees that there is any reasonable cause, the day approved by it).

2. If any of the Executives/Employees set forth in the preceding Paragraph dies without making the request stipulated therein within the designated period of time, such request may be made only by his/her survivors (limited to those who are equivalent to survivors set forth in Article 2, Paragraph 1, Item (3) of the National Public Service Personnel Mutual Aid Association Law; hereinafter in the immediately following Paragraph the same).

3. If employees set forth in Article 2, Paragraph 1, Item (1) of the National Public Service Personnel Mutual Aid Association Law who are members of the MEXT Mutual Aid Association as of the date immediately preceding the date on which the Agency is to be established (limited to those belonging to the Inter-university Research Institutes or NAL as of that date) become the Executives/Employees of the Agency as of the date on which the Agency is to be established, and such Executives/Employees or their survivors fail to make the request as set forth in Paragraph 1, such Executives/Employees shall be considered to have retired (which refers to the retirement set forth in Item (4) of Paragraph 1 of that Article) as of the date immediately preceding the date on which the Agency is to be established.

Article 7. (Transitional Measures for Employee Organizations Comprising Those Becoming Employees of the Agency)

1. The employee organizations set forth in Article 108-2, Paragraph 1 of the National Public Service Personnel Law which actually exist upon the establishment of the Agency, a majority of whose members are those to be succeeded to by the Agency as set forth in Article 2 of the Supplemental Provisions, shall become labor unions to which the Labor

Union Law (Law No.174 of 1949, as amended) applies upon the establishment of the Agency. For that purpose, if those employee organizations are corporations, they shall become corporate labor unions.

2. Unless the organization that has become a corporate labor union pursuant to the provisions of the preceding Paragraph receives a certification of the labor commission to the effect that it complies with the provisions of Article 2, and Article 5, Paragraph 2 of the Labor Union Law and has itself registered in the location where its principal office is located within sixty (60) days from the date on which the Agency is established, it shall be dissolved upon the passage of that period of time.

3. The provision of the proviso of Article 2 of the Labor Union Law (limited to the portion relating to Item (1)) shall not apply to those that become labor unions as set forth in Paragraph 1 until the passage of the period of sixty (60) days from the date on which the Agency is established.

Article 8. (Transitional Measures against Petitions for Unfair Labor Practice)

1. Petitions to the Central Labor Relations Commission due to dismissals by NAL pursuant to the provision of Article 18 of the Law concerning Labor Relations in National Enterprises and Specified Incorporated Administrative Agencies (Law No.257 of 1948, as amended; hereinafter in this Article referred to as the “Government Labor Law”) prior to the establishment of the Agency, and the period of orders issued by the Central Labor Relations Commission shall be handled in the manner in effect prior thereto.

2. Matters set forth in Chapter 3 (other than the provisions of Articles 12 through 16) and Chapter 6 of the Government Labor Law relating to conciliation, mediation and arbitration cases, in which interested parties are NAL and the labor union applied to by Government Labor Law regarding NAL’s employees, and that are actually pending in the Central Labor Relations Commission upon the establishment of the Agency, shall be handled in the manner in effect prior thereto.

Article 9. (Succession to the Rights and Obligations Owned by the Government)

1. Upon its establishment, the Agency shall succeed to the rights and obligations actually owned by the Government thereupon that are stipulated in the Cabinet Order with respect to the activities set forth in Article 18, Paragraph 1.

2. If there remains any balance, upon the establishment of the Agency, of the amounts which have been delivered to the head of any Inter-university Research Institute by the Minister of Education, Culture, Sports, Science and Technology pursuant to the provision of Article 17 of the Law concerning Special Accounts for National Schools (Law No.55 of 1964, as amended) and accounting of which has been left to such head, the amount equal to such balance shall be deemed to be endowed to the Agency for the scholarship purposes as of the date on which the Agency is to be established. For that purpose, any matters required for the accounting of such endowment shall be determined in the Ordinance of MEXT.

Article 10. (Dissolutions of NAL and NASDA)

1. NAL and NASDA shall be dissolved upon the establishment of the Agency; whereupon the Agency shall succeed to any and all rights and obligations thereof other than

those assets to be succeeded to by the Government pursuant to the immediately following Paragraph.

2. The Government shall succeed to the assets other than those necessary for secure implementation of its activities by the Agency, out of the rights actually owned by NAL and NASDA upon the establishment of the Agency.

3. The scope of the assets to be succeeded to by the Government pursuant to the immediately preceding Paragraph, and other matters necessary for the succession to those assets by the Government shall be stipulated by a Cabinet Order.

4. The fiscal year of NAL and NASDA commencing on April 1, 2003 shall end on the date immediately preceding the date on which NAL and NASDA are to be dissolved.

5. Settlements of accounts of NAL and NASDA, and preparations of the financial statements and activity report of NAL set forth in Article 38 of the General Provisions Law and financial statements, supplemental documents and activity report of NASDA set forth in the Law concerning National Space Development Agency of Japan (Law No.50 of 1969, as amended; hereinafter referred to as the "Former NASDA Law") in effect prior to the abolition of NASDA pursuant to Article 16 of the Supplemental Provisions, for the fiscal year commencing on April 1, 2003 shall be handled by the Agency in the manner in effect prior thereto. For such purposes, the settlement of accounts of NASDA shall be completed within two (2) months from the date on which it is to be dissolved.

6. Performance of NAL for the fiscal year commencing on April 1, 2003 shall be evaluated as that of the Agency. For such purposes, recommendations pursuant to the provision of Article 32, Paragraph 3 of the General Provisions Law shall be given to the Agency.

7. Appropriations of profits and losses of NAL for the fiscal year commencing on April 1, 2003 shall be handled by the Agency in the manner in effect prior thereto.

8. Disposition of the reserve funds of NAL shall be handled by the Agency in the manner in effect prior thereto, as if the Medium-Term Goal Period had ended on the date immediately preceding the date on which NAL was to be dissolved. For such purposes, the reference to "the immediately preceding Article during such next following Medium-Term Goal Period" in Article 15, Paragraph 1 of the Law concerning National Aerospace Laboratory of Japan (Law No.175 of 1999, as amended; hereinafter referred to as the "Former NAL Law") in effect prior to the abolition under the provision of Article 16 of the Supplemental Provisions shall be read as "Article 18, Paragraph 1 of the Law concerning Japan Aerospace Exploration Agency, during the first Medium-Term Goal Period of the Agency."

9. Upon the dissolution of NASDA, no distribution of the remaining assets pursuant to the provision of Article 38, Paragraph 1 of the former NASDA Law shall take place.

10. Registrations of the dissolutions of NAL and NASDA pursuant to Paragraph 1 shall be stipulated by a Cabinet Order.

Article 11. (Capital Investments to the Agency)

1. When the Agency has succeeded the rights and obligations owned by the Government pursuant to Article 9, Paragraph 1 of the Supplemental Provisions, an amount equal to the total sum of the values of land, buildings and other properties stipulated by a Cabinet Order shall be deemed as having been contributed to the Agency by the Government upon such succession.

2. The rights resulting from the contribution under the preceding Paragraph shall be attributable to the Government's general account.

3. When the Agency has succeeded the rights and obligations of NAL pursuant to the provision of Paragraph 1 of the immediately preceding Article, the values of assets succeeded to by the Agency (if there is the amount succeeded to by it pursuant to Article 15, Paragraph 1 of the Former NAL Law as changed to read in accordance with Paragraph 8 of the immediately preceding Article, excluding an amount equal to that amount) from which the amount of liabilities is deducted shall be deemed to be contributed to the Agency by the Government upon such succession.

4. When the Agency has succeeded the rights and obligations of NASDA pursuant to the provision of Paragraph 1 of the immediately preceding Article, the amount obtained by multiplying the total amount of the values of assets attributable to NASDA to be succeeded to by the Government and the Agency minus the amount of liabilities to be succeeded to by the Agency (or, if the amount so deducted exceeds the capital amount of NASDA, the amount equal to such capital amount) by the percentage of investments in NASDA by entities other than the Government shall be deemed to be contributed to the Agency by such entities other than the Government upon such succession.

5. When the Agency has succeeded the rights and obligations of NASDA pursuant to the provision of Paragraph 1 of the immediately preceding Article, the total amount of the values of assets attributable to NASDA succeeded to by the Agency minus the amount of liabilities succeeded to by the Agency, minus the amount contributed by entities other than the Government pursuant to the immediately preceding Paragraph shall be deemed to be contributed to the Agency by the Government upon such succession.

6. The value of properties set forth in Paragraph 1 and the value of assets set forth in the preceding three Paragraphs shall be those evaluated by members of the Appraisal Committee, based on the market values prevailing as of the date on which the Agency is to be established.

7. Members of the Appraisal Committee referred to in the immediately preceding Paragraph and other matters necessary for the evaluation shall be stipulated by a Cabinet Order.

8. Pledges that may exist on the equity units issued by NASDA shall exist on the equity units of the Agency to be issued to its investors as set forth in Article 7, Paragraph 1.

Article 12. (Refundment of Equities)

1. With respect to the amounts deemed to be contributed to the Agency by entities other than the Government pursuant to Paragraph 4 of the immediately preceding

Article, those entities other than the Government shall have the right to request the Agency to refund their equities only within one month of the date on which the Agency is to be established.

2. Notwithstanding the provision of Article 8, Paragraph 1, the Agency shall, upon request as set forth in the preceding Paragraph, refund the amount equal to the amount of investment represented by such equities. In that case, the Agency shall decrease its capital amount by the amount so refunded.

Article 13. (Consent of the Space Activities Commission to Appointment of Those Who Should Become Executives)

The provisions of Article 11 shall apply *mutatis mutandis* to appointments of a person who shall become President of the Agency and persons who shall become General Auditors as set forth in Article 14, Paragraph 1 of the General Provisions Law.

Article 14. (Special Exceptions to the Term of Office of the President)

With respect to the term of office of the President considered to be appointed as such pursuant to Article 14, Paragraph 2 of the General Provisions Law upon the establishment of the Agency, the reference to the “date of his/her appointment” in Article 12, Paragraph 1 shall be read as the “date on which the Agency is established.”

Article 15. (Special Exceptions to the Competent Ministers)

For the period up to the date on which operation of a particular satellite ends which shall be stipulated in a Cabinet Order (hereinafter in this Article referred to as the “End Date”) (in the case of matters regarding the administrative management set forth in Article 38 of the General Provisions Law, the period up to the date on which such administrative management for the relevant fiscal year including the End Date is ended, and in the case of matters regarding the evaluation of performance for the relevant fiscal year and Medium-Term Goal, the period up to the date on which such evaluation during such relevant fiscal year or the Medium-Term Goal Period including the End Date is ended), the “MEXT and MPHPT” in Article 23, Paragraph 2 shall be read as “MEXT, MPHPT and other Ministries to be stipulated by a Cabinet Order”; the “Minister of Education, Culture, Sports, Science and Technology and the Minister of Public Management, Home Affairs, Posts and Telecommunications” in Article 26, Paragraph 1, Items (2) and (4) shall be read as “Minister of Education, Culture, Sports, Science and Technology, the Minister of Public Management, Home Affairs, Posts and Telecommunications and other Ministers to be stipulated by a Cabinet Order”; the “Minister of Public Management, Home Affairs, Posts and Telecommunications” in Paragraph 2 of that Article shall be read as “Minister of Public Management, Home Affairs, Posts and Telecommunications and other Ministers to be stipulated by a Cabinet Order”; the “Ordinance of MEXT and the Ordinance of MPHPT” in the proviso of Paragraph 4 of that Article shall be read as “orders to be issued by the Minister of Education, Culture, Sports, Science and Technology, the Minister of Public Management, Home Affairs, Posts and Telecommunications and other Ministers to be stipulated by a Cabinet Order”; “the Evaluation Commission for Incorporated Administrative Agencies of MPHPT” in Article 27, Paragraph 1 shall be read as “the Evaluation Commissions for Incorporated Administrative Agencies of MPHPT and other Ministries to be stipulated by a Cabinet Order”; and the “Evaluation Commission for Incorporated Administrative Agencies of MPHPT” in Paragraph 2 of that Article shall be read as “Evaluation Commissions for Incorporated Administrative Agencies

of MPHPT and other Ministries to be stipulated by a Cabinet Order.”

Article 16. (Abolitions of the Law concerning National Aerospace Laboratory of Japan and the Law concerning National Space Development Agency of Japan)

The following laws shall be abolished:

- (1) The Law concerning National Aerospace Laboratory of Japan; and
- (2) The Law concerning National Space Development Agency of Japan.

Article 17. (Transitional Measures in Connection with the Abolitions of the Law concerning National Aerospace Laboratory of Japan and the Law concerning National Space Development Agency of Japan)

Disciplinary actions, proceedings and other actions taken pursuant to the provisions of the Former NAL Law or the Former NASDA Law (except Articles 12 and 20) prior to the enforcement of the provision of the immediately preceding Article shall be considered to be the disciplinary actions, proceedings and other actions taken pursuant to the relevant provisions of this Law or the General Provisions Law.

Article 18. (Transitional Measures for Punishments)

Applications of punishments to any actions done prior to the enforcement of the provision of Article 16 of the Supplemental Provisions, as well as to any actions done after the enforcement of this Law in connection with matters deemed to be handled in the manner in effect prior thereto as set forth in Article 10, Paragraphs 5, 7 and 8 of the Supplemental Provisions shall be handled in the manner in effect prior thereto.

Article 19. (Delegation to Cabinet Order)

Other than those set forth in Articles 2 through 15, 17 and 18 of the Supplemental Provisions, any transitional measures required in connection with the establishment of the Agency and any other transitional measures necessary for the enforcement of this Law shall be stipulated by a Cabinet Order.

Article 20. (Partial Amendment to the National School Establishment Law)

Article 21. (Partial Amendments to the Broadcast Law)

Article 22. (Partial Amendment to the Land Expropriation Law)

Article 23. (Partial Amendment to the Special Measures Law on Local Public Finance Reconstruction Promotion)

Article 24. (Partial Amendment to the Law concerning Access to Information Held by Incorporated Administrative Agencies)

Article 25. (Partial Amendment to the Law concerning Protection of Personal Information Held by Incorporated Administrative Agencies)

Article 26. (Partial Amendment to the Law concerning Japan Aerospace Exploration Agency)

Article 27. (Partial Amendment to the MEXT Establishment Law)

Article 28.

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