

(Unofficial Translation: the Japanese-language version shall prevail.)

Note: For the purposes of this Law, the following rules of construction shall apply: Except as otherwise clearly indicated by the context:

1. Any word used in the present tense includes the future tense, unless otherwise expressly indicated;
2. Any word used in the singular number includes the plural number, and the plural number includes the singular number, unless otherwise expressly indicated; and
3. Any word used in the male gender includes the female gender, unless otherwise expressly indicated.

Law Concerning Nippon Telegraph and Telephone Corporation, Etc.

(Law No. 85 of December 25, 1984)

As amended last by:

Law No. 129 of November 28, 2001

(Purpose)

Article 1.

- (1) Nippon Telegraph and Telephone Corporation (hereinafter referred to as "the Company") shall be a company limited (Kabushiki Kaisha) whose purpose is to own all the shares issued by East Nippon Telegraph and Telephone Corporation and West Nippon Telegraph and Telephone Corporation, to ensure appropriate and stable provision of telecommunications services supplied by the latter two companies, as well as to engage in research activities of telecommunications technologies that would form the basis of telecommunications.
- (2) East Nippon Telegraph and Telephone Corporation and West Nippon Telegraph and Telephone Corporation (hereinafter referred to as "the Regional Companies") shall be companies whose purpose is to manage regional telecommunications businesses.

(Business Activities)

Article 2.

- (1) The Company shall, in order to attain its corporate purposes, operate the following business activities:
 - i) To accept and hold the shares issued by the Regional Companies and to exercise the rights of shareholder of the shares;
 - ii) To offer necessary advice and assistance in the form of mediation to the Regional Companies, etc;
 - iii) To conduct research activities related to telecommunications technologies that would form the basis of telecommunications;
 - iv) Ancillary business activities related to the preceding three items.
- (2) The Company may engage in the business activities necessary for execution of its purpose, subject to the authorization of the Minister of Public Management, Home Affairs, Posts and Telecommunications, in addition to operating preceding business activities.

- (3) The Regional Companies shall, in order to attain their purposes, operate the following business activities:
- i) Regional telecommunications business (meaning telecommunications business activities operated by establishing telecommunications facilities of the Regional Companies which can intermediate intraprefectural telecommunications without facilities of other telecommunications business carriers; the same shall apply hereinafter) to be respectively provided in the following prefectural areas (areas to be specified under the applicable ministerial ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications when deemed it necessary in view of the usage of telecommunications services; the same shall apply hereinafter).
 - a) As for East Nippon Telegraph and Telephone Corporation, Hokkaido Prefecture, Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Yamagata Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Chiba Prefecture, Tokyo Metropolis, Kanagawa Prefecture, Niigata Prefecture, Yamanashi Prefecture and Nagano Prefecture;
 - b) As for West Nippon Telegraph and Telephone Corporation, Kyoto Prefecture, Osaka Prefecture and other prefectures than those stipulated in a).
 - ii) Ancillary business activities related to the preceding item.
- (4) The Regional Companies may, based on the authorization of the Minister of Public Management, Home Affairs, Posts and Telecommunications, operate the following business activities:
- i) In addition to those listed in the preceding paragraph, those business activities necessary for the attainment of corporate purposes of the Regional Companies;
 - ii) Regional telecommunications business activities to be operated respectively in prefectural areas other than those where they are stipulated to operate regional telecommunications business activities based on Item i) of the preceding paragraph.
- (5) In addition to the business activities under the provisions of the preceding two paragraphs, the Regional Companies may, based on authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications, operate the telecommunications business activities and other business activities by using facilities or technologies which are maintained in order to operate the business activities under the provisions of Paragraph (3), or their staff. In this case, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall grant authorization if it is deemed that the business activities operated by the Regional Companies do not interfere smooth implementation of the business activities under the provisions of the same paragraph and securement of fair competition of the telecommunications business.

(Obligations)

Article 3.

The Company and the Regional Companies shall, in operating their own businesses, give due consideration to the maintenance of its proper and efficient management and shall contribute to the securement of appropriate, fair and stable provision of nationwide telephone services which are indispensable to the lives of people; additionally, the Company and the Regional Companies shall endeavor, in view of the importance of the role which telecommunications will play for the social and economical progress in the future, to contribute to the innovative advancement and development of telecommunications in Japan

through the promotion of research and development concerning telecommunications technology and through dissemination of the results thereof, and thereby promote the public welfare.

(Shares)

Article 4.

- (1) The Government shall always hold one-third or more of the total number of the issued shares of the Company.
- (2) The Company shall obtain authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications in order to issue new shares. The same shall apply to the issuance of corporate debentures with preemptive rights.

Article 5.

- (1) The Company shall hold all the issued shares of each of the Regional Companies.
- (2) The Regional Companies shall obtain authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications in order to issue new shares. The same shall apply to the issuance of corporate debentures with preemptive rights.

(Treatment of Shares Acquired by Foreign Nationals, Etc.)

Article 6.

- (1) When the Company has received a request to enter the name and address in its register of shareholders from those persons set forth in any of the following items who have acquired its shares, the Company shall not do so if the aggregate of the ratios of the voting rights directly held by the persons set forth in Items i) through iii) and the ratio prescribed in the provisions of the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications as the ratio of voting rights indirectly held by such persons through controlling the persons set forth in Item iv) (such an aggregate will be referred to as the "ratio of voting rights of foreign nationals, etc.") in this article reaches or exceeds one-third upon acceptance of the request.
 - i) Any person who does not have Japanese nationality;
 - ii) Any foreign government or its representative;
 - iii) Any foreign juridical person or entity;
 - iv) Any juridical person or entity whose voting rights directly held by the persons set forth under the preceding three items exceed the ratio prescribed in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
- (2) In cases where it makes the "ratio of voting rights of foreign nationals, etc." reach or exceed one-third to register all shares under Article 30 Paragraph (1) of the Law Concerning Central Depository and Book-entry Delivery for Share Certificate Central Depository Securities (Law No. 30 of 1984), by those persons set forth in any of the items in the preceding paragraph who are the substantial shareholders pertaining to the notice as provided for under Article 31 Paragraph (1) of the same law, on the Company's substantial shareholders list in accordance with the provision of Article 32 Paragraph (1) of the same law as listed in the notice provided for under Article 31 Paragraph (1) of the same law, on the Company's substantial shareholders list in accordance with the provision of Article 32

Paragraph (2) of the same law, the Company shall not register on its substantial shareholders list, notwithstanding the provision of Article 32 Paragraph (2) of the same law, the Law, those shares except such shares which may be registered in the manner stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications by which only part of such shares are entered on its substantial shareholders list so that the "ratio of voting rights of foreign nationals, etc." does not reach or exceed one-third.

- (3) In the case, other than in those cases provided in the preceding two paragraphs, where the total number of the Company's outstanding shares changes, the Company shall take necessary measures to ensure that the "ratio of voting rights of foreign nationals, etc." does not reach or exceed one-third.
- (4) The Company shall make public notice on the "ratio of voting rights of foreign nationals, etc." before such days as stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications in advance of the first day of the period stipulated in Article 224-3 Paragraph (1) of the Commercial Code (Law No. 48 of 1899) or the specified date in the same paragraph in the manner stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(Disposal of Shares Owned by the Government)

Article 7.

Disposal of shares owned by the Government shall be within the limitation on the number of shares decided by the Diet in the relevant annual budget.

(Restriction on Use of Trade Names)

Article 8.

No person other than the Company or the Regional Companies shall use the trade names, "Nippon Telegraph and Telephone Corporation," "East Nippon Telegraph and Telephone Corporation" or "West Nippon Telegraph and Telephone Corporation" in the trade name.

(General Mortgage)

Article 9.

- (1) A holder of debentures of the Company shall, with respect to the property of the Company, have the right to have his or her claim satisfied, in preference to other creditors. A holder of debentures of each Regional Company shall, with respect to the property of the Regional Company, have the right to have his or her claim satisfied, in preference to other creditors.
- (2) The order of the lien referred to in the preceding paragraph shall be next to the general lien under the provision of the Civil Code (Law No. 89 of 1896).

(Directors and Auditors)

Article 10.

- (1) Any person who does not have Japanese nationality shall not assume the office of director or auditor of the Company or the Regional Companies.

- (2) Any resolution for the appointment or dismissal of directors or auditors of the Company shall not take effect unless authorized by the Minister of Public Management, Home Affairs, Posts and Telecommunications.

(Change of Articles of Incorporation, Etc.)

Article 11.

- (1) Any resolution for change in the articles of incorporation, or for merger, partition or dissolution of the Company and the Regional Companies or for disposal of profits of the Company shall not take effect unless authorized by the Minister of Public Management, Home Affairs, Posts and Telecommunications.
- (2) The authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications for the resolution for merger of the Regional Companies under the preceding paragraph (excluding those resolutions for merger, after which the Regional Company(ies) survive(s), between the Regional Company(ies) and a juridical person who does not operate Type I Telecommunications business (meaning Type I Telecommunications business as stipulated in Article 6 Paragraph (2) of the Telecommunications Business Law (Law No. 86 of 1984)) or the resolution for division of the Regional Companies (limited to the resolution of the division of whole business of the Type I telecommunications business) shall be deemed as the authorization under the provisions of Article 16 Paragraph (2) of the same law with respect to the application of the same paragraph.

(Business Plan)

Article 12.

The Company and the Regional Companies shall formulate its business plan for each business year and shall obtain authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications before the commencement of that business year. The same shall apply when such plan is to be amended.

(Financial Statements)

Article 13.

The Company and the Regional Companies shall submit to the Minister of Public Management, Home Affairs, Posts and Telecommunications, within three months after the end of each business year, its balance sheet, profit and loss statement and business report for that business year.

(Transfer, Etc. of Important Facilities)

Article 14.

The Regional Companies shall obtain authorization from the Minister of Public Management, Home Affairs, Posts and Telecommunications in order to transfer or mortgage their telecommunications trunk lines or other similarly important telecommunications facilities.

(Order, Etc. for Audit)

Article 15.

- (1) The Minister of Public Management, Home Affairs, Posts and Telecommunications may, if the Minister deems it necessary for enforcing this Law, appoint auditors of the Company and the Regional Companies and have them audit specific items and report the Minister the audit results.
- (2) Auditors of the Company and the Regional Companies may, if they deem it necessary, submit to the Minister of Public Management, Home Affairs, Posts and Telecommunications their opinions based upon the audit results.

(Supervision)

Article 16.

- (1) The Company and the Regional Companies shall be subject to supervision of the Minister of Public Management, Home Affairs, Posts and Telecommunications in accordance with the provisions of this Law.
- (2) The Minister of Public Management, Home Affairs, Posts and Telecommunications may, if the Minister deems it necessary for enforcing this Law, issue to the Company and the Regional Companies orders necessary for the supervision with respect to its business activities.

(Report)

Article 17.

The Minister of Public Management, Home Affairs, Posts and Telecommunications may, to the extent necessary for enforcing this Law, require the Company and the Regional Companies to make reports relating to its business activities.

(Consultation with the Minister of Finance)

Article 18.

The Minister of Public Management, Home Affairs, Posts and Telecommunications shall consult with the Minister of Finance before:

- i) the Minister of Public Management, Home Affairs, Posts and Telecommunications grants the Company authorizations under Article 4 Paragraph (2), Article 11 Paragraph (1) (with respect to authorization of resolutions for changing the articles of incorporation, this paragraph shall apply only to those relating to resolutions for change in the total number of shares to be issued by the Company), or Article 12;
- ii) the Minister of Public Management, Home Affairs, Posts and Telecommunications grants the Regional Companies under Article 11 Paragraph (1) (with respect to authorization, this paragraph shall apply only to those relating to resolutions for merger, division and dissolution), Article 12 or Article 14.

(Penal Provisions)

Article 19.

- (1) When a director, auditor or employee of the Company and the Regional Companies has received, demanded or promised to receive a bribe in connection with the person's job, this

person shall be punishable and liable to penal servitude for a term not exceeding three years. Anyone who has committed an improper act or has omitted a proper act thereby shall be guilty of an offense and liable to penal servitude for a term not exceeding seven years.

- (2) When a person who intends to become a director, auditor or employee of the Company or one of the Regional Companies has received, demanded or promised to receive a bribe in response to a solicitation in connection with the functions such person will assume after such person's appointment, such person shall, where such person becomes such director, auditor or employee, be punishable and liable to penal servitude for a term not exceeding two years.
- (3) When a person who was a director, auditor or employee of the Company or one of the Regional Companies has received, demanded or promised to receive a bribe in response to a solicitation in connection with such persons having committed an improper act or having omitted a proper act in the course of performing such person's functions while such person was in office, such person shall be guilty of an offense and liable to penal servitude for a term not exceeding two years.

Article 20.

In the case specified under each paragraph of the preceding article, the bribe which the offender has received shall be confiscated. Where it is unable to confiscate the entire bribe or portion thereof, the amount of money equivalent thereto shall be sought and collected.

Article 21.

- (1) Any person who has given, offered or promised to give a bribe as stipulated in each paragraph of Article 19 shall be punishable and liable to penal servitude for a term not exceeding three years or a fine not exceeding two million and five hundred thousand yen.
- (2) When a person who has committed any offense stipulated in the preceding paragraph denounces himself or herself to authorities, the punishment thereof may be reduced or remitted.

Article 22.

The offenses as specified in Article 19 of this Law shall comply with the provisions of Article 4 of the Penal Code (Law No. 45 of 1907).

Article 23.

Where any of the violations enumerated in the following items has occurred, a director or auditor of the Company or the Regional Companies who has committed the violation shall be punishable and liable to a fine not exceeding one million yen:

- i) When the Company or a Regional Company engaged in business activities without obtaining authorization specified in Article 2 Paragraph (2), (4) or (5);
- ii) When the Company or a Regional Company performed business activities other than those stipulated in Article 2;
- iii) When the Company or a Regional Company issued new shares, corporate debentures with preemptive rights to take new shares in contravention of the provisions of in

- Article 4 Paragraph (2) or Article 5 Paragraph (2);
- iv) When the Company or a Regional Company disposed of the shares of the Regional Companies in contravention of the provisions of Article 5 Paragraph (1);
 - v) When the Company or a Regional Company has failed to submit application for authorization prior to the start of a business year or prior to the implementation of a business plan pertaining to change in contravention of the provisions of Article 12;
 - vi) When the Company or a Regional Company, in contravention of the provisions of Article 13, has failed to submit their balance sheet, profit and loss statements, account or business report, or has submitted such documents containing an untrue statement;
 - vii) When the Company or a Regional Company, in contravention of the provisions of Article 14, has alienated or collateralized their own equipment and/or facilities;
 - viii) When the Company or a Regional Company has contravened any order issued under the provisions of Article 16 Paragraph (2);
 - ix) When the Company has failed to make the report under the provisions of Article 17 or has made any false report.

Article 24.

In cases where any violation to the provisions of Article 6 Paragraph (1) or Paragraph (2) has occurred, the employee concerned of the Company and the Regional Companies or transfer agent (where the transfer agent is a juridical person, its employee) who has committed the violation shall be punishable and liable to a fine not exceeding five hundred thousand yen.

Article 25.

- (1) Any person who has violated the provisions of Article 8 shall be punishable and liable to a fine not exceeding two hundred thousand yen.
- (2) When a representative of a juridical person, or proxy, employee or any other person in the employment of a juridical or natural person has committed the violation referred to in the preceding paragraph in connection with the business activities of the juridical or natural person, the juridical or natural person shall, in addition to the punishment of the offender, be punishable and liable to the fine stipulated in the same paragraph.

Article 26.

A director of the Company who neglects to give public notice or gives untrue public notice in contravention of the provisions of Article 6 Paragraph (4) shall be liable to a non-penal fine not exceeding one million yen.

Supplementary Provisions

(Effective Date)

Article 1.

This Law shall come into force as from the date of promulgation. The provisions of Articles 11 and 12 of the Supplementary Provisions shall, however, come into force as from April 1, 1985.

(Review of the Status of the Company)

Article 2.

The Government shall, within five years after the date of the incorporation of the Company, review the status of the Company, taking into account the situation under which this Law is enforced and changes in circumstances after the effective date of this Law, etc., and shall take necessary measures based upon the conclusion of the review.

(Incorporation of the Company)

Article 3.

- (1) The Minister of Posts and Telecommunications shall appoint members of an organizing committee and shall have them function as promoters of the Company.
- (2) The organizing committee shall prepare the articles of incorporation and shall obtain authorization thereof from the Minister of Posts and Telecommunications.
- (3) The Minister of Posts and Telecommunications shall consult with the Minister of Finance before granting authorization under the preceding paragraph.
- (4) The matters specified in each item of Article 168-2 of the Commercial Code with respect to shares to be issued at the time of incorporation of the Company shall be stipulated in the articles of incorporation of the Company.
- (5) With respect to shares to be issued at the time of incorporation of the Company, more than one half of the total amount of the issue-prices of the shares may not, notwithstanding the provisions of operative part of Article 284-2 Paragraph (2) of the Commercial Code, be capitalized. In this case, "this Code" in Paragraph (1) of the same article shall be read as "this Code or the Law Concerning Nippon Telegraph and Telephone Corporation, Etc.".
- (6) The Nippon Telegraph and Telephone Public Corporation (hereinafter referred to as "the Public Corporation") shall accept all shares to be issued at the time of incorporation of the Company, and the organizing committee shall allocate all the shares to the Public Corporation.
- (7) The Government shall exercise the rights, relating to the incorporation of the Company, as the subscriber to the shares allocated under the provisions of the preceding paragraph.
- (8) The Public Corporation shall contribute all the assets to the Company at the time of incorporation of the Company. In this case, the provisions of Article 68 of the Nippon

Telegraph and Telephone Public Corporation Law (Law No. 250 of 1952) shall not apply.

- (9) With respect to the application of the provisions of Article 180 Paragraph (1) of the Commercial Code in connection with the incorporation of the Company, “performance of contribution-in-kind under the provisions of Article 177” in the same paragraph shall be read as “allocation of shares under the provisions of Article 3 Paragraph (6) of the Supplementary Provisions of the Law Concerning Nippon Telegraph and Telephone Corporation, Etc.”.
- (10) The performance pertaining to the contribution-in-kind by the Public Corporation under the provisions of Paragraph (8) shall be made at the effective time of the provisions of Article 11 of the Supplementary Provisions, and the Company shall be incorporated at such time notwithstanding the provisions of Article 57 of the Commercial Code.
- (11) Notwithstanding the provisions of Article 188 Paragraph (1) of the Commercial Code, the Company shall, upon incorporation, effect the registration of incorporation without delay.
- (12) Shares of the Company acquired by the Public Corporation as a result of the contribution-in-kind shall be transferred gratis to the Government at the time of incorporation of the Company.
- (13) The provisions of Article 167, Article 168 Paragraph (2) and Article 181 of the Commercial Code shall not apply to the incorporation of the Company.

(Dissolution, Etc. of the Public Corporation)

Article 4.

- (1) The Public Corporation shall be dissolved at the time of incorporation of the Company, and all rights and liabilities of the Public Corporation shall, at such time, be succeeded to by the Company.
- (2) With respect to the account settlement and general inventory, balance sheet and profit and loss statement of the Public Corporation for the business year commencing on April 1, 1984, precedents shall continue to apply, except parts pertaining to Article 10 Paragraph (2) Item ii) and Article 58 Paragraph (1) (limited to part related to the audit report to be submitted by the auditor) of the Nippon Telegraph and Telephone Public Corporation Law.
- (3) The registration of dissolution of the Public Corporation under the provisions of Paragraph (1) above shall be stipulated in the applicable cabinet order.

(Transitional Measures for Succession of Rights and Liabilities)

Article 5.

- (1) Guarantee contracts which the government has made under the Law Concerning Special Measures Pertaining to the Acceptance of Foreign Capital from the International Bank for Reconstruction and Development, Etc. (Law No. 51 of 1953) with respect to the Public Corporation’s obligations concerning its telegraph and telephone bonds to be succeeded to by the Company under the provisions of Paragraph (1) of the preceding article shall continue to be effective, even after the succession, on the precedent terms and conditions with respect to the obligations relating to said bonds. Precedent shall continue to apply

with respect to taxes or other imposts on interests of telegraph and telephone bonds related to said guarantee contracts or on gains from redemption of these bonds.

- (2) With respect to the obligations, which are to be succeeded to by the Company under Paragraph (1) of the preceding article, of the telegraph and telephone bonds subscribed by or borrowings loaned from the Fund of Trust Fund Bureau, the Company shall be deemed as a juridical person stipulated in Item iii) or iv) of Article 7 Paragraph (1) of the Fund of Trust Fund Bureau Law (Law No. 100 of 1941) in applying the same paragraph.
- (3) With respect to the obligations, which are to be assumed by the Company under the provisions of Paragraph (1) of the preceding article, of the telegraph and telephone bonds subscribed by the Postal Life Insurance Account and the Postal Annuity Special Account stipulated in Article 1 of the Postal Life Insurance Account and the Postal Annuity Special Account Law (Law No. 12 of 1944) prior to its amendment under the provision of Article 10 of the Supplementary Provisions of the Law Amending Part of the Postal Life Insurance Law (Law No. 50 of 1990), the Company shall be deemed as a juridical person stipulated in Article 3 Paragraph (1) Item iv) of the Law Concerning the Operation of the Fund of Postal Life Insurance (Law No. 210 of 1952) in the application of the same paragraph.

(Transitional Measures Concerning Employees)

Article 6.

- (1) Those who are actually the employees of the Public Corporation at the time of incorporation of the Company shall become the employees of the Company upon incorporation of the Company.
- (2) No retirement allowance prescribed in the National Government Employees, Etc. Retirement Allowance Law (Law No. 182 of 1953) shall be payable to the employees of the Public Corporation who become those of the Company in accordance with the provisions of the preceding paragraph.
- (3) When the Company intends to pay a retirement allowance to the employees of the Company to whom the provisions of the preceding paragraph are applied, the continued period during which they served the Public Corporation shall be regarded and treated as their service period with the Company.

Article 7.

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Article 8.

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(Transitional Measures Concerning Application of Tax-related Laws in Connection with Incorporation of the Company)

Article 9.

- (1) No real estate acquisition taxes, special land holding taxes to be imposed on acquisition of land, or automobile acquisition taxes shall be imposed on the Company's acquisition of real

estate and/or automobiles related to the contribution-in-kind by the Public Corporation pursuant to the provisions of Article 3 Paragraph (8) of the Supplemental Provisions.

- (2) With respect to the land which is acquired and continuously held by the Company and is related to the contribution-in-kind by the Public Corporation under the provisions of Article 3 Paragraph (8) of the Supplemental Provisions, no special land holding taxes shall be imposed on the land which was acquired by the Public Corporation prior to January 1, 1969 (with respect to the land located in Okinawa Prefecture, prior to April 1, 1972).
- (3) With respect to the land which is acquired and continuously held by the Company and is related to the contribution-in-kind by the Public Corporation under the provisions of Article 3 Paragraph (8) of the Supplemental Provisions (limited to the land which the Public Corporation acquired on April 1, 1982 or later), no special land holding taxes shall be imposed on the land if more than ten years have elapsed as of January 1 of the year during which the Company is required to pay the tax by self-assessment under the provisions of Article 599 Paragraph (1) of the Local Tax Law (Law No. 226 of 1950) after the Public Corporation acquired said land.
- (4) With respect to the land which is acquired and continuously held by the Company as a result of the contribution-in-kind by the Public Corporation under the provisions of Article 3 Paragraph (8) of the Supplemental Provisions (limited to the land which the Public Corporation acquired during the period from January 1, 1969 (with respect to the land located in Okinawa Prefecture, from April 1, 1972) to March 31, 1982), no special land holding taxes shall be imposed on the land other than those which are located in “urbanized areas” as stipulated in Article 7 Paragraph (1) of the City Planning Law (Law No. 100 of 1968) as of January 1 of the year during which the Company is required to pay the tax by self-assessment under the provisions of Article 599 Paragraph (1) of the Local Taxes Law if more than ten years have elapsed since the Public Corporation acquired said land.
- (5) The performance related to the contribution-in-kind of share certificates (including the equity stipulated in the provisions of Article 4 Paragraph (2) of the Security Transaction Tax Law (Law No. 102 of 1953)) by the Public Corporation under the provisions of Article 3 Paragraph (8) of the Supplemental Provisions herein shall not fall under the transfer of securities stipulated in Article 1 of the same law.
- (6) No registration and license taxes shall be imposed on the registration of incorporation required to the Company under the provisions of Article 3 Paragraph (11) of the Supplemental Provisions and on the registrations required to the Company pertaining to the transfer of the property related to the contribution-in-kind by the Public Corporation under the provisions of the same article Paragraph (8).
- (7) With respect to the amount of expenses for test and research for the business year to which the date of incorporation of the Company belongs, the main provisions of Article 42-4 Paragraph (1) of the Special Taxation Measures Law (Law No. 26 of 1957) shall apply: Provided that “the amount of expenses for test and research of each business year to be included in the amount of loss in the calculation of income for the respective business year during the period from the business year (in this article referred to as “the reference year”) immediately prior to the business year of the juridical person including January 1, 1967 to the business year immediately prior to said applicable business year” in the same paragraph shall be read as “the amount of expenses for test and research for the business year

including April 1, 1984 of the Nippon Telegraph and Telephone Public Corporation”, and that “in the case of exceeding the largest amount of” in the same paragraph shall be read as “in the case of exceeding the amount of”, the proviso of the same paragraph shall not apply.

- (8) In addition to those stipulated in the preceding paragraph, matters necessary for the application of laws and ordinances relating to the corporate tax to be imposed on the Company in connection with the incorporation of the Company shall be stipulated in the applicable cabinet order.

(Entrustment to Cabinet Order)

Article 10.

In addition to the provisions of Article 3 through the preceding article of the Supplementary Provisions, matters necessary for the incorporation of the Company and the dissolution of the Public Corporation shall be stipulated in the applicable cabinet order.

(Repeal of Nippon Telegraph and Telephone Public Corporation Law, Etc.)

Article 11.

The following laws shall be repealed:

- i) The Nippon Telegraph and Telephone Public Corporation Law;
- ii) The Law for Enforcement of the Nippon Telegraph and Telephone Public Corporation Law (Law No. 251 of 1952)

(Transitional Measures Concerning Repeal of Nippon Telegraph and Telephone Public Corporation Law)

Article 12.

- (1) Administrative dispositions, procedures and other acts made before the enforcement of the preceding Article in accordance with the provisions of the Nippon Telegraph and Telephone Public Corporation Law prior to its repeal under the provisions of the preceding article (hereinafter referred to as “the Old Law”) shall be deemed administrative dispositions, procedures and other acts made under the corresponding provisions of this Law.
- (2) With respect to the application of the provisions of the Old Law to the emoluments payable to the employees of the Public Corporation for the period prior to the enforcement of the preceding article, the precedent shall continue to apply.
- (3) With respect to the disciplinary punishments to the employees to whom the provisions of Article 6 Paragraph (1) of the Supplementary Provisions apply, which are imposed under the provisions of Article 33 of the Old Law, prior to the enforcement of the preceding article and disciplinary punishments related to cases prior to the enforcement of the preceding article, the precedent shall continue to apply. In this case, if such disciplinary punishments are to be imposed after the enforcement of the preceding article, a person who represents the Company or its delegate shall execute such disciplinary punishments.
- (4) With respect to the obligation to indemnify for any matter prior to the enforcement of the preceding article by an employee in charge of handling cash as stipulated in Article 69 of the Old Law or a person designated by the President of the Public Corporation as an employee in charge of the control of goods under the provisions of Article 70 of the Old

Law, the precedent shall continue to apply.

- (5) With respect to the audit of the accounting of the Public Corporation by the Board of Audit under the provisions of Article 73 of the Old Law, the precedent shall continue to apply.
- (6) With respect to the compensation to the employees of the Public Corporation for casualties on duty or accidents in commutation, which occurred prior to the date of enforcement of the preceding article, the precedent shall continue to apply.
- (7) With respect to the application of penal provisions to an act committed prior to the enforcement of the preceding article, the precedent shall continue to apply.
- (8) In addition to the provisions of the preceding paragraphs, necessary transitional measures in connection with the repeal of the Nippon Telegraph and Telephone Public Corporation Law shall be stipulated in the applicable cabinet order.

(Exceptions in Method for Calculating Total Number of Outstanding Shares)

Article 13.

- (1) With respect to the application of the provisions of Article 4 Paragraph (1), for the time being, the number of increased shares (referred to as “the number of shares not to be included” in the following paragraph) in cases where issuance of new shares in accordance with the provisions of Article 280-2 of the Commercial Code, stock conversion of shares with preemptive rights or convertible shares with preemptive rights, or issuance of new shares by exercising the preemptive rights attached to corporate bonds with preemptive rights which shall be dealt with as precedents in accordance with the Supplementary Provisions Article 7 Paragraph (1) of the Law to Amend the Commercial Code, Etc. (Law No. 128 of 2001) or conversion of convertible bonds to shares which shall be dealt with as precedents in accordance with the provisions of the same paragraph has occurred shall not respectively be included in the total number of outstanding shares in the provisions of Article 4 Paragraph (1).
- (2) In cases where split-up or consolidation of shares has occurred after the increase of shares stipulated in the preceding paragraph, the number calculated by the number of shares not to be included multiplied by the ratio of split-up or consolidation (where split-up or consolidation of shares has occurred more than two steps, the ratio corresponding to multiplied ratio of each step) shall be the number of shares not to be included in the total number of outstanding shares in the same paragraph.

(Exceptions for Authorization of Issuance of New Shares of the Company)

Article 14.

- (1) The Company, for the time being, may issue new shares without authorization under Article 4 Paragraph (2) until the increase of the number of new shares issued reaches the number stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications. In this case, the Company shall report this matter in advance to the Minister of Public Management, Home Affairs, Posts and Telecommunications in accordance with the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

- (2) When the Minister of Public Management, Home Affairs, Posts and Telecommunications intends to establish the ministerial ordinance in accordance with the former part in the preceding paragraph, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall consult with the Minister of Finance.

(Penal Provisions)

Article 15.

A director or auditor of the Company who failed to report or made false reports in violation of the provisions of preceding article Paragraph (1) shall be punishable and liable to a fine not exceeding one million yen.

Supplementary Provisions (Excerpt)

(Law No. 9 of March 30, 1985)

(Effective Date)

Article 1.

This Law shall come into force as from April 1, 1985.

Supplementary Provisions (Excerpt)

(Law No. 50 of June 27, 1989)

(Effective Date)

Article 1

This Law shall come into force as from April 1, 1990.

Supplementary Provisions (Excerpt)

(Law No. 65 of June 29, 1990)

This Law shall come into force as from the effective date of the Law to Amend the Commercial Code, Etc.

(Transitional Measure Concerning Application of the Penal Provisions)

Article 42.

With respect to the application of the penal provisions concerning the offense prior to the

effective date of this Law, and the offenses which shall be dealt with as precedents under the provisions of Article 3 and Article 12 of the Supplementary Provisions of the Law to Amend the Commercial Code, Etc. (including cases where Article 10 *mutatis mutandis* apply to) after the effective date of this Law shall be dealt with as precedents.

Supplementary Provisions (Excerpt)

(Law No. 61 of May 27, 1992)

This Law shall come into force within three months from the date of its promulgation as provided for under the applicable cabinet order.

Supplementary Provisions (Excerpt)

(Law No. 63 of June 14, 1993)

This Law shall come into force as from the effective date of the Law to Amend the Commercial Code, Etc.

Supplementary Provisions (Excerpt)

(Law No. 98 of June 20, 1997)

(Effective Date)

Article 1.

This Law shall come into force as from the date not exceeding eighteen months from its promulgation as provided for under the applicable cabinet order. However, articles from the following article through Article 7 of the Supplementary Provisions, and from Article 12 (excluding Paragraph (4) and Paragraphs (6) through (8)) through Article 17 of the Supplementary Provisions, and Article 20 of the Supplementary Provisions shall come into force as from the date of its promulgation.

(Restructuring of Nippon Telegraph and Telephone Corporation)

Article 2.

- (1) The Government shall incorporate East Nippon Telegraph and Telephone Corporation and West Nippon Telegraph and Telephone Corporation (hereinafter referred to as “the Regional Companies”), thereby the business which falls under the regional telecommunications

business stipulated in Article 2 Paragraph (3) item i) of the Law Concerning Nippon Telegraph and Telephone Corporation, Etc. as amended by this Law (hereinafter referred to as “the New Law”) among domestic telecommunications businesses operated by Nippon Telegraph and Telephone Corporation (hereinafter referred to as “the Company”) shall be succeeded to by the Regional Companies respectively.

- (2) The Government shall arrange for the new joint stock company to be incorporated by the Company by the effective date of this Law to succeed to other domestic telecommunications businesses operated by the Company excluding those businesses as succeeded to the Regional Companies under the provisions of the preceding paragraph.
- (3) The Government shall arrange for the Regional Companies or the joint stock company of the preceding paragraph (hereinafter referred to as “the Long-Distance Company”), in addition to businesses as provided for under the preceding two paragraphs, to succeed to other businesses among businesses operated by the Company, which are deemed to be appropriate to operate together with the business succeeded to the Regional Companies or the Long-Distance Company under the provisions of the two preceding paragraphs.

(Basic Policy)

Article 3.

- (1) The Minister of Posts and Telecommunications shall establish the basic policy concerning the business succession and succession of rights and obligations (hereinafter referred to as “the Basic Policy”) so that the businesses operated by the Company can be succeeded to appropriately and smoothly by the Regional Companies and the Long-Distance Company (hereinafter referred to as “the Succeeding Companies”).
- (2) The Basic Policy shall contain the basic matters concerning the following items:
 - i) The date of business succession by the Succeeding Companies.
 - ii) Types of and its scope of the telecommunications businesses to be succeeded to by the Succeeding Companies
 - iii) Research activities concerning the telecommunications technologies to be succeeded to by the Succeeding Companies
 - iv) Assets, debts, and other rights and obligations to be succeeded to by the Succeeding Companies
 - v) Necessary matters for ensuring fair competition in the field of telecommunications upon business succession by the Succeeding Companies
 - vi) Other matters concerning appropriate and smooth business succession by the Succeeding Companies

(Implementation Plan)

Article 4.

- (1) Upon establishment of the Basic Policy, the Minister of Posts and Telecommunications shall issue instructions to the Company to prepare each Succeeding Company’s implementation plan, in accordance with the applicable ordinance of the Ministry of Posts and Telecommunications, concerning the business succession and succession of rights and obligations (hereinafter referred to as “the Implementation Plan”).
- (2) The matters as specified under the provisions of each item of Paragraph (2) of the preceding article shall be contained in the Implementation Plan.

- (3) The Company, upon receipt of instructions under the provisions of Paragraph (1), shall prepare the Implementation Plan pursuant to the Basic Policy within a period provided for by the Minister of Posts and Telecommunications and obtain authorization from the Minister of Posts and Telecommunications.
- (4) When the Company intends to change the Implementation Plan, the Company shall obtain authorization from the Minister of Posts and Telecommunications.

(Incorporation of the Regional Companies)

Article 5.

- (1) The Minister of Posts and Telecommunications shall appoint members of an organizing committee for each Regional Company and shall have them function as promoters of said Regional Company.
- (2) The organizing committee shall prepare the articles of incorporation and shall obtain authorization thereof from the Minister of Posts and Telecommunications.
- (3) The matters specified in each item of Article 168-2 of the Commercial Code (Law No. 48 of 1899) with respect to shares to be issued at the time of incorporation of the Regional Company(ies) shall be stipulated in the articles of incorporation of the Regional Company(ies).
- (4) With respect to shares to be issued at the time of incorporation of the Regional Companies, the amount exceeding one-half of the total amount of the issue-prices of the shares may not, notwithstanding the provisions of the operative part of Article 284-2 Paragraph (2) of the Commercial Code, be capitalized. In this case, “this Code” in Paragraph (1) of the same article shall be read as “this Code or the Law to Amend the Nippon Telegraph and Telephone Corporation Law (Law No. 98 of 1997)”.
- (5) The Company shall accept all shares to be issued at the time of incorporation of the Regional Companies, and the organizing committees shall allocate all the shares to the Company.
- (6) The Company shall contribute its assets to the Regional Companies at the time of incorporation of the Regional Companies pursuant to the provisions of the Implementation Plan as authorized under the provisions of preceding article Paragraph (3) of the preceding article (in cases where authorization under the provisions of the same article Paragraph (4), the revised Implementation Plan (hereinafter referred to as “the Succeeding Plan”)). In this case, the provisions of Article 13 of the Nippon Telegraph and Telephone Company Law (hereinafter referred to as “the Old Law”), prior to the amendment by this amended Law, shall not apply.
- (7) With respect to the application of the provisions of Article 180 Paragraph (1) of the Commercial Code pertaining to the incorporation of the Regional Companies, “payment and contribution-in-kind under the provisions of Article 177” in the same paragraph shall be read as “allocation of shares under the provisions of Article 5 Paragraph (5) of the Supplementary Provisions of the Law to Amend the Nippon Telegraph and Telephone Corporation Law (Law No. 98 of 1997)”.

- (8) No resolution of amendments to the articles of incorporation at the inaugural general meeting(s) of the Regional Company(ies) shall come into force without authorization from the Minister of Posts and Telecommunications.
- (9) The performance with respect to the contribution-in-kind by the Company under the provisions of Paragraph (6) shall be made at the effective time of this Law and the Regional Companies shall be incorporated at such time notwithstanding the provisions of Article 57 of the Commercial Code.
- (10) The transfer by the Company under the provision of Paragraph (6) shall be performed at the time of incorporation of the Regional Companies.
- (11) Notwithstanding the provisions of Article 188 Paragraph (1) of the Commercial Code, the Regional Companies shall, upon its incorporation, perform the registration of its incorporation without delay.
- (12) The provisions of Article 167, Article 168 Paragraph (2) and Article 181 of the Commercial Code shall not apply to the incorporation of the Regional Companies.

(Incorporation of the Long-Distance Company, Etc.)

Article 6.

- (1) The Company shall accept the following shares issued by the Long-Distance Company:
 - i). All shares issued by the Long-Distance Company at the time of its incorporation
 - ii). All shares issued by the Long-Distance Company in accordance with the Succeeding Plan
- (2) The Company shall contribute or transfer its assets to the Long-Distance Company in accordance with the Succeeding Plan. In this case, the provisions of the Article 13 of the Old Law shall not apply.
- (3) The performance pertaining to the contribution-in-kind and transfer by the Company under the provisions of the preceding paragraph (limited to acceptance of the shares under the provisions of Paragraph (1) Item ii)) shall be made at the effective time of this Law.
- (4) With respect to the shares under the provisions of Paragraph (1), the provisions of Paragraph (4) of the preceding article shall apply *mutatis mutandis*.
- (5) In the case of issuance of the shares at the time of incorporation of the Long-Distance Company, the provisions of Article 173 of the Commercial Code shall not apply, and in the case of issuance of the shares pursuant to the provisions of Paragraph (1) Item ii) and the provisions of Article 246 Paragraph (2) and Article 280-8 of the same law shall not apply.

(Succession of the Business, Etc.)

Article 7.

The Regional Companies, at the time of incorporation, and the Long-Distance Company, at the effective time of this Law, shall succeed to the businesses, and the rights and obligations related to said businesses under the provisions of each Succeeding Plan from the Company in accordance with the Succeeding Plan.

Article 8.

- (1) With regard to the businesses which have been operated by the Company at the effective time of this Law, with authorization under the provisions of Article 1 Paragraph (2) of the Old Law, and which are stipulated in the provisions of the Succeeding Plan as the businesses to be succeeded to by the Regional Companies, they shall be regarded as the businesses authorized under the provisions of Article 2 Paragraph (4) Item i) of the New Law at the time of incorporation of the Regional Companies.
- (2) The Company may, for the time being, continue to operate the businesses which have been operated by the Company at the effective time of this Law, and which are excluded from the businesses to be succeeded to by the Succeeding Companies under the provisions of the Succeeding Plan (except the businesses under the provisions of Article 2 Paragraph (1) of the New Law).

(Joint and Several Liabilities Related to Liabilities Pertaining to Corporate Debentures)

Article 9.

- (1) With respect to liabilities pertaining to the outstanding corporate debentures at the effective time of this Law, the Company and the Succeeding Companies shall be jointly and severally liable for the payment.
- (2) In the case of the preceding paragraph, holders of corporate debentures of the Company shall, with respect to the assets of the Company and the Succeeding Companies, have the preemptive rights to have their claims satisfied, in preference to other creditors.
- (3) The order of the preemptive rights in the preceding paragraph shall be next to the general preemptive rights under the provisions of the Civil Code (Law No. 89 of 1896).

(Transitional Measures Concerning Business Plans of the Regional Companies)

Article 10.

With respect to the business plan of the business year to which the date of incorporation of the Regional Companies belongs, “immediately prior to every business year” in Article 12 of the New Law shall be read as “after incorporation of the Regional Companies without delay”.

(Subsidy)

Article 11.

East Nippon Telegraph and Telephone Corporation (hereinafter referred to as “NTT East”) may, in cases where financial stabilization of West Nippon Telegraph and Telephone Corporation (hereinafter referred to as “NTT West”) is required, subsidize a sum of money to NTT West, within the amount stipulated under the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, necessary for business operations of NTT West as a disposition of NTT East's profits pertaining to each business year which ends within three years after the incorporation of NTT East.

(Transitional Measures Concerning Application of Tax-related Laws and Regulations)

Article 12.

- (1) No real estate acquisition taxes or special land holding taxes to be imposed on acquisition of land, or automobile acquisition taxes shall be imposed on the Succeeding Companies' acquisition of real estates or automobiles pertaining to the contribution-in-kind or transfer by the Company pursuant to the provisions of Article 5 Paragraph (6) or Article 6 Paragraph (2) of the Supplementary Provisions.
- (2) With respect to the land which is acquired and continuously held by the Succeeding Companies pertaining to the contribution-in-kind or transfer by the Company under the provisions of Article 5 Paragraph (6) or Article 6 Paragraph (2) of the Supplementary Provisions, no special land holding taxes shall be imposed on the land which was acquired by the Company under the provisions of Article 3 Paragraph (8) of the Supplementary Provisions of the Old Law (limited to the land acquired by Nippon Telegraph and Telephone Public Corporation before dissolution in accordance with the provisions of Article 4 Paragraph (1) of the Supplementary Provisions of the Old Law prior to January 1, 1969 (with respect to the land located in Okinawa Prefecture, limited to the land acquired prior to April 1, 1972)).
- (3) With respect to the land which is acquired and continuously held by the Succeeding Companies pertaining to the contribution-in-kind or transfer by the Company under the provisions of Article 5 Paragraph (6) or Article 6 Paragraph (2) of the Supplementary Provisions, no special land holding taxes shall be imposed on the land if more than ten years have elapsed as of January 1 of the year during which the Succeeding Companies are required to pay the tax by self-assessment under the provisions of Article 599 Paragraph (1) of the Local Taxation Law (Law No. 226 of 1950) after the Company acquired said land.
- (4) With respect to the depreciation assets acquired by the Succeeding Companies pertaining to the contribution-in-kind or transfer by the Company under the provisions of Article 5 Paragraph (6) or Article 6 Paragraph (2) of the Supplementary Provisions, the basis of assessment of real estate tax to which the special tax rate applies and still within an effective period on the preceding day of the effective date of this Law (hereinafter referred to as "the effective date") under the provisions of: Article 15 Paragraph (27) though Paragraph (30) of the Supplementary Provisions of the Local Taxation Law; Article 6 Paragraph (15) through Paragraph (17) of the Supplementary Provisions of the Law to Amend the Local Taxation Law, Etc. (Law No. 12 of 1996); Article 15 Paragraph (30) of the Supplementary Provisions of the Local Taxation Law before the amendment pursuant to the provisions of Article 1 of the same Law which shall be read as still effective under the provisions of Paragraph (18) of the same article, or the provisions of Article 6 Paragraph (11) or Paragraph (12) of the Law to Amend the Local Taxation Law, Etc. (Law No. 28 as of 1998), shall follow the precedent during the period to which the special tax rate applies.
- (5) In the case of contribution-in-kind or transfer of the property from the Company to the Regional Companies under the provisions of Article 5 Paragraph (6) of the Supplementary Provisions, and the case of contribution-in-kind or transfer of the property from the Company to the Long-Distance Company under the provisions of Article 6 Paragraph (2) of the Supplementary Provisions, no registration license taxes shall be imposed on the registration of said property in accordance with the applicable cabinet order.

- (6) No registration license taxes shall be imposed on the registration of incorporation as required for the Regional Companies under the provisions of Article 5 Paragraph (11) of the Supplementary Provisions.
- (7) Within the amount of money subsidized to NTT West (hereinafter referred to as “the amount of subsidization”) by NTT East under the provisions of the preceding article as a disposition of the settled profits related to each business year which ends within three years after the incorporation of NTT East (limited to only the business year of which ending date is the same as the ending date of the business year of the NTT West (hereinafter referred to as “the applicable business year”)), the amount of money not exceeding the amount of deficit (which shall be equal to the deficit under the provisions of Article 2 Paragraph (19) of the Corporate Tax Law (Law No. 34 of 1965) in cases where the amount of money equivalent to said amount of subsidization is excluded from its profits) in the corresponding business year of NTT West (meaning the business year whose ending date is the same as said applicable business year; the same shall apply hereinafter) shall be deductible in the accounting of said applicable business year. In this case, with respect to the application of the provisions of Article 37 of the same law to NTT East, “the accounted amount” in Paragraph (1) of the same article shall be read as “except the accounted amount (the amount of money under the provisions of Article 12 Paragraph (7) of the Supplementary Provisions of the Law to Amend the Nippon Telegraph and Telephone Corporation Law (Law No. 98 as of 1997) within the amount of deficit equal to the amount of subsidization (in the following paragraph referred to as “the amount of subsidization deductible”))”, and “excluding the amount of contributions” in Paragraph (2) of the same article shall be read as “except the amount of donations and the amount of subsidization deductible”.
- (8) The amount of money, which is booked as a disposition in the settlement of the account in the applicable business year of NTT East, and which is equivalent to the amount of subsidization, shall be regarded as the amount of income of the corresponding business year of NTT West.
- (9) In addition to the provisions of the preceding two paragraphs, necessary matters concerning application of the provisions related to the corporate tax imposed on the Company and the Succeeding Companies in connection with the incorporation of the Succeeding Companies shall be stipulated in the applicable cabinet order.

Article 13.

Deleted.

(Capital Subscription to the Corporation Operating International Telecommunications Business)

Article 14.

The Company may subscribe for capital in a juridical person operating international telecommunications business with authorization from the Minister of Posts and Telecommunications prior to the effective date of this Law.

(Order Concerning the Succession of the Business, Etc.)

Article 15.

In order to enforce the provisions of Article 2 and Article 4 through Article 7 of the Supplementary Provisions, the Minister of Posts and Telecommunications, if necessary, may issue an order to the Company to the extent necessary.

Article 16.

Deleted.

(Penal Provisions)

Article 17.

- (1) In case of violation as set forth in any of the following items, a corporate director or auditor of the Company shall be liable to a fine not exceeding one million yen:
 - i) When the Company subscribe for capital in a juridical person operating international telecommunications business against the provisions of Article 14 of the Supplementary Provisions
 - ii) When the Company acted against the order under the provisions of Article 15 of the Supplementary Provisions

(Transitional Measures Concerning Application of Telecommunications Business Law)

Article 18.

- (1) Upon incorporation of the Regional Companies, and with regard to the Long-Distance Company upon effectuation of this Law, Type I telecommunications business operated by the Company and to be succeeded to by the Succeeding Companies under the provisions of the Succeeding Plan, shall be regarded as the businesses permitted to the Regional Companies and the Long-Distance Company, respectively under the provisions of Article 9 Paragraph (1) of the Telecommunications Business Law (Law No. 86 of 1984).
- (2) The Succeeding Companies, with respect to the businesses regarded as the permitted business under the provisions of Article 9 Paragraph (1) of the Telecommunications Business Law, shall submit documents stating items set forth in each items in Paragraph (2) of the same article within one month as from the effective date of this Law to the Minister of Posts and Telecommunications. In this case, the provisions of Article 13 and Article 14 of the same law shall apply to items stated in said documents which are deemed to be pursuant to the same paragraph.
- (3) The Succeeding Companies, with respect to the items required for the authorization or notification concerning terms and conditions of the telecommunications service under the provisions of Article 31 or Article 31-2 of the Telecommunications Business Law, shall submit an application form for authorization or submit a notification within tree months as from the effective date of this Law. In this case, said Succeeding Companies may provide the telecommunications services as based upon the same terms and conditions as those provided at the effective time of this Law, until the decision for said application for authorization to be made or until said notification to be submitted.

(Transitional Measures Concerning Application of Relevant Laws and Regulations)

Article 19.

- (1) Each of permission, authorization or license for the Company listed in the fourth column granted by the person listed in the third column pursuant to the provisions listed in the second column of the Law listed in the first column of the following table shall be regarded as permission, authorization or license listed in the fifth column in said table for the Succeeding Companies which succeeded to the rights and obligations pertaining to said permission, authorization or license granted by the person listed in the third column pursuant to the provisions listed in the second column under the provisions of Article 7 of the Supplementary Provisions.

	Column 1	Column 2	Column 3	Column 4	Column 5
i)	Law Concerning Control of Nuclear Raw Material, Nuclear Fuel and Nuclear Reactor (Law No. 166 of 1957)	Article 61-3 Paragraph (1)	The Director General of the Science and Technology Agency	Permission	Permission
		Article 61-8 Paragraph (1)	The Director General of the Science and Technology Agency	Permission	Permission
ii)	Law Concerning Prevention of Radiation Disease Due to Radioactive Isotope, Etc. (Law No. 166 of 1957)	Article 3 Paragraph (1)	The Director General of the Science and Technology Agency	Permission	Permission
iii)	Natural Park Law (Law No. 161 of 1957)	Article 17 Paragraph (3), or Article 18 Paragraph (3) or Article 28-2 Paragraph (3)	As for national parks, the Director General of the Science and Technology Agency. As for semi-national parks, the Governor.	Permission	Permission
iv)	Fishing Port Law (Law No. 137 of 1950)	Article 39 Paragraph (1)	Minister of Agriculture, Forestry and Fisheries	Permission (including the permission pertaining to the activities operated by the Company regarded as being permitted under the provisions of Article 15 of the Supplementary Provisions of the Law Concerning Preparation of Relevant Laws Accompanying Effectuation of the	Permission

				Nippon Telegraph and Telephone Corporation Law and the Telecommunications Business Law (Law No. 87 of 1984, hereinafter referred to as “the Preparation Law”)	
v)	Coast Law (Law No. 101 of 1956)	Article 7 Paragraph (1)	Coast administrator	Permission (including the permission pertaining to the occupation by the Company regarded as being permitted under the provisions of Article 16 of the Supplementary Provisions of the Preparation Law)	Permission
vi)	High Pressure Gas Safety Law (Law No. 204 of 1951)	Article 5 Paragraph (1), Article 14 Paragraph (1), or Article 16 Paragraph (1) or Article 19 Paragraph (1)	Governor	Permission	Permission
vii)	Port Regulation Law (Law No. 174 of 1948)	Article 31 Paragraph (1)	Portmaster	Permission	Permission
viii)	Harbor Law (Law No. 218 of 1950)	Article 37 Paragraph (1)	Chief harbor administrator	Permission (including the permission pertaining to the activities made by the Company regarded as being permitted under the provisions of Article 17 of the Supplementary Provisions of the Preparation Law.)	Permission
ix)	Maritime Traffic Safety Law (Law No. 115, 1972)	Article 30 Paragraph (1)	Director General of the Japanese Maritime Safety Agency (Japan Coast Guard)	Permission	Permission

x)	Radio Law (Law No. 131 of 1950)	Article 4	Minister of Posts and Telecommunications	License	License
		Article 17 Paragraph (1)	Minister of Posts and Telecommunications	Permission	Permission
xi)	Road Law (Law No. 180 of 1952)	Article 32 Paragraph (1) or Paragraph (3)	Road administrator	Permission	Permission
xii)	Urban Park Law (Law No. 79 of 1956)	Article 6 paragraph (1) or paragraph (3)	Park administrator	Permission	Permission
xiii)	Special Measures Law Concerning Preparation, Etc. for Common-Use Tunnel (Law No. 81 of 1963)	Article 14 Paragraph (1)	Road administrator	Permission (including the permission pertaining to the occupation by the Company regarded as being permitted under the provisions of Article 26 of Supplementary Provisions of the Preparation Law)	Permission
xiv)	River Law (Law No. 167 of 1964)	Article 24, Article 26 Paragraph (1), Article 27 Paragraph (1), Article 55 Paragraph (1) or Article 57 Paragraph (1)	River administrator	Permission	Permission
xv)	Special Measures Law Concerning Preparation, Etc. for Common-Use Cable Tunnel (Law No. 39 of 1995)	Article 10	Road administrator	Permission	Permission

- (2) The approval or permission related to the hospitals or clinics owned by the Company being approved or permitted by prefectural governors under the provisions of Article 4 Paragraph (1) or Article 7 Paragraph (1) of the Medical Treatment Law (Law No. 205 of 1948) prior to the effective date of this Law shall be regarded as the approval or permission related to the hospitals or clinics owned by the Succeeding Companies which succeeded to the rights and obligations pertaining to said approval or permission being approved by the prefectural governors under the provisions of Article 7 of the Supplementary Provisions.
- (3) The designation concerning the hospitals made by prefectural governors with consent of the Company under the provisions of the following laws prior to the effective date of this Law shall be regarded as the designation concerning the hospitals being made by the prefectural governors with consent of the Succeeding Companies which succeeded to the rights and obligations pertaining to said hospitals.
- i) Article 19-2 Paragraph (1) of the Law Concerning Welfare of People with Disabilities (Law No. 283 of 1949)

- ii) Article 49 of the Daily Life Protection Law (Law No. 144 of 1950)
- iii) Article 36 Paragraph (1) of the Tuberculosis Prevention Law (Law No. 96 of 1951)
- iv) Article 19 Paragraph (1) of the Law Concerning Protection for Atomic Bomb Victims (Law No. 117 of 1994)

(4) The notification submitted to the person listed in the second column of the following table by the Company under the provisions of the Law listed in the first column prior to the effective date of this Law shall be regarded as the notification submitted to the person listed in the second column of said table by the Succeeding Companies which succeeded to the rights and obligations pertaining to said notification under the provisions of Article 7 of the Supplementary Provisions.

	Column 1	Column 2
i)	Article 21 Paragraph (1) of the National Park Law	Prefectural Governor
ii)	Article 31 Paragraph (1) of the Maritime Traffic Safety Law	Director General of the Japanese Maritime Safety Agency (Japan Coast Guard)

(5) The status as an expected occupant for common-use cable tunnel, under the provisions of the Article 5 Paragraph (2) of the Special Measures Law Concerning Preparation, Etc. for Common-Use Cable Tunnel, pertaining to the application for the permission submitted to the road administrator by the Company under the provisions of Article 4 Paragraph (1) of the same law shall be succeeded by the Succeeding Companies which succeeded to the rights and obligations pertaining to said application under the provisions of Article 7 of the Supplementary Provisions.

(Entrustment to Cabinet Order)

Article 20.

In addition to the provisions of Article 2 through the preceding article of the Supplementary Provisions, transitional measures and other matters necessary for this Law to take effect shall be provided for under the applicable cabinet order.

(Transitional Measures Concerning Application of Penal Provisions)

Article 21.

With respect to application of the penal provisions for the offense prior to the effective date of this Law, the precedent shall still apply.

Supplementary Provisions (Excerpt)
(Law No. 24 of March 31, 1998)

(Effective Date)

Article 1.

This Law shall come into force as from April 1, 1998.

Supplementary Provisions (Excerpt)

(Law No. 27 of March 31, 1998)

(Effective Date)

Article 1.

This Law shall come into force as from April 1, 1998.

Supplementary Provisions (Excerpt)

(Law No. 160 of December 22, 1999)

(Effective Date)

This Law (except Article 2 and Article 3) shall come into force as from January 6, 2001.

Supplementary Provisions (Excerpt)

(Law No. 91 of May 31, 2000)

(Effective Date)

- (1) This Law shall come into force as from the effective date of the Law to Amend the Commercial Code, Etc. (Law No. 90 of 2000).

(Transitional Measures)

- (2) In the case of the effective date of this Law is the day before the effective date of the provisions of Article 8 of the Supplementary Provisions of the Law Concerning the Independent Administrative Institution Center for Food Quality, Labeling and Consumer Services (Law No. 183 of 1999), “Article 27” in the amended provisions of Article 19-5-2, Article 19-6 Paragraph (1) and Article 27 of the Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products shall be read as “Article 26”.

Supplementary Provisions (Excerpt)

(Law No. 6 of March 30, 2001)

(Effective Date)

Article 1.

This Law shall come into force as from March 31, 2001.

Supplementary Provisions (Excerpt)

(Law No. 62 of June 22, 2001)

(Effective Date)

Article 1.

This Law shall be come into force as from the date not exceeding six months from the date of its promulgation stipulated in the applicable cabinet order.

(Transitional Measures Concerning Application of Penal Provisions)

Article 4.

In the case of application of the penal provisions for offense before the effective day of this Law, the precedent shall still apply.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 5.

In addition to the provisions of this Supplementary Provisions, other necessary transitional measures (including the transitional measures concerning the penal provisions) required for this Law to take effect shall be stipulated in the applicable cabinet order.

(Review)

Article 6.

The Government shall review the status of legal system pertaining to telecommunications including the classification pertaining to telecommunications and broadcasting, taking into account the implementation status of the provisions as amended by this Law, technologies pertaining to the Internet and other advanced information and telecommunications networks and trends in use thereof and changes in socioeconomic climates in Japan and foreign countries, and taking into consideration facilitation of international telecommunications business and improvement of international competitiveness of Japanese telecommunications technologies, and shall take necessary measures for preparing legal frameworks, etc. based on the conclusion of the review.

Supplementary Provisions (Excerpt)

(Law No. 129 of November 28, 2001)

(Effective Date)

- (1) This Law shall come into force as from April 1, 2002.

(Transitional Measures Concerning Application of Penal Provisions)

- (2) Application of the penal provisions, with respect to the offense prior to the effectuation of this Law and the case deemed to which the precedent shall apply under the provision of this Law, the precedent shall still apply.