Chapter I: General Provisions

ARTICLE 1. (Purpose)

The National Space Development Agency shall be established with a view to conducting in an integrated, systematic and effective manner the development, launching and tracking of artificial satellites and rockets for the launching of artificial satellites, exclusively for peaceful purposes, thereby contributing to the promotion of space development and utilization.

ARTICLE 2. (Status as Judicial Person)

The National Space Development Agency (hereinafter referred to as the "Agency") shall be a judicial person.

ARTICLE 3. (Offices)

1. The Agency shall have its main offices in Tokyo.

2. The Agency, upon authorization from the Prime Minister, may establish subordinate offices at necessary places.

ARTICLE 4. (Capital)

1. The capital of the Agency shall consist of the sum of the following amounts:

   (1) ¥500,000,000
   (2) The amount that is deemed to have been the contributed by the Government under the provisions of Article 3, Paragraph 2 of the Supplementary Provisions.
   (3) The amounts that are to be contributed by persons other than the Government on the occasion of establishment of the Agency.

2. The Government, on the occasion of establishment of the Agency, shall contribute the ¥500,000,000 referred to in Item I of the preceding Paragraph.
3. The Agency, whenever necessary, may increase its capital upon authorization from the competent Ministers.

4. When the Agency is to increase its capital under the provisions of the preceding Paragraph, the Government may, within the scope of amount to be determined under the budget, make a contribution to the Agency.

5. The Government, when making contributions to the Agency, may use land, buildings and fixtures on land or articles (hereinafter referred to as "land, etc.") for purposes of making its contribution.

6. The values of land, etc. which are to be contributed under the provisions of the preceding Paragraph shall be the values that are appraised by the Appraisal Committee on the basis of the prices prevailing as of the date of the contribution.

7. The Appraisal Committee referred to in the preceding Paragraph and the other necessary matters concerning the appraisal shall be prescribed by a Cabinet Order.

ARTICLE 5. (Investment Bonds)

1. The Agency shall issue investment bonds for the contributions.

2. The investment bonds shall be in non-bearer form.

3. The necessary matters concerning the investment bonds other than those which are stipulated in the preceding Paragraph shall be prescribed by a Cabinet Order.

ARTICLE 6. (Prohibition of Refundment of Holdings, Etc.)

1. The Agency shall not be able to refund to the contributors their holdings.

2. The Agency shall be able neither to acquire holdings of the contributors nor receive the same for the purposes of establishing the right of pledge.

ARTICLE 7. (Registration)

1. The Agency shall have to effect registration in accordance with the provisions of a Cabinet Order.

2. On the matters that ought to be registered under the provisions of the preceding Paragraph, the Agency shall not be able to set up them against third parties unless the registration has been completed.

ARTICLE 8. (Restrictions on the Use of Appellation)

No one other than the Agency shall be able to use the appellation "National Space Development Agency."
ARTICLE 9. (Mutatis Mutandis Application of Civil Code)

The provisions of Article 44 (Corporation's Capacity for Assuming Responsibility for illegal Acts) and Article 50 (Address of Corporation) of the Civil Code (Law No. 89 of 1896) shall apply mutatis mutandis to the Agency.

Chapter II: Executives, Etc.

ARTICLE 10. (Executives)

1. The Agency shall have one President, one Vice President, no more than five Executive Directors and two General Auditors as executives.

2. The Agency may have no more than two part-time Executive Directors as executives in addition to the Executive Directors referred to in the preceding Paragraph.

ARTICLE 11. (Duty and Authority of Executives)

1. The President shall represent the Agency and preside over its overall business.

2. The Vice President shall represent the Agency and shall, as determined by the President, manage the business of the Agency in assistance with the President, temporarily take over the duties of the President when he is unable to perform his duties, and carry out the duties of the President when that position is vacant.

3. The Executive Directors (with the exception of the part-time Executive Directors) shall, as determined by the President, manage the business of the Agency in assistance with the President and the Vice President, temporarily take over the duties of the President and the Vice President when they are unable to perform their duties, and carry out the duties of the President and the Vice President when their positions are vacant.

4. The part-time Executive Directors shall, as determined by the President, manage the business of the Agency in assistance with the President and the Vice President.

5. The General Auditors shall audit the business of the Agency.

6. The General Auditors may submit opinions to the President or the competent Ministers (the Director-General of the Science and Technology Agency for the Prime Minister in the event that the former is delegated under the provisions of Article 40. The same is applicable under Article 41, Paragraph 2 and Article 43, Item I), wherever they deem it necessary, on the basis of the findings of an audit.
ARTICLE 12. (Appointment of Executives)

1. The President shall be appointed by the Prime Minister with the concurrence of the Space Activities Commission.

2. The Vice President and Executive Directors shall be appointed by the President with the authorization of the Prime Minister.

3. The General Auditors shall be appointed by the Prime Minister after obtaining the opinion of the Space Activities Commission.

ARTICLE 13. (Term of Office of Executives)

1. The term of office of the President and Vice President shall be four years and the term of office of the Executive Directors and General Auditors two years.

2. The executives may be reappointed.

ARTICLE 14. (Disqualification for Executives)

Those persons who fall under any one of the following Items shall not be able to become executives:

(1) Officials of the Government or local public bodies (except those educational public servants who are prescribed by a Cabinet Order and part-time officials).
(2) Persons who engage in the business of production or sales of commodities or contracting construction and have close interests with the Agency in business deals or, if such persons are judicial persons, their executives (including those persons who have authority or controlling power which is equivalent to or higher than that of such executives, regardless of their title).
(3) Executives of the organizations of the entrepreneurs referred to in the preceding Item (including those persons who have authority or controlling power which is equivalent to or higher than that of such executives, regardless of their title).

ARTICLE 15. (Removal of Executives)

1. The Prime Minister or the President shall remove any executive appointed by him when such executive falls under any one of the Items of the preceding Article.

2. The Prime Minister or the President may remove any executive appointed by him, in the manner set forth in Article 12, when such executive falls under either of the following Items or when the Prime Minister or the President otherwise considers that such executive is not fit to remain an executive:

   (1) When it is recognized that he is no longer able to execute his duties due to his mental or physical problems.
   (2) When he has violated the duties of his office.
ARTICLE 16. (Prohibition of Concurrent Posts by Executives)

An executive shall neither become an executive of a profit-making organization nor engage in any profit-making business by himself; provided however, that this provision is not applicable when approval has been secured from the Prime Minister.

ARTICLE 17. (Restrictions on Right of Representation)

On the matters for which there exists conflict of interests between the Agency and the President or the Vice President, such person shall not have the right of representation. In such case, the General Auditors shall represent the Agency.

ARTICLE 18. (Appointment of Agents)

The President and the Vice President may appoint from among the Executive Directors or staff members of the Agency the agents who are empowered to take all actions in court or out of court, in connection with matters concerning the business of subordinate offices of the Agency.

ARTICLE 19. (Advisors)

1. Advisors may be assigned to the Agency to take part in the planning of important matters concerning the management of its business.

2. Advisors shall be appointed by the President from among men of learning and experience with the authorization of the Prime Minister.

ARTICLE 20. (Appointment of Staff Members)

Staff members of the Agency shall be appointed by the President.

ARTICLE 21. (Status of Executives, Etc. as Public Servants)

The executives, Advisors and staff members shall be regarded as staff members who engage in public services by law insofar as the application of the Criminal Code (Law No. 45 of 1907) and other penal regulations are concerned.

Chapter III: Business
ARTICLE 22. (Scope of Business)

1. The Agency shall conduct the following business in order to achieve the purpose referred to in Article 1:

   (1) The development of artificial satellites and rockets for the launching of artificial satellites (hereinafter referred to as "artificial satellites, etc.") and development of facilities and equipment necessary therefor.
   (2) The launching and tracking of artificial satellites, etc. developed by it and development of means, facilities and equipment necessary therefor.
   (3) The development referred to in Item 1, the launching and tracking of artificial satellites, etc. and the development of means, facilities and equipment necessary therefor, which are conducted pursuant to entrustment thereof.
   (4) Business incidenta1 to those businesses mentioned in the preceding three Items.
   (5) Business required to accomplish the purpose referred to in Article 1 other than the business mentioned in each of the foregoing Items.

2. The Agency, in carrying out the following business, shall comply with the guidelines which it prescribes with authorization from the competent Ministers:

   (1) The launching of artificial satellites, etc. referred to in Item 2 of the preceding Paragraph.
   (2) Business referred to in Item 3 of the preceding Paragraph.

3. The Agency shall have to secure authorization from the competent Ministers when it is to carry out the business referred to in Paragraph 1, Item 5.

4. In addition to carrying out those businesses which are referred to in Paragraph 1, the Agency may, in accordance with the guidelines which it prescribes with authorization from the competent Ministers, offer the facilities and equipment which are to be established by it for development, for the use of those who carry out space development.

ARTICLE 23. (Entrustment of Business)

The Agency may, in accordance with the guidelines which it prescribes with authorization from the competent Ministers, entrust part of its business.

ARTICLE 24. (Guidelines for Business Management)

The business of the Agency shall be conducted in accordance with a basic plan for space development which is to be stipulated by the Prime Minister after resolution by the Space Activities Commission.

Chapter III-2: Compensation for Damages due to Launch of Artificial Satellites, Etc.
ARTICLE 24-2. (Conclusion of Insurance Contracts)

1. The Agency shall not launch an Artificial Satellite, Etc., until and unless it has entered into an insurance contract by which it can secure such amount as is necessary to compensate for damages incurred by others as a result of the launch of the Artificial Satellite, Etc.

2. The amount secured under the insurance contract set forth in the preceding Paragraph shall be determined by the competent Ministers, in order for such amount to be appropriate from the viewpoint of the protection of victims, etc., taking into account the amount that insurers can underwrite and other factors.

3. In the event that the launch of an Artificial Satellite, Etc. is to be performed by the Agency as a result of the consignment set forth in Article 22, Paragraph 1, Item 3 (hereinafter referred to as the "Consigned Launch"), the insurance contract set forth in Paragraph 1 hereof may, notwithstanding the provision of said Paragraph, be entered into by a person or entity which has consigned the launch of such Artificial Satellite, Etc., (hereinafter referred to as the "Consignor") for and on behalf of the Agency.

ARTICLE 24-3. (Special Arrangements for the Consigned Launch)

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

   (i) If the Agency is held liable for compensation for damages caused by the Consigned Launch incurred by any persons or entities other than those related to the Consigned Launch, and any of those related to the Consigned Launch are also liable for compensation for such damages, the Agency shall assume all of the liabilities for compensation for damages owed by those related to the Consigned Launch; and

   (ii) In the preceding Item, if such damages are caused by a willful misconduct of any of those related to the Consigned Launch, the Agency shall have the right to have such person reimburse the damages already paid by the Agency.

2. For the purpose of the preceding Paragraph, "those related to the Consigned Launch" means the Consignor and any person or entity designated by the Agency and the Consignor in accordance with the said special arrangements as the persons or entities which are related to the Consigned Launch.

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

Chapter IV: Finance and Accounting
ARTICLE 25. (Fiscal Year)

The fiscal year of the Agency shall commence on April 1 of every year and terminate on March 31 of the following year.


In each fiscal year the Agency shall prepare a business plan, a budget and a fund plan and secure authorization from the competent Ministers prior to the beginning of the fiscal year concerned. The same shall also be applicable in the event that Agency is to amend such plans or budget.

ARTICLE 27. (Settlement of Accounts)

The Agency shall complete a settlement of accounts for each fiscal year not later than May 31 of the following fiscal year.

ARTICLE 28. (Financial Statements)

1. In each fiscal year the Agency shall prepare a general inventory, a balance sheet and a statement of profit and loss (referred to as "financial statements" in this Article and in the following Article), submit them to the competent Ministers within one month after completion of the settlement of accounts and secure the approval from such Ministers.

2. When the Agency submits the financial statements to the competent Ministers under the provisions of the preceding Paragraph it shall affix to the financial statements a business report for the fiscal year concerned, a statement of accounts prepared according to the budget classification, and the opinion of the General Auditors on the financial statements and the statement of accounts.

3. When the Agency obtains approval of the competent Ministers set forth in the first Paragraph of this Article it shall, without delay make its financial statements public in the Official Gazette (Kanpo), and maintain such financial statements and supplemental schedules, and the business report, statement of accounts and the opinion of General Auditors referred to in the immediately preceding Paragraph, at each of its offices and make the same available for public inspection for the period stipulated by an ordinance of the competent Ministries.

ARTICLE 29. (Transmittal of Documents)

When the Agency has secured authorization or approval under the provisions of Article 26 or Paragraph I of the preceding Article, it shall transmit the documents pertinent to the business plan, budget and fund plan or the financial statements under such authorization or approval to those persons, other than the Government, who have made contributions to the Agency.
ARTICLE 30. (Disposition of Profit and Loss)

1. In the event that a profit is made according the accounting of profit and loss for a fiscal year, the Agency shall use it to make up for the loss carried over from the previous fiscal year, and, if there still remains a surplus settle it as a reserved fund.

2. In the event that a loss is incurred according to the accounting of profit and loss for a fiscal year, the Agency shall settle it by reducing the reserve fund stipulated in the preceding Paragraph, and, if there still remains a shortage, settle it as a loss to be carried over to the following fiscal year.

ARTICLE 31. (Short-Term Loans)

1. The Agency may secure short-term loans upon authorization from the Prime Minister.

2. The short-term loans stipulated in the preceding Paragraph shall be repaid within the fiscal year concerned; provided, however, that in the event that the repayment cannot be made due to a lack of funds, only that amount which cannot be repaid may be converted into a new loan, upon authorization from the Prime Minister.

3. A short term loan which has been converted into a new loan under the proviso of the preceding Paragraph shall be repaid within one year.

ARTICLE 32. (Operation of Surplus Funds)

The Agency shall not operate surplus business funds with the exception of the following manners:

(1) Acquisition of national bonds and other securities designated by the Prime Minister.
(2) Deposits with banks or other financial institutions designated by the Prime Minister or postal savings.
(3) Money trust to banks engaging in trust business or trust firms.

ARTICLE 33. (Restrictions on Disposal of Property, Etc.)

The Agency shall secure authorization from the competent Ministers when it is to loan, transfer, or offer as security such important property exchange as prescribed by an ordinance of the competent Ministries.

ARTICLE 34. (Guidelines for Payment of Wages and Severance Allowances)

The Agency shall, secure approval from the Prime Minister when it is to establish guidelines for the payment of wages and severance allowances to its executives and staff members. The same shall also be applicable when the Agency is to amend such guidelines.
ARTICLE 35. (Mandate to Ordinance of Competent Ministries)

The necessary matters concerning the finance and accounting of the Agency other than those stipulated in this Law shall be prescribed by an ordinance of the competent Ministries.

Chapter V: Supervision

ARTICLE 36. (Supervision)

1. The competent Ministers shall exercise supervision over the Agency.

2. The competent Ministers may issue an order to the Agency concerning its business required for the supervision thereof, when they deem it necessary for the implementation of this Law.

ARTICLE 37. (Acquisition of Report and On-Spot Inspection)

1. The competent Ministers when they deem it necessary for the implementation of this Law, may cause the Agency to file a report on its business or have their staff members enter the offices and other places of business of the Agency and inspect the conditions of the business or the books, documents and other necessary objects.

2. When staff members are to carry out an on-spot inspection under the preceding Paragraph, they shall carry a certificate which identifies them and show it to the persons concerned.

3. The authority to enter and inspect, stipulated in Paragraph 1, shall not be construed as being recognized for criminal investigation.

Chapter VI: Miscellaneous Provisions

ARTICLE 38. (Dissolution)

1. In the event of dissolution of the Agency, there remain assets after the Agency has paid its obligations, the Agency shall distribute them to each contributor within the limit of the amount of his contribution.
2. Matters concerning the dissolution of the Agency other than that which is stipulated in the preceding Paragraph, shall be prescribed by a separate law.

ARTICLE 39. (Competent Ministers and Ordinance of Competent Ministries)

1. The competent Ministers in this Law shall be the prime Minister, the Minister of Posts and Telecommunications and the Ministers who are in charge of matters concerning to the development of artificial satellites, etc. and designated by a Cabinet Order.

2. The ordinances of the competent Ministries in this Law shall be Ministerial Ordinances issued by the competent Ministers.

ARTICLE 40. (Delegation to Director-General of the Science and Technology Agency)

1. The Prime Minister may delegate the following authorities to the Director-General of the Science and Technology Agency:

   (1) The authorization under the provisions of Article 3, Paragraph 2; Article 4, paragraph 3; Article 22, Paragraphs 2 through 4; Article 23; Article 24-3, Paragraph 1; Article 26; Article 31, Paragraph 1 or the proviso of Paragraph 2; or Article 33.
   (2) The approval under the provisions of the proviso of Article 16; Article 28, Paragraph 1; or Article 34.
   (3) The determination of the amount secured under the insurance contract under the provisions of Article 24-2, Paragraph 2.
   (4) The designation under the provisions of Article 32, Item 1 or 2.
   (5) The acquisition of report and conduct of on-spot inspection under the provisions of Article 37, Paragraph 1.

ARTICLE 41. (Consultations with Minister of Finance)

1. The Prime Minister, (Director-General of the Science and Technology Agency when he is delegated under the provisions of the preceding Article. The same is applicable under Article 43, Item 1.) shall have prior consultations with the Minister of Finance in the following cases:

   (1) When he is to formulate the basic plan referred to in Article 24.
   (2) When he is to give authorization under the provisions of Article 31, Paragraph 1 or the proviso of Paragraph 2.
   (3) When he is to make designation under the provisions of Article 32, Item 1 or 2.
   (4) When he is to give approvals under the provisions of Article 34.

2. The competent Ministers shall have prior consultations with the Minister of Finance in the following cases

   (1) When they are to give authorization under the provisions of Article 4, Paragraph 3; Article 22, Paragraph 2, Item 2 or Paragraph 3; Article 24-3, Paragraph 1; Article 26 or Article 33.
   (2) When they are to determine the amount secured under the insurance contract under the provision of Article 24-2, Paragraph 2.
(3) When they are to give approvals under the provisions of Article 28, Paragraph 1.
(4) When they are to formulate an ordinance of the competent Ministries under the provisions of Article 33 or Article 35.

Chapter VII: Penal Provisions

ARTICLE 42. (Penal Provisions)

In the event of the failure to file a report or filing of a false report under Article 37, Paragraph 1, or refusal, interference or evasion of the inspection under the same Paragraph, the executive or the staff member of the Agency who has committed such violation shall be subject to a fine not exceeding 200,000.

ARTICLE 43.

In any of the following events, the executive of the Agency who has committed such violation shall be subject to an administrative fine not exceeding 200,000.

(1) Failure to secure the authorization or approval in case the authorization or approval must be secured from the Prime Minister or the competent Ministers under this Law.
(2) Failure to make the registration in violation of the provisions of the Cabinet Order referred to in Article 7, Paragraph 1.
(3) Conducting business other than that referred to in Article 22, Paragraphs 1 and 4.
(4) Launching an Artificial Satellite, Etc., without entering into an insurance contract, in breach of the provision of Article 24-2, Paragraph 1.
(5) Operating surplus business funds in violation of the provisions of Article 32.
(6) Violating an order of the competent Ministers under in Article 36, Paragraph 2.

ARTICLE 44.

A person who has violated the provisions of Article 8 shall be subject to an administrative fine not exceeding 100,000.

Supplementary Provisions
ARTICLE I. (Date of Enforcement)

This Law shall come into force as of the day of promulgation.

ARTICLE 2. (Establishment of Agency)

1. The Prime Minister shall designate the persons who will become President or General Auditors of the Agency in the manner set forth in Article 12, Paragraph 1 or Paragraph 3.

2. The persons who will be President or General Auditors designated under the preceding Paragraph shall be deemed as being appointed President or General Auditors under the provisions of this Law at the time of establishment of the Agency.

3. The Prime Minister shall appoint the Establishment Committee and cause it to handle business pertinent to the establishment of the Agency.

4. The Establishment Committee shall raise contributions to the Agency from persons other than the Government.

5. The Establishment Committee, when the raising of contributions referred to in the preceding Paragraph is completed, shall apply to the competent Ministers for the authorization of the establishment of the Agency.

6. Upon securing the authorization referred to in the preceding Paragraph, the Establishment Committee shall request the Government and those persons, other than the Government, who have agreed to make contributions, to pay their contributions.

7. On the day the contributions are paid in, the Establishment Committee shall turn over its business to the person who will be President designated under the provisions of Paragraph 1.

8. The person who will be President designated under the provisions of Paragraph 1 shall effect registration for the establishment without delay in accordance with the provisions of a Cabinet Order, when the business referred to in the preceding Paragraph has been turned over to him.

9. The Agency shall be brought into existence upon the completion of the registration under the preceding Paragraph.

ARTICLE 3. (Succession of Rights and Obligations, Etc.)

1. Among the rights and obligations actually owned or owed by the State at the time of establishment of the Agency, those which are relevant to the business handled by the Space Development Office of the Science and Technology Agency under the provisions of Article 20-2, Paragraph 1 of the Law Concerning the Establishment of the Science and Technology Agency (Law No. 49 of 1956) and the business (limited to that concerning the development of artificial satellites for the observation of the ionosphere) handled by the Radio Research Laboratories of the Ministry of Posts and Telecommunications under the provisions of Article 17-2 of the Law Concerning the Establishment of the Ministry of Posts and Telecommunications (Law No. 244 of 1948) and which are prescribed by a Cabinet Order, shall be succeeded by the Agency as of its establishment.
2. When the Agency has succeeded the rights and obligations owned or owed by the State under the preceding Paragraph, an amount equivalent to the total of the value of the land, buildings, articles and other assets which are relevant to the rights to be succeeded and which are prescribed by a Cabinet Order, shall be deemed as having been contributed to the Agency by the Government upon such succession.

3. The value of the assets referred to in the preceding Paragraph which will be deemed as having been contributed by the Government under the provisions of the preceding Paragraph shall be the value to be assessed by the Appraisal Committee on the basis of prices prevailing as of the date of establishment of the Agency.

4. The necessary matters concerning the Appraisal Committee referred to in the preceding Paragraph and other necessary matters concerning the appraisal shall be prescribed by a Cabinet Order.

5. In the event that the Agency has succeeded the rights of the State under the provisions of Paragraph 1, the registration license tax and the real estate acquisition tax shall not be levied on the registrations accompanying such succession or on the acquisition of immovable properties relevant to such succession.

Supplementary Provisions

ARTICLE 1. (Date of Enforcement)
This Law shall come into force as of the date of promulgation.

ARTICLE 2. (Transitional Measures Pertaining to the Term of Office of Executives)
The term of office of the persons who are actually the Executive Directors at the time of enforcement of this Law shall be as previously prescribed by this Law.

ARTICLE 3. (Transitional Measures Pertaining to the Penal Provisions)
Application of the penal provisions to conducts that have been done before the enforcement of this Law shall be as previously prescribed by this Law.