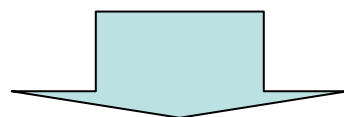


1. Agricultural Land Reform and the Results

○ The agricultural land reform was implemented in 1946 by an order of the General Headquarters of the Allied Forces for democratization for the purpose breaking down the parasitic form of pre-war land ownership.

Supporting legal measures included a special law for the creation of landed independent farmers.

- (a) The government purchase of all tenant farms of absentee land owners and tenant farms exceeding 1 *cho* (4 *cho* in Hokkaido) of resident landlords;
- (b) The government purchase of land of owner-farmers exceeding 3 *cho* (12 *cho* in Hokkaido);
- (c) Sale of the purchase agricultural lands mainly to tenant farmers who were cultivating those land.



Purchase from 1.76 million landlords → Purchased 1.74 million hectares of agricultural land →
Sold to 4.75 million tenant farmer families

Ratio of the tenant farms fell from 46% → less than 10%

2. Enactment of the Agricultural Land Law (1952)

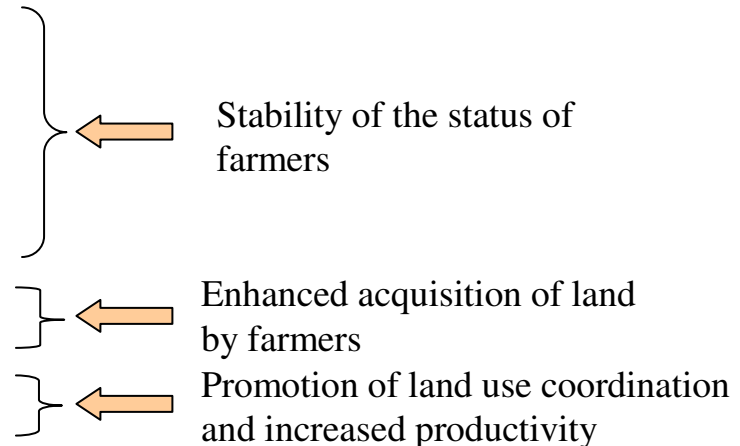
Enacted as a systematic law of the compilation of laws and systems which existed since before the war, e.g. protection of cultivation rights, restrictions on rights transfers and conversion of agricultural land, as well as to sustain the results of the agricultural land reform.

○ Purpose

The law acknowledged the ownership of agricultural land by the cultivator of the land to be the most appropriate form. The law set out to promote acquisition of lands by farmers, protect their rights, coordinate the utilization of land for agriculture for the purpose of securing the status of farmers and increasing agricultural productivity.

○ Contents

- (a) Stability of the status of farmers (legal renewal of leasehold and restriction on lease termination, etc.)
- (b) Rent control on tenant farms (controlled rent, fixed rent program, etc.)
- (c) Restrictions on the holding of tenanted lands; buy out and sale of lands in violation
- (d) Regulation of rights transfer (maximum and minimum size in acquisition; cultivation of entire land; ban on sublease)
- (e) Restriction on conversion of agricultural land (Generally not permitted)



3. Current agricultural land system

Agricultural Land Law

Authorization by local agricultural board (or by governor if acquisition of land outside residing municipality) (Article 3 of the Agricultural Land Law)

- Conditions:
- (a) All of the land available for cultivation must be cultivated.
 - (b) The acquirer of agricultural land must carry out necessary agricultural activities at all times.
 - (c) Conditions of access to the land is amenable to efficient cultivation of the land
 - (d) Acquisition must result in a total land area of 50 ares (2 ha in Hokkaido) or more

- Restriction of tenant farm holding (Article 6 of the Agricultural Land Law)
- Legal renewal of leasehold (Article 19 of the Agricultural Land Law)

Agricultural Management Framework Reinforcement Law(AMFRL)

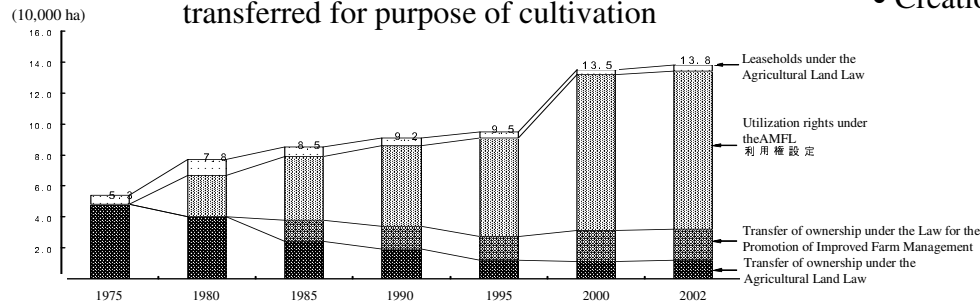
Agricultural land integration plan (developed and proclaimed by municipalities) (Article 18 of the AMFRL)

* Utilization and other rights may be created or transferred without the authorization required by Article 3 of the Agricultural Land Law if an agricultural land integration plan is adopted by an agriculture board and proclaimed by a municipality.

- Conditions:
- (a) Same
 - (b) Same
 - (c) Same
 - (d) Not applicable

- Exempted (Facilitates lending and borrowing of agricultural lands)
- Exempted (No hindrance in leasing agricultural lands)

Fig. Changes in agricultural land areas transferred for purpose of cultivation



Source: Collection and Analysis of Land Management Information, The Ministry of Agriculture, Forestry and Fisheries

Note: The "Agricultural land areas transferred" do not include creation of utilization rights, transfer of ownership of tenant farms and voluntary settlement of own lands under the Agricultural Land Law which do not lead to expansion of farm management size.

• Creation of utilization rights under an agricultural land integration plan

