

Addition to the Core Business Sectors of the FEFTA to Secure Stable Supply of Critical Minerals

FEFTA: Foreign Exchange and Foreign Trade Act

Background

- Overcoming vulnerabilities in the supply chain by securing a stable supply of critical minerals such as rare earths is an important issue from the perspective of economic security. As global demand for critical minerals is expected to increase further in response to climate change etc., measures to secure the stable supply of critical minerals need to be urgently taken.
 - Our ability to use critical mineral resources in our maritime area etc. over which Japan has sovereignty and sovereign rights is important from the perspective of reducing our dependency of the majority of the supply of mineral resources on overseas.
- ⇒ It is vital to properly maintain and secure exploration capability of mineral resources from the viewpoint of national security.

Addition to the Core Business Sectors (Note 1) of the FEFTA

- **The following business sectors pertaining to 34 critical minerals including rare earth.**
 - i) Metal mining (including the operation of mineral exploration vessels or land/underwater surveys for mining)
 - ii) Manufacturing, repair/maintenance or software for devices or products used for metal mining (including mineral exploration vessels, marine equipment, excavators or drilling machines)
 - iii) Component analysis services of minerals
- **Construction service business etc. which improves or maintains port facilities on Designated Remote Islands (Note 2) to secure smooth activities by mineral exploration vessels.**

(Note 1) "core business sector(s)" is a business sector which requires foreign investors (e.g. non-residents, foreign corporations) to file a prior-notification when the foreign investor conducts inward direct investment, etc. (e.g. acquiring 1% voting rights of a listed company, acquiring a share of an unlisted company) ("designated business sector") and which foreign investors are not, as a general rule, exempt from the requirement for prior notification for stock purchases etc. as being highly likely to undermine national security etc.

(Note 2) "designated remote islands" are islands remote from the mainland and are specified by a Cabinet Order under the Low Tide Line Protection Law as being important as a base of operations in light of the existence of natural resources, etc., and for which it is particularly necessary to develop facilities to serve as a base of operations (Okino-Tori-shima, Minami-Tori-shima).