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The Decommissioning and Contaminated Water Management Project Implementation Guidelines are established as follows:

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Decommissioning and Contaminated Water Management Project Implementation Guidelines

Article 1 General

The objectives of these Guidelines are to improve national scientific and technological capabilities and ensure the smooth implementation of the decommissioning and contaminated water management by granting the subsidy for the Project of Decommissioning and Contaminated Water Management (hereinafter referred to as “Subsidy”), and establishing and utilizing the Fund for the Decommissioning and Contaminated Water Management (hereinafter referred to as “Fund”) to conduct a project to support development of technologies which can contribute to the decommissioning and contaminated water management.

Article 2 Details of Work

A corporation establishing and managing the Fund (hereinafter referred to as “Fund Establishing Corporation”) shall undertake the project of decommissioning and contaminated water management (hereinafter referred to as “Subsidized Project) defined in Article 4 hereof on commission to a project operating entity appointed by the Minister of Economy, Trade and Industry

(hereinafter referred to as “Commissioned Entity”) by making use of the Fund based on the Subsidy. The Minister of Economy, Trade and Industry may, if it becomes difficult for the Commissioned Entity to implement the Subsidized Project or when the term of the commission agreement expires, and the Subsidized Project needs to be continued, let the Fund Establishing Corporation continue the Subsidized Project.

1. Establishment of the Fund

Based on the Decommissioning and Contaminated Water Management Project Cost Subsidy Grant Guidelines (hereinafter referred to as “Grant Guidelines”), the Fund shall be established based on the Subsidy from the national government.

2. Public announcement of the basic information on the Fund

After the establishment of Fund, the Fund Establishing Corporation shall immediately make the public announcement concerning the name and amount of the Fund, amount of the national expenditure forming part of the Fund, outline of the Fund project (which refers to a funded project as stipulated in this guideline and the same shall apply hereinafter), expiration date of the Fund project, intervals of regular revision, and objectives of the Fund project.

3. Management and operation method of the Fund

(1) The Fund Establishing Corporation shall manage the resources belonging to the Fund using the following methods:

(i) The Fund shall be managed in a manner which guarantees the safety of resources and transparency of the resource management. The specific method for managing the Fund shall be approved by the Minister of Economy, Trade and Industry in advance.

(ii) The assets which may be retained for the operation of the Fund shall be as shown below, and other assets shall be approved by the Minister of Economy, Trade and Industry in advance:

- Acquisition of national government bonds, local government bonds and other beneficial, valuable securities
- Deposits in financial institutions (i.e. ordinary deposits and fixed deposits)
- Beneficiary rights to money trusts under the contracts with the rules for covering any losses of principal

(2) The payment of the Subsidized Project shall be made from the Fund based on the report issued by the Commissioned Entity concerning the determination of the amount of the Subsidy to be granted to the subsidized entity defined in Article 4 hereof.

(3) The Fund shall be managed in accordance with (1) above if the amount which the subsidized entity defined in Article 4 hereof is ordered by the Commissioned Entity to refund in connection with the disposal of the acquired assets (i.e. use, transfer, exchange, rental or mortgaging in breach of the objectives of the grant), etc. is paid to the Fund Establishing Corporation.

(4) The proceeds from the operation of the Fund and the dissaving of the Fund shall be applied to cover the costs for implementing the project under Article 4 hereof and the related necessary administrative work, as well as the costs for managing the Subsidized Project and for managing and operating the Fund, and shall not be diverted for other purposes.

(5) In advance of the payment from the Fund, documents showing the exact amount to be paid, its breakdown and grounds, and the balance of the Fund shall be prepared and submitted to the

Minister of Economy, Trade and Industry for approval.

4. In case where the Fund management becomes difficult

The Fund Establishing Corporation shall, if it becomes difficult to conduct the Fund management, immediately inform the Minister of Economy, Trade and Industry thereof and follow its direction.

5. Fund management period, etc.

- (1) Basically, the Fund management period shall continue until the work relating to the report is complete as stipulated in Article 3, Paragraph 1 (2).
- (2) The Minister of Economy, Trade and Industry may, in the following cases in addition to the case defined in (1) above, order the termination or change of the Fund management:
 - (i) If the Fund Establishing Corporation breaches the provisions of the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc. (Act No. 179 of 1955; hereinafter referred to as “Rationalization Act”), the Order for Enforcement of the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc. (Cabinet Order No. 255 of 1955; hereinafter referred to as “Enforcement Order”), other laws and regulations, the Grant Guidelines, these Implementation Guidelines, or any measures or directions issued by the Minister of Economy, Trade and Industry based on them.
 - (ii) If the Fund Establishing Corporation uses the Fund for any purposes other than those defined in these Implementation Guidelines.
 - (iii) If the Fund Establishing Corporation has engaged in fraudulence, negligence, or any other inappropriate conduct with respect to the Fund operation.
 - (iv) If it becomes no longer necessary to continue the Fund entirely or partly.
- (3) The Minister of Economy, Trade and Industry may, when ordering the termination or change of the Fund management under (2) above, order the application of the amount corresponding to the amount spent from the Fund to the Fund by designating the time limit.
- (4) If the amount is not applied to the Fund by the time limit defined under (3) above, the Ministry of Economy, Trade and Industry shall also order the application of the delinquent charge calculated with the 5.0% annual interest in accordance with the period of absence of the payment to the Fund.
- (5) Any refund from an entity undertaking the Subsidized Project to the Fund after the Fund is dissolved must be refunded to the national treasury.

6. Handling of the balance of the Fund

Any balance of the Fund upon the termination of the Subsidized Project shall be refunded by the Fund Establishing Corporation to the national treasury in accordance with the procedure separately established.

7. Fund accounting, etc.

- (1) With regards to the Fund accounting, the Fund Establishing Corporation must keep books clearly separated from other accounting items, and maintain records of the revenue and expenditure related thereto so as to clarify how the Fund is used.
- (2) When undertaking the accounting under (1) above, the Fund Establishing Corporation must prepare documents demonstrating the details of its expenditure, and retain them along with the

accounting book for five (5) years after the end of the fiscal year containing the completion date of the Fund management in order to ensure that they may be available whenever requested by the Minister of Economy, Trade and Industry.

8. Fund inspection, etc.

- (1) The Minister of Economy, Trade and Industry may, if it deems it necessary for guaranteeing the appropriateness of the Fund and the Subsidized Project, request the Fund Establishing Corporation to submit the report, or order its personnel to visit the premises of the project, to inspect the related books, documents and other materials, or to question the involved parties.
- (2) The Minister of Economy, Trade and Industry may, if any fact not conforming to the provisions of the Rationalization Act, the Enforcement Order, other laws and regulations, the Grant Guidelines or these Implementation Guidelines is identified, order the Fund Establishing Corporation to take measures necessary to ensure the conformity.

9. Report relating to the Fund project and the Fund Establishing Corporation

- (1) During the fund management period, the Fund Establishing Corporation shall report to the Minister of Economy, Trade and Industry every fiscal year on the amount of the fund (the remaining amount and the equivalent amount to the national treasury), the income and spending and their breakdowns concerning the Fund projects (including the forecast), the number of determined Fund projects and their amount, the holding ratio (which is written in "3 (3) The Criteria for Holding Funds" in "The Criteria for Funds Established by Subsidization etc." (decided by the cabinet on August 15, 2006" and hereinafter referred to as "Fund Criteria"), the ground for holding rates calculation, the goals and their achievement of the Fund projects by April 30th of the following fiscal year.
- (2) The Fund Establishing Corporation shall promptly inform the Minister of Economy, Trade and Industry any changes which may affect the Fund management or the guidance and supervision of the Subsidized Project, such as change of the representative, transfer of the office, change of the officers involved in the Fund management or guidance and supervision set forth in Article 3 hereof, and any significant change in the project implementation system.

10. Refund of the surplus

- (1) The Minister of Economy, Trade and Industry may, if it recognizes surplus in the Fund as a result of the inspection conducted under paragraph 8. or the change in the implementation system under paragraph 9., request the Fund Establishing Corporation to refund the surplus.
- (2) If requested to refund the surplus under (1) above, the Fund Establishing Corporation must refund the surplus to the national treasury immediately. Any ambiguity in the calculation of the surplus shall be negotiated separately with the Minister of Economy, Trade and Industry.

11. Observance of the Fund Criteria, etc.

- (1) The Minister shall instruct and supervise the Fund Establishing Corporation to ensure the conformity to the Fund Criteria and take necessary measures under the Fund Criteria.
- (2) The Fund Establishing Corporation shall take necessary measures under the Fund Criteria to ensure the conformity to each criterion stipulated in Rules 3 and 4 of the Fund Criteria.

Article 3 Guidance and Supervision of the Subsidized Project Implemented by the Fund Establishing

Corporation

The Fund Establishing Corporation shall provide the guidance and supervision as provided below to ensure that the Subsidized Project is undertaken appropriately and smoothly:

1. Understanding the progress of the project by receiving the report and report to the national government thereof

- (1) The Fund Establishing Corporation shall receive report from the Commissioned Entity under paragraph 5 of Article 4 hereof, request any report necessary to understand the progress of the Subsidized Project and ensure its appropriate and smooth implementation, and provide the Minister of Economy, Trade and Industry with information obtained accordingly in a timely and appropriate manner.
- (2) The Fund Establishing Corporation shall be informed by the Subsidized Entity of the earnings conditions, etc. relating to the Subsidized Project after it is complete, and report the Minister of Economy, Trade and Industry upon request.

2. Guidance for the Commissioned Entity

The Fund Establishing Corporation shall, if there is any factor which impedes or may impede the appropriate and smooth implementation of the Subsidized Project, promptly inform the Minister of Economy, Trade and Industry thereof to ask for direction, and provide the Commissioned Entity with necessary guidance for improvement to be taken.

3. Measure for Exclusion of Organized Crime Groups

(1) The Fund Establishing Corporation or the Commissioned Entity pursuant to Article 4, Paragraph 5 shall not grant the subsidies to the projects conducted by the entities correspond to the written pledges for the exclusion of organized crime groups (hereinafter referred to as “Pledges”) and shall dissolve part or all of the grant of the subsidy in the case when the Subsidized Project Operating Entity breaches the Pledges.

(2) When suspecting that the Subsidized Project Operating Entity corresponds to the attached Pledges for the exclusion of organized crime groups by internal report, whistle-blowing, press reporting and such, the Fund Establishing Corporation or the Commissioned Entity pursuant to Article 4, Paragraph 5 shall immediately report to the Ministry of Economy, Trade and Industry and make reference to Metropolitan Police Department or Organized Crime Division of the prefectural police headquarters (hereinafter referred to as “Organized Crime Division of Prefectural Police”). In addition, when being responded by Organized Crime Division of Prefectural Police that the Subsidized Project Operating Entity correspond to the category of the Pledges, the Fund Establishing Corporation shall immediately report to Ministry of Economy, Trade and Industry and shall not determine the subsidy grant to the subsidy applicants and shall take necessary procedures for dissolving the grant of subsidy for the Subsidized Project Operating Entities.

(3) When being reported by the Minister of Economy, Trade and Industry that the subsidy applicants or the Subsidized Project Operating Entities correspond to the Pledges, the Fund Establishing Corporation or the Commissioned Entity pursuant to Article 4, Paragraph 5 shall not determine the subsidy grant to the subsidy applicants and shall take necessary procedures for dissolving the grant of subsidy for the Subsidized Project Operating Entities.

Article 4 Decommissioning and Contaminated Water Management Project (Commissioned Project based on the Fund)

The Fund Establishing Corporation shall implement the work relating to the grant of the Subsidy for a subsidized entity for the purpose of meeting the objectives set forth in Article 1 hereof through the use of the Fund (hereinafter referred to as “Subsidy” in Article 4 hereof) by commission to the Commissioned Entity. The Fund Establishing Corporation shall obtain approval from the Minister of Economy, Trade and Industry in advance with regard to the terms and conditions of the commission agreement.

1. Amount of the cost for the project

- (1) The Fund Establishing Corporation shall make and enter into a commission agreement with the Commissioned Entity with regard to a certain amount of the cost for the Project (hereinafter referred to as “Commission Cost”) which is deemed appropriate by the Fund Establishing Corporation and does not exceed the amount of the Fund.
- (2) The Commission Cost shall be classified as shown in Schedule 1.

2. Subsidy targets and rate

The subsidized cost classification, description, subsidized rate and the upper limit of subsidy, and subsidized project periods are as listed in Schedule 2.

3. Approval of the grant rules

- (1) When implementing the project, the Commissioned Entity shall establish independently the grant rules concerning the procedure for granting the Subsidy, etc., and obtain approval from the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter referred to as “NDF”). This shall also apply when revising such grant rules.
- (2) The grant rules shall contain the following items:
 - (i) Definition of the grant target requirements and subsidy rate
 - (ii) Application for grant and report on the achievement
 - (iii) Determination of the grant, the amount of subsidies, etc.
 - (iv) Withdrawal of the application
 - (v) Approval of the modification of plans, etc.
 - (vi) Payment of the Subsidy
 - (vii) Cancellation of the determination of the grant, etc.
 - (viii) Acquired asset management, etc.
 - (ix) Other necessary items

4. Details of the project and arrangement of implementation system

The Commissioned Entity shall implement the following projects, and must arrange the system for taking the following responses appropriately to ensure the smooth implementation of the project:

- (1) Public offering, evaluation and selection of the project (including the establishment and operation of the third-party panel)

- (3) Work relating to the decision of the grant for the project (acceptance of the application for the grant, issuance of the grant decision notice, etc.)
 - (4) Management of the progress of the project, inspection for confirmation, payment procedure
 - (5) Familiarization with the project
 - (6) Responses to the inquiries, opinions, etc. concerning the project
 - (7) Responses to the project in English and to other matters required for the project management.
5. Guidance, supervision, etc.
- (1) The Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF shall provide guidance and supervision in accordance with these Guidelines with regard to the implementation of the project by the Commissioned Entity.
 - (2) The Fund Establishing Corporation shall publish the methods and period of application, the criteria for the evaluation, the evaluation structure for the subsidized project management organization and the adoption of subsidized projects.
 - (3) The Commissioned Entity shall, to obtain approval for commencing the project to be selected as requested by an applicant for the Subsidized Project, negotiate with the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF and obtain their approval.
 - (4) To select the Subsidized Project, the Commissioned Entity shall establish the third party panel, listen to the opinions on the application forms, etc., and at the same time negotiate with the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF.
 - (5) For the purpose of selecting the Subsidized Project, the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF may request a conference with the Commissioned Entity, and provide guidance and advice as necessary, prior to the selection.
 - (6) If there is any ambiguity or problem in the implementation of the project, the Commissioned Entity shall report the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF thereof without delay.
 - (7) The Commissioned Entity shall, to conduct on-site inspection to manage the progress of the Subsidized Project implemented by the subsidized entity or upon the completion of the Subsidized Project, consult with the Minister of Economy, Trade and Industry with regard to the method and other matters necessary to conduct on-site inspection.
 - (8) If consulted under (7) above, the Minister of Economy, Trade and Industry shall send relevant personnel to attend on-site inspection, as necessary.
 - (9) The Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF may request the Commissioned Entity to report the progress of the project, and provide guidance and advice for improvement, as necessary.
 - (10) The Commissioned Entity shall promptly report any significant changes in the system for office work concerning the project or circumstances which affect the project to the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF.

(11) The Commissioned Entity shall implement the project in accordance with the guidance, supervision, etc. of the NDF.

6. Settlement and refund of the balance after the completion of the project

After the project is complete, the Commissioned Entity shall make settlement, and refund any residual amount of the resources received from the Fund for incurring the Commission Cos to the Fund.

7. Miscellaneous

The Commissioned Entity shall promptly negotiate with the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF for any ambiguity herein, any issue which may not be readily solved hereunder or any specific matter not defined hereunder, and follow their direction.

(1) Handling of the costs relating to the damage caused by the Commissioned Entity to other party in connection with the implementation of the project

If the Commissioned Entity causes damage, etc. to other party in connection with the implementation of the project, the accompanying costs may not be paid from the Fund based on the degree of intent or negligence of the Commissioned Entity.

(2) Other

The Commissioned Entity shall promptly negotiate with the Minister of Economy, Trade and Industry, the Fund Establishing Corporation, and (when the Ministry of Economy, Trade and Industry deems it necessary) the NDF for any ambiguity herein, any issue which may not be readily solved hereunder or any specific matter not defined hereunder, and follow their direction.

Note)

Only the original Japanese texts of the laws and regulations have legal effect, and this translation is to be used solely as reference materials to aid in the understanding of Japanese laws and regulations. The government of Japan is not responsible for the accuracy, reliability or currency of this translation, or for any consequence resulting from use of this translation.

Classification of Commission Cost

Classification	Details
Operation management cost	Labor cost, travel cost, Review Committee cost, communication cost, etc. (i.e. bank transfer fee, postage fee, communication cost, connection fee and consumable cost), document storage cost, system operation cost (i.e. system development cost, and maintenance and repair cost), survey cost, computer rental cost, etc., office maintenance cost, utility cost, general management cost, and outsourcing cost

Subsidized Cost and Rate

Classification of Subsidized Cost	Labor Cost	Operating Cost
Description	Personnel Cost	Raw material cost, consumable cost, design, production and processing costs, facility and equipment cost, procurement cost, survey cost, outsourcing cost, travel cost, rewards, rents, depreciation, and other expenses necessary for undertaking the project
Subsidy rate	1/2 or less, fixed rate	
Upper subsidy limit	4 billion yen	
Subsidized Project period	Projects of FY 2013 supplementary budget: Basically, by the end of FY 2015 Projects of FY 2014 supplementary budget: Basically, by the end of FY 2016 Projects of FY 2015 supplementary budget: Basically, by the end of FY 2017 Projects of FY 2016 supplementary budget: Basically, by the end of FY 2018 Projects of FY 2017 supplementary budget: Basically, by the end of FY 2019 Projects of FY 2018 supplementary budget (including Projects subsidized additionally by FY 2019 supplementary budget): Basically, by the end of FY 2021	

(Note) Although “Projects of FY 2018 supplementary budget” is basically by the end of FY 2021, it could be extended by the end of FY 2022, in the case when the projects cannot be completed within the period due to changes in the situation at the Fukushima Daiichi Nuclear Power Station or new issues that cannot be expected at the beginning of the project plan.