Loot Boxes in Japan: Legal Analysis and Kompu Gacha Explained

Published on August 2, 2018

About this article: This article was originally intended to be part of the publication “Watch your loot boxes! – Recent developments and legal assessment in selected key jurisdictions from a gambling law perspective” which was published in the first volume of the newly published Interactive Entertainment Law Review (“IELR”) in June 2018. The IELR article covers a legal analysis of loot boxes in the UK, USA, Sweden, Poland and Canada (you can access the IELR article for free via website as a or downloadable PDF here). However, due to the length of the IELR article, commentary on some jurisdictions had to be left out in the final version. This is one of the removed jurisdictions. As with all jurisdictions, this article is partly based on input from work with our local offices on various loot box projects in the past.

Table of Content

I. Terms and Definitions

II. Overall risk assessment

III. Executive Summary

IV. Political and regulatory environment


   a. Tanken Driland game glitch, secondary markets and self-regulation

   b. Gacha scrutiny and additional self-regulation

      aa. First attempts of self-regulation
bb. Establishment of a gaming council by the “Big 6”

cc. Prohibition of kompu gacha mechanisms

dd. Self-regulation after the prohibition of kompu gacha

(1) Self-regulation on kompu-gacha mechanisms

(2) Self-regulation on standard gacha mechanisms

(3) Establishment of the Japan Social Game Association

2. Claims of false probability disclosures and misleading advertisement (2015-2016)

a. The events around *Granblue Fantasy*

b. Consequences

V. Legal environment

1. Gambling law

a. Applicable laws

b. Definition of gambling and application to loot boxes

aa. Contest of Chance

bb. Bet to content for a prize in the form of property or asset

cc. Prize

(1) Impact of real money purchases

(2) Impact of secondary markets

(a) Comparison with Pachinko and Pachi-slot games

(b) Application to secondary market trading

b. Enforcement risk

2. Consumer laws

a. Applicable laws

b. Application to multi-level loot boxes (kompu gacha)

aa. Legal nature of the kompu gacha “ban” by the CAA
(1) Applicability of the Premiums and Representation Act: Gacha-generated-items within a kompu gacha system fall under the definition of “Premiums”

(a) Gacha-generated-items constitute an economic gain
(b) Gacha-generated-items are “given as a means of inducing customers”
(c) “Given by an entrepreneur to another party in connection with a transaction”
(d) The transaction involves “goods or services which the entrepreneur supplies”
(e) Employed system
(f) Determined by the Prime Minister
(g) Summary by the CAA

(2) Application of the Prize Notice to kompu gacha

(a) Applicability of the Prize Notice: Prize Requirement
(b) No. 5 Prize Notice (“Card Matching” regulation)
(aa) Requirement of “lottery or prize competition”
(bb) Requirement of “cards showing two or more types of characters, pictures or symbols”
(cc) Card matching requirement

c. Application to regular loot boxes (gacha)
d. Application to other loot box/gacha mechanisms

aa. Limited time events with combinable items qualifying for a final event
bb. Limiting loot box purchases by means of a free draw option
e. Exemptions to the prohibition of kompu gacha

3. Self-regulatory requirements

4. Financial laws

I. Terms and Definitions

- **Standard Loot Boxes**: Loot boxes which generate virtual items that cannot be traded with other players, i.e. which can only and forever be used by the player himself without him being able to trade or exchange the generated items with other players.
• **Tradeable Loot Boxes**: Loot boxes which generate virtual items that can be traded with other players, either within the game (e.g. by means of an in-game trading platform or by two game characters meeting within the game and “handing over” the item) or outside of the game environment (e.g. over secondary markets usually operated by third parties such as auction or betting platforms).

• **Legal Risk**: The risk that applicable gambling laws apply to loot boxes.

• **Enforcement Risk**: The risk that applicable gambling laws are actually enforced by the competent regulator.

• **Gacha**: Is the Japanese term for loot box mechanisms.

• **Kompu gacha / Complete Gacha**: A form of multi-level loot box (further explained below).

### II. Overall risk assessment

- Standard Loot Boxes: Legal Risk: Very low; Enforcement Risk: Very low
- Tradeable Loot Boxes: Legal Risk: Medium; Enforcement Risk: Low
- Multi-level / combination loot boxes (Kompu gacha): Legal Risk: High / Enforcement Risk: High

### III. Executive Summary

Despite the common misbelief under some western game developers, loot boxes ("gacha") are not prohibited in Japan under gambling or consumer laws. In fact, Japan is the birthplace and "Eldorado of loot boxes". Thus, there is no need for video game developers to remove/replace all loot box mechanisms from their Japanese game releases. However, according to the Japanese Consumer Affairs Agency ("CAA"), multi-level loot box mechanisms ("complete gacha" or "kompu gacha") fall under a specific consumer protection law and are prohibited. Thus, high caution is advised in relation to all multi-level and combination-style loot box mechanisms which require the player to draw several items to collect another, rarer item. Nevertheless, some exemptions apply which should be assessed on a case-by-case basis. In terms of all other loot boxes, the situation is similar to many western countries: The more options there are to trade an item, the higher the chances that the relevant loot box mechanism falls under applicable gambling laws. However, even in this scenario, the enforcement risk seems to be low for foreign publishers. Companies entering the Japanese market should also be aware of several self-regulatory requirements.

### IV. Political and regulatory environment

Japan is the origin of loot box mechanisms. By 2004, Japanese game developers had begun to implement so called “Gacha” or “Gachapon” mechanisms in mobile games.[1] In 2007, even before the introduction of smartphones, Japanese mobile game developers installed free-to-play game apps on featured phones.[2] “Gacha” or “Gachapon” is the Japanese term for what would later become known as “loot box” in the rest of the world. The term “Gachapon” (also known as “Gashapon”) originally referred to physical toys in capsules dispensed from toy vending machines, often found outside grocery stores, supermarkets and other retailers. The word is a combination of the “gacha” sound that can be heard when the crank of the toy vending machine is turned, and the “pon” sound coming from the toy capsule dropping into the receptacle.
With an estimated revenue of USD 19.2 billion in 2018, Japan is the third largest gaming market. Virtual gacha mechanisms are one of the primary monetization methods of social/mobile games in Japan. After its success, the concept was further developed by the industry to increase profits. This led to the emergence of multi-level gacha systems called “complete gacha” or “kompu gacha”. Here, the player must first win several items via a standard gacha mechanism to ultimately win another, even rarer item. For instance, the user must first get item A through gacha and then item B, C and D (also through gacha). Only if the user gets items A-D (complete gacha), he wins the rare item (“Grand Prize”). Thus, if the player wants to obtain the Grand Prize he must continue to play even if he is only short of one item for the complete set. The player can be successful with the next draw or never.


As mentioned above, Gacha mechanisms were introduced in Japan much earlier than in other countries and therefore became subject to scrutiny much earlier. In fact, the first major debate in Japan arose already in 2011/2012. Since then the subject is an ongoing and recurring theme.

a. Tanken Driland game glitch, secondary markets and self-regulation

Similar to the later events of the global 2016 Skin Betting Scandal, virtual items generated by gacha mechanisms had been traded on secondary markets in Japan long before 2012. Trading took place mostly on common auction sites such as Yahoo! Auctions, the leading online auction site in Japan. At this point, the most popular Japanese mobile social game was Tanken Driland, which held the top position in Japan’s iTunes store in December 2011 and generated USD 26 million (JPY 2 billion) per month in virtual item sales. In February 2012 it became public that a glitch allowed users to duplicate loot-box-generated-cards. Some players exploited the glitch by duplicating particular rare cards to subsequently sell them on secondary markets. In one case, for instance, a seller sold seven rare cards for USD 377 (JPY 30,000) within three hours on Yahoo! Auctions. After the news about the glitch hit the press, the game operator’s shares dropped 6.15 percent during one day. The operator was forced to temporarily switch off all in-game card trading.

Similar to the 2016 Skin Betting Scandal, the Tanken Driland incident raised public awareness on secondary markets that had emerged around loot-box-generated-items. These markets were perceived as some form of “shadow economy”. After ongoing negative publicity, the game operator of Tanken Driland implemented various self-regulatory measures. Amongst others, an internal task force was established to look into real money trading. The terms of service of Tanken Driland were changed and now explicitly warned users that real money trading would violate the game’s rules. Users involved in real money trading were warned that their accounts would be suspended if they continue their activities. Furthermore, the company announced that it would work together with third party developers to stop real money trading in the future.

b. Gacha scrutiny and additional self-regulation

Due to the debate about secondary market trading of in-game items, the Japanese media heavily scrutinized gacha mechanisms and monetization in general. Adverse media coverage intensified dramatically after it became public that the number of complaints to
the National Consumer Affairs Agency ("CAA") about high invoices coming from fees spent on online games had increased. In particular, the media mainly focused its attention on complaints lodged by parents who were critical that their children had been exposed to gambling-like mechanisms and induced to spend large amounts of money on gacha mechanisms. Two cases were particularly extreme: a middle school boy who spent USD 5,000 in one month and a primary school student who spent more than USD 1,500 over a three day period were intensively covered by the media.[13] Additionally reports of adult users who spent over USD 50,000 in just two months on gacha mechanisms became public.[14] Between April 2011 and March 2012, 688 complaints from parents were lodged with the CAA. Only few industry experts pointed out that the intensive media coverage was out of proportion considering that only 688 complaints were made nationwide over the course of a year when the number of social game users in Japan is in the tens of millions.[15] In fact the number of complaints had increased only by 100 compared on the year before.[16]

aa. First attempts of self-regulation

Due to the ongoing negative media coverage, industry experts soon started to speculate whether Japanese authorities would begin to regulate gacha mechanisms.[17] As a preemptive measure, one of Japan’s leading game developers announced a number of self-regulatory actions. These involved[18]:

- platform-specific caps for younger players:
  - players 15 years old or younger: JPY 5,000 (approx. USD 60 in 2012) per month;
  - players aged 16-19: JPY 10,000 (approx. USD 120 in 2012) per month;

- players below 20 years of age would see a warning page before buying a virtual item in any game available within the developer’s store with payment only being possible after confirmation by the player;

- all players would get a reminder via email on a monthly basis, informing them in case their virtual coin usage had reached a specific limit;

- stricter content controls by establishment of a special “committee” to review new games released via the company’s own app store.

A few weeks later, another leading Japanese game developer implemented similar measures (payment caps in this case: Users aged 18 or below: JPY 10,000 per month / users aged 15 or below: JPY 5,000 per month).[19]

bb. Establishment of a gaming council by the “Big 6”

Shortly after the first self-regulatory attempts by individual gaming companies, the six largest Japanese social gaming companies (GREE, DeNA, Mixi, CyberAgent, Dwango and NHN Japan) formed a council to further self-regulate monetization models in March 2017, specifically with an eye on protecting younger players.[20] Shortly after its establishment, the self-regulation council announced its first measures which involved:

- actions against real money trading of virtual items on secondary markets, e.g. by restricting in-game trading of items or improving off-site controls;
• general payment caps for all players below the age of 20;
• clearer in-game rules and explanations in order to make it easier for users to understand what rules and terms of service they are agreeing to when starting games;
• establishment of three special task forces which would handle the areas above after introducing common guidelines a month later;
• increased cooperation with other organizations by exchanging more information with authorities, companies and other organizations related to the social gaming industry.

cc. Prohibition of kompu gacha mechanisms

In the end, all preemptive self-regulatory measures of the industry came too late. On Saturday, May 5, 2012 Japan’s biggest newspaper, Yomiuri Shimbun, reported that the CAA planned to take action against kompu gacha mechanisms which were used in several social games and were responsible for a significant part of the revenue generated by the Japanese social media industry.[22] When the stock markets opened on Monday, the shares of about a dozen companies operating in the social gaming industry plunged dramatically.[23] On one single trading day, the Japanese social gaming industry lost a combined USD 3.8 billion in market capitalization[24], with two of the leading game developers alone dropping 23.2 and 20.1 percent.[25] On the next day, one of the leading Japanese social gaming companies announced a positive Q3 report leading to the Japanese Minister of State for Consumer Affairs commenting on the matter for the first time by stating: “I feel social games are generating an extremely strong passion for gambling in users.”[26] Following this statement the company’s shares dropped another 9.64 percent on the next trading day.[27]

After it was clear that the regulator would no longer wait to take action, the social gaming industry decided to take the matter in its own hands before the regulator could step in. On May 9, 2012 several companies announced individually that they would remove all kompu gacha monetization mechanics from all games by the end of May 31, 2012.[28] On the same day, the established self-regulatory council issued a joint statement declaring the same for all member companies. This was effectively the end of the lucrative kompu gacha mechanism in Japan.[29] Shortly after, on May 18, 2012, the CAA officially stepped in, announcing that it would take action against kompu gacha mechanisms from July 1st, 2012 on. However, the CAA did not extent its action to regular gacha mechanisms (i.e. standard non-multi-level loot boxes). Thus, the most important monetization instrument in relation to social games remained untouched.

dd. Self-regulation after the prohibition of kompu gacha

After the CAA had officially stepped in, the Japanese gaming industry did not stop its self-regulation efforts. To continue its attempts to reassure the public and to prevent potential further regulatory action (in particular regarding regular gacha mechanisms), several additional self-regulatory measures were introduced:

(1) Self-regulation on kompu-gacha mechanisms

As a first step the self-regulation council established by the “Big 6” announced its own set of guidelines in relation to kompu gacha mechanisms, essentially prohibiting the system by its self-regulatory regime as well.[30] By this measure, third party developers which released their games via the distribution platforms operated by the “Big 6” were forced to
remove all kompu gacha mechanisms from their games until June 30, 2012. This concerned in particular companies not located in Japan which otherwise might have ignored the announced kompu gacha regulation by the CAA.

(2) Self-regulation on standard gacha mechanisms

One month later, the self-regulation council announced another set of self-regulatory measures which addressed several of the key points that had been subject to public criticism and adverse media coverage in relation to gacha mechanisms over the past months. These regulations applied to both third party developers which published their games via the distribution platforms of the “Big 6” and games developed by the “Big 6” themselves. Measures involved:

- a requirement to disclose the probabilities of obtaining items through regular gacha mechanisms (i.e. non-multi-level loot boxes) to address transparency concerns, in particular those expressed by the CAA in relation to kompu gacha mechanisms according to which such mechanisms would be misleading because consumers would not be able to understand the chances to win a certain prize;

- the implementation of strict measures against real money trading (e.g. on secondary markets) by (i) means of assigning an ID to each tradable virtual item to enable the tracking of illegal transactions and to prevent hackers from duplicating rare items and (ii) restricting the possibility to trade virtual items with new users which were just added to the user’s friends list so that users now had to wait a certain amount of time to be able to exchange virtual items with each other;

- the prohibition of kompu gacha-like mechanisms, i.e. mechanisms which are essentially the same, are particular similar or otherwise follow the same monetization technics as kompu gacha mechanisms (e.g. so called bingo gacha, where items are laid out in a bingo sheet-like grid and players can win items if they complete a column or line on that sheet);

- the establishment of an industry regulatory committee consisting of social game operators, third party game developers and consumer groups in order to establish even more detailed social gaming guidelines, to set up consultation counters for players and to improve public awareness of how to use mobile social games in a safe way.

(3) Establishment of the Japan Social Game Association

Only a few weeks after the industry announced the establishment of an industry regulatory committee, the Japan Social Game Association (“JASGA”) was formed. The JASGA was initially led by the CEOs of GREE and DeNA with the CEOs of Mixi, CyberAgent, Dwango and NHN Japan serving as directors. Additionally the leaders of the Japan Online Game Association and the Computer Entertainment Supplier’s Association (“CESA”) were appointed as directors. 50 social game providers joined the JASGA, including KLab, gloops, Bandai Namco, Sega and gumi. The JASGA declared that it would follow the goal of self-regulating and controlling Japan’s social gaming industry, ensuring a proper gaming environment for younger players and improving the quality of customer support and relations. In April 2015 the JASGA merged with CESA. Some of the oversight duties were passed back to each company while others remained with the CESA.
2. Claims of false probability disclosures and misleading advertisement (2015-2016)

After a turbulent 2012, activity quietened for a couple of years. However, in 2015, several high profile social games independently from each other became subject to adverse media coverage and player criticism related to their gacha mechanisms and alleged false probability disclosures as well as misleading advertisement (amongst others, *Puzzle & Dragons*, *Power Pro*, *Monster Strike*, and *Fate Grand Order*). Still having the 2012 gacha uproar in mind, many developers ultimately backed down and granted refunds to the player base.

a. The events around *Granblue Fantasy*

By far the most attention was caused by the critically acclaimed game *Granblue Fantasy*, one of the most popular Japanese mobile games. During a 2015/2016 new year’s event, several cases became known of players spending large amounts of money to obtain a particular rare and newly introduced character. One player livestreamed his attempts and ended up needing 2,276 gacha rolls and USD 6,065 (JPY 700,000) before being successful. Another player who published his attempts on Twitter spent USD 6,950 (JPY 810,000) without being successful. Similar to 2012, these and other cases were soon picked up by the mass media on a large scale. Although the debate originally was only about one game and the practice of gacha probability rates disclosures, it soon evolved and the focus shifted away from just one game to the practice of gacha monetization in social games in general. In the first months of 2016, the subject continued to be intensively discussed in the Japanese mass media, including Japan’s largest newspapers and TV shows.

b. Consequences

Similar to the 2012 events, the 2016 debate had dramatic consequences. Thousands of players lodged complaints with the CAA.[43] Shares of Japan’s social gaming industry dropped significantly leading to an ultimate loss of USD 1 billion in market capitalization.[44] In April 2016 the industry again saw itself forced to implement additional self-regulatory measures as a preemptive step. The CESA issued a guideline[45] asking its members to provide more transparency in terms of gacha mechanisms. The guidelines required game makers to implement one of the following four standards:[46]

- The limit on the estimated price (the price calculated as an expected value according to the set distribution rate) to obtain any rare gacha item should be within 100 times the price of a single paid gacha, and in the case, that this limit is exceeded, that estimated price or its multiplying factor is to be displayed on the gacha page.

- The estimated price limit to obtain any rare gacha item should be within JPY 50,000, and in the case, that this limit is exceeded, that estimated price is to be displayed on the gacha page.

- The upper limit and lower limit of distribution rates for rare gacha items are to be displayed.

- The distribution rates for each type of rare gacha item are to be displayed.

V. Legal environment
1. Gambling law

a. Applicable laws

Applicable gambling law in Japan is the Penal Code.[47] All gambling activities conducted by the private sector are prohibited as criminal offences under the Penal Code, unless an exception applies. There is no law that specifically regulates online gambling.

Relevant provisions are:

- **Art. 185 Penal Code**: A person who gambles shall be punished by a fine of not more than 500,000 yen or a petty fine. An important exemption applies, however, “to a person who bets a thing which is provided for momentary entertainment.” The latter follows the purpose to exempt common day bets such as a pack of cigarettes, a crate of beer etc.

- **Art. 186 (1) Penal Code**: A person who habitually gambles shall be punished by imprisonment with work for not more than 3 years.

- **Art. 186 (2) Penal Code**: A person who, for the purpose of profit, runs a place for gambling or organizes a group of habitual gamblers shall be punished by imprisonment with work for not less than 3 months but not more than 5 years.

- **Art. 187 (1) Penal Code**: A person who sells a lottery ticket shall be punished by imprisonment with work for not more than 2 years or a fine of not more than 1,500,000 yen.

- **Art. 187 (2) Penal Code**: A person who acts as an intermediary in the sale of a lottery ticket shall be punished by imprisonment with work for not more than 1 year or a fine of not more than 1,000,000 yen.

- **Art. 187 (3) Penal Code**: Except for the cases provided for in the preceding two paragraphs, a person who delivers or receives a lottery ticket shall be punished by a fine of not more than 200,000 yen or a petty fine.

b. Definition of gambling and application to loot boxes

The term ‘gamble’ is understood as ‘an act where more than two persons bet on an outcome of a contest of chance to contend for a prize in the form of property or asset’. [48] No clear guidance exists on whether gacha (i.e. loot boxes) falls under the definition of gambling, but it is unlikely they do. A medium risk applies to Tradable Loot Boxes:

aa. Contest of Chance

Similar to Jurisdictions like Canada, the Japanese gambling definition does not require a predominant element of chance. If the outcome of a contest depends upon an element of chance to any degree, the outcome shall fall under the ‘outcome of a contest of chance’, even if such outcome depends on certain skills of the contestants.[49] Thus, arguing that the relevant video game is overall a game of skill - like some US courts did[50] - will not help to rule out potential gambling allegations.

bb. Bet to content for a prize in the form of property or asset

A robust defense, however, could be built on the requirement of “bet to contend for a
prize in the form of property or asset”. According to case law satisfying this condition requires that the winner wins and the loser loses a prize in the form of property or asset. If one of the contestants does not lose any property, that is, he or she has no risk of losing his or her property, the contestants are not contending for a prize in the form of property or asset. This condition is very similar to the gambling and unfair competition recovery laws in the USA which require a “winner” and a “loser” and which have been subject to various US court decisions in relation to loot box-like mechanisms. While of course US case law has no legal standing in Japan, the arguments outlined by the US courts seem to transfer very well to the Japanese gambling definition. Hence, at least where the player must first purchase virtual currency to subsequently trade such currency for loot boxes it can be argued that the game operator is legally not a “winner” as he would have kept the real money which was initially paid by the player for virtual currency in any case, i.e. regardless of the outcome of the in-game gacha event. At the same time the player is not a “loser” within the meaning of the law because (i) non-redeemable virtual currency has no monetary value and (ii) the player got what he paid for (entertainment) when purchasing the virtual currency.

cc. Prize

The prize requirement under Japanese gambling/criminal law is met where the player is able to win a “thing of value” (including money, its equivalent, real and personal property, receivables or a stake). Thus, the requirement is similar to the prize requirement in several other jurisdictions. This means, as long as virtual items cannot be exchanged for cash and cannot be exchanged with other players (i.e. Standard Loot Boxes) they most likely do not constitute “things of value” under the meaning of the Penal Code as it is practically impossible for the player to obtain a profit though dealing in such items.

(1) Impact of real money purchases

Some Japanese legal experts argue, however, that if virtual currency or other items can (also) be purchased for real money there is an increased risk that they will be deemed “things of value”, because this may create the appearance that the items have the financial value of the purchase price. This argument would apply in cases where the loot-box-generated-items can alternatively be bought via an in-game store. Thus, to mitigate the risk in this regard it is recommended not to have loot boxes generate items which can be bought via direct purchases as well.

(2) Impact of secondary markets

Similar to many other jurisdictions the impact of secondary markets on the real world value of the awarded in-game items is a central question under Japanese gambling/criminal laws as well. Off-platform trading has been a recurring theme in the public debate and the Japanese mass media since the 2012 gacha uproar, cf. section IV.1.a. above. Many of the self-regulatory matters implemented by the Japanese social gaming industry between 2012 and 2016 served the purpose to contain off-platform trading of gacha-generated-in-game-items (see the political and regulatory environment section above). From a legal perspective the question of the impact of secondary markets has not conclusively been solved yet. However, there are at least robust arguments which speak against the fulfillment of the prize condition even with secondary markets being used for off-platform trading of in-game items.

(a) Comparison with Pachinko and Pachi-slot games
Conclusions can be drawn from the legal standing of the Japanese pachinko and pachi-slot industry. Pachinko and pachi-slot is a USD 209 billion (JPY 23.3 trillion) large entertainment industry in Japan which is widely perceived by the general public as gambling but does not fall under applicable gambling/criminal laws due to its specific setup. For this reason pachinko and pachi-slot are often referred to as grey zone.

Pachinko is a Japanese version of pinball and pachi-slot is a slot machine. Both machines award only balls or tokens as prizes. These prizes can be exchanged for goods (small toys etc.) that are available in the operator’s gift shop. However, the goods for which the tokens are exchanged can subsequently be “sold” for a pre-determined exchange rate at an exchange shop typically located directly near the pachinko or pachi-slot establishment. These exchange shops are operated by a completely independent third party with no connection to the operator of the pachinko or pachi-slot establishment. Although not being connected to the pachinko or pachi-slot establishment, the operator of the exchange shop later sells the exchanged prizes over an intermediary back to the pachinko or pachi-slot industry.

Despite pachinko and pachi-slot allow a de facto cash out of the won items, it does not fall under Japanese gambling laws for different reasons. First, pachinko and pachi-slot machines award only small prizes and no cash. By this means they fall under the momentary entertainment exemption as provided in Article 185 Penal Code. Individuals can therefore not be punished for participating in pachinko and pachi-slot. Second, as regards the operator, the offering of pachinko or pachi-slot does not constitute running a gambling place within the meaning of Article 186 (2) Penal Code as each party (pachinko and pachi-slot industry, exchange shop industry and intermediary) are completely independent from each other. The indirect option to cash out the won items via a third party exchange shop which has no connection to the pachinko or pachi-slot establishment has been accepted as not falling under Japanese gambling/criminal laws for decades now.

(b) Application to secondary market trading

The similarity to secondary markets for gacha-generated-items is striking. Participating in a loot box event can be regarded as momentary entertainment either as only small prizes and no cash is awarded. Furthermore, secondary markets such as eBay or Yahoo! Auctions also have no connection to the video game operators. However, legal experts have pointed out that pachinko and pachi-slot have so far been tolerated mainly as a physical industry and that online models of the same type might not be legal. The same goes for the attempt of setting up arrangements similar to pachinko for other gambling activities (such as roulette, blackjack or normal slot machines). Any such undertaking would most likely lead to criminal enforcement action. While this is correct, it must also be noted that gacha has been tolerated the same way as pachinko and pachi-slot for many years and that there has been no criminal/gambling law enforcement action, despite the occurrence of significant secondary market trading activities. This generally speaks against the gambling/criminal law relevance of the system from a Japanese law perspective. However, it must also be noted that while pachinko and pachi-slot do not constitute gambling, they nevertheless fall under the so called Act on Control and Improvement of Amusement Business and require a permit or other authorization issued by the local public safety commissions. Thus, the argument has some backlash potential.

b. Enforcement risk
Despite the fact that arguments of gambling played a big part during the outlined gacha debates, the enforcement action summarized above only concerned Japanese consumer laws and not gambling laws. From a mere gambling/criminal law perspective, no relevant enforcement action in relation to loot boxes took place to date.

As previously outlined, gacha mechanisms have been around in Japan since the dawn of the mobile gaming market. Nearly every Japanese free-to-play game relies heavily on loot box mechanisms. Monetization via gacha is the backbone of Japan’s highly lucrative mobile and social gaming Industry. The Japanese mobile market has outgrown even the US market for the last three years, which is remarkable considering that the USA has nearly three times as many smartphone users than Japan.[64] Considering this intense use of gacha monetization methods and the fact that the Japanese mobile market is mainly driven by large domestic social gaming companies which could easily be made subject to enforcement action by the Japanese authorities, the enforcement risk from a criminal/gambling law perspective in relation to gacha must be classified as low.

As Japanese companies are not on the radar of the authorities, the risk for foreign companies is of course even lower. In fact there have been only two major cases (one in 1992 and the other in 1996) of criminal enforcement action in relation to foreign companies and both these cases did not concern any form of social games but traditional gambling instead.[65] Thus, the consumer law perspective should be the main focus of any company targeting the Japanese market, no matter if domestic or foreign.

2. Consumer laws

When it comes to the regulation of gacha mechanisms in Japan, consumer laws are significantly more important than gambling laws. Any enforcement action in relation to gacha mechanisms that took place so far (see the political and regulatory environment section) was based on consumer laws while gambling related arguments (legal or other) were only of secondary relevance. As previously mentioned, the main focus of any company targeting the Japanese market (domestic or foreign) should therefore be on applicable consumer laws.

a. Applicable laws

The most important law in relation to gacha mechanisms is the Act against Unjustifiable Premiums and Misleading Representations (Act No. 134 of May 15, 1962 - “Premiums and Representations Act”).[66] The Premiums and Representations Act was enacted in 1962 to protect consumers from misleading labelling of goods and services. Relevant provisions are:

Art. 2 (3) Premiums and Representations Act:

The term "Premiums" as used in this Act means any article, money, or other kinds of source of economic gain given as a means of inducing customers, irrespective of whether a direct or indirect system is employed, or whether or not a lottery system is used, by an Entrepreneur to another party, in connection with a transaction involving goods or services which said Entrepreneur supplies (including transactions relating to real estate; the same shall apply hereinafter), and which are determined by the Prime Minister as such.

Art. 4 Premiums and Representations Act:
When the Prime Minister finds it necessary in order to prevent unjust inducement of customers and secure general consumers’ voluntary and rational choice-making, the Prime Minister may limit the maximum value of a Premium or the total amount of Premiums, the kind of Premiums or means of offering of a Premium, or any other matter relating thereto, or may prohibit the offering of a Premium.

Based on Art. 2 (3) of the Premiums and Representations Act, the Prime Minister issued the Fair Trade Commission Notice No. 3 of June 30, 1962, titled Cases designated as premiums and representations under the provisions of Article 2 of the Act against Unjustifiable Premiums and Misleading Representations (“Premiums Notice”).[67] Under No. 1 Premiums Notice the Prime Minister has determined the following as “premiums”:

No. 1 Premiums Notice:

Premiums under the provisions of Article 2, Paragraph 3 of the Act against Unjustifiable Premiums and Misleading Representations (hereinafter "Act") means any article, money, or other kind of source of economic gain given as a means of inducing customers, irrespective of method, by an Entrepreneur to another party, in connection with a transaction involving goods or services which said Entrepreneur supplies, and includes the following. […]

i. Goods, land, buildings or other articles

ii. Money, gold certificates, deposit certificates, lottery tickets, public bonds, stock certificates, gift certificates or other securities

iii. Hospitality (including invitations to and preferential treatment at films, theatre, sports, travel and other events)

iv. Benefit, labour or other services

Furthermore, based on Art. 4 Premiums and Representations Act, the Prime Minister issued the Fair Trade Commission Notice No. 3 of March 1, 1977, titled The Notification on Premium Offers by Lotteries or Prize Competition (“Prize Notice”).[68] The Prize Notice prohibits certain forms of card combinations and was introduced in 1977 after physical baseball- and anime-themed trading cards were very popular in Japan. Such cards used the same set-completion technique as kompu gacha mechanisms to encourage kids to keep buying cards.[69] Relevant passages are:

No. 1 Prize Notice:

In this notice, a “prize” is something whereby the party provided with the premium or the value of the premium is set by one of the following methods:

i. A lottery or other method based on chance

ii. A method based on the quality or correctness of specific actions

No. 2-4 Prize Notice:
Section 2-4 provide restrictions in terms of the maximum value and total value of a premium (e.g. “The maximum value of a premium provided as a prize shall not exceed ten times the value of the transaction pertaining to the prize”).

No. 5 Prize Notice:

Notwithstanding the provisions of the above three paragraphs, it is prohibited to offer a premium by a lottery or prize competition which uses a method which requires a person to present a specific combination of different types of cards showing two or more types of characters, pictures or symbols.

To provide guidelines for the interpretation of the Prize Notice, the Secretary General of the Fair Trade Commission issued the Secretary General Notice No. 4 of April 1, 1977, titled Guidelines for the Interpretation of the Notification on Premium Offers by Lotteries or Prize Competition (“Notification Guidelines”). Relevant Sections in this regard will be provided below under the “exemptions” section.

b. Application to multi-level loot boxes (kompu gacha)

aa. Legal nature of the kompu gacha “ban” by the CAA

As described in detail in the political and regulatory section, the CAA took action against multi-level loot boxes (kompu gacha) already in May 2012. The media and several internet sources often describe the CAA’s intervention as the “kompu gacha ban”, “the regulation of kompu gacha” or even the “kompu gacha law”. Furthermore, the action taken by the CAA is often considered as to be based on applicable gambling laws. None of these statements is correct. First, the CAA’s intervention was based on consumer protection laws and not gambling laws. As explained above, the Premiums and Representations Act was enacted in 1962 to protect consumers from misleading labelling of goods and services. Arguments related to gambling played only a very minor role and were more of a general and not legal nature. Next, the action taken by the CAA was not a formal “ban” or “regulation” and certainly not a “law” but only an official statement that the CAA considers the aforementioned (already existing) consumer laws to be applicable to kompu gacha mechanisms and that it would start enforcing these laws in future. Thus the action taken by the CAA did not change the legal situation in any way. Following the official statement of the CAA, the Japanese gaming industry, which was already under significant public pressure, decided to avoid any risk and removed all kompu gacha mechanisms by itself. The legal interpretation of the CAA was never challenged in court.

bb. Legal reasons set out by the CAA

While the CAA overall applies a relatively clear logic, the kompu gacha notice is dogmatically not very well structured. However, broken down to the relevant provisions and requirements, the arguments set out by the CAA can be summarized as follows:

(1) Applicability of the Premiums and Representation Act: Gacha-generated-items within a kompu gacha system fall under the definition of “Premiums”

The CAA first sets out that gacha-generated-items which form part of an overall kompu gacha system fall under the definition of “Premiums” as set out in Art. 2 (3) Premiums and Representation Act:
Art. 2 (3) Premiums and Representations Act requires an “article, money, or other kinds of source of economic gain”. According to the CAA gacha satisfies this requirement because the consumer “receives an economic gain such as an item”. The CAA does not explain the nature of the economic gain or why it considers a virtual item as sufficient (however, the CAA provides a slightly extended explanation in this regard in relation to the last requirement [”determined by the Prime Minister”] which overlaps with the requirement of “economic gain” and therefore should apply accordingly – see (f) below).

(b) Gacha-generated-items are “given as a means of inducing customers”

Next, the definition of “Premiums” as provided in Art. 2 (3) Premiums and Representations Act requires that the economic gain is “given as a means of inducing customers”. The “sound” of the inducing requirement can best be summarized as “get product X and you will get premium Y”.

The CAA’s explanation in relation to this requirement is one of its key conclusions. According to the CAA each gacha-generated-item which forms part of an overall kompu gacha system follows the purpose to induce the customer to purchase another gacha roll to obtain another item in order to ultimately obtain the full set of items (“complete gacha” or “kompu gacha”). In simple words: Kompu gacha serves the purpose of inducing customers to purchase more and more regular gacha rolls (i.e. loot boxes). Example: If the player needs to obtain item A-D through regular gacha to obtain item E (kompu gacha), then each of the items A-D induces the customer to roll for the remaining items (e.g. B,C and D) in order to obtain item E.

The CAA summarizes this as follows:

“Where an Online Game provides items via Paid Gacha and items provided via Complete Gacha are provided on the condition that multiple items of different types acquired through Paid Gacha are collected, as such an item is an additional item provided on the condition of purchasing items using Paid Gacha, items provided through Complete Gacha are considered to be provided in connection with said transaction as a means of inducing Paid Gacha transactions.”

(c) “Given by an entrepreneur to another party in connection with a transaction”

The CAA identifies the economic gain (i.e. the gacha-generated-item) as “the object of the transaction between the general consumer and the entrepreneur”. The underlying transaction is described by the CAA as “the general consumer [engaging] in paid gacha in exchange for the payment of money to the entrepreneur.”

(d) The transaction involves “goods or services which the entrepreneur supplies”

Art. 2 (3) Premiums and Representations Act also provides that the transaction must involve “goods or services which the entrepreneur supplies”. Without explicitly addressing this requirement there is no doubt that the CAA identifies the gacha system and the items generated by it as “goods or services” which the game developer (i.e. the entrepreneur) supplies.
Just for the sake of completeness it shall be mentioned that Art. 2 (3) Premiums and
Representations Act sets out that the economic gain can be given as a means of inducing
customers “irrespective of whether a direct or indirect system is employed, or whether or
not a lottery system is used”. The CAA does not address this requirement. However, this
was not necessary as the wording explicitly states that is irrelevant what system is used.
Thus, the CAA did not have not to decide whether gacha is a direct or indirect system or a
lottery or not.

(f) Determined by the Prime Minister

Lastly, Art. 2 (3) Premiums and Representations Act sets out that the premium must be
“determined by the Prime Minister as such”. By means of No. 1 (iv) Premiums Notice,
the Prime Minister has determined that premiums include, amongst others, “benefit,
labour or other services”. The CAA points out that “items provided through complete
gacha may be a wide range of things, from a character used to fight an enemy in an online
game to an item used to decorate a room in which a character representing the player (a
so-called “avatar”) lives in a virtual world.” The CAA concludes with stating that such
advantages are “in any case […] considered to be a benefit, labour or other service” within
the meaning of No. 1 (iv) Premiums Notice.

(g) Summary by the CAA

The CAA summarizes its position as follows:

“To summarise, if Paid Gacha, when engaged in by consumers, is considered a
transaction for an item in an online game between an entrepreneur providing the
online game and the consumer, then items provided to the consumer who have
collected a full set of items of specific types through Paid Gacha is an economic
benefit provided in connection with said transaction as a means of inducing the
consumer into a Paid Gacha transaction, and constitutes a "benefit, labour or
other service", or in other words, constitutes a "premium" under Article 2,
Paragraph 3 of the Premiums and Representations Act.”

(2) Application of the Prize Notice to kompu gacha

Having established that gacha-generated-items which form part of an overall kompu
gacha system fall under the definition of “Premiums”, the Premiums and Representations
Act is generally applicable. Consequently, Art. 4 Premiums and Representations Act and
the corresponding Prize Notice apply. Thus, it needs to be answered next whether the
additional requirements set out in these provisions are satisfied. Art. 4 Premiums and
Representations Act does not provide any additional (noteworthy) requirements. Hence,
the main focus lies on the applicability of the Prize Notice which is based on Art. 4
Premiums and Representations Act.

(a) Applicability of the Prize Notice: Prize Requirement

With the Price Notice, in 1977 the Prime Minister executed his competence to limit the
value or amount of premiums and to prohibit the offering of premiums as set out in Art. 4
Premiums and Representations Act. However, the Prize Notice does not regulate
premiums in general but only a specific form of premiums: Prizes. Thus, for the Prize
Notice to be applicable, the relevant premium must qualify as a prize. As implied by the
The Notification on Premium Offers by Lotteries or Prize Competition, prizes are a special form of premiums which are offered by means of lotteries or prize competitions (in comparison to, for instance, a regular premium which is offered as an incentive with/for a simple product purchase). More clarity is provided by the “prize” definition set out in No. 1 Prize Notice:

In this notice, a “prize” is something whereby the party provided with the premium or the value of the premium is set by one of the following methods:

i. A lottery or other method based on chance

ii. A method based on the quality or correctness of specific actions

While No. 1 addresses the alternative of a lottery, ii. concerns prize competitions (without explicitly using this term). The CAA does not explicitly apply the prize definition to loot boxes. However, there is no real doubt that gacha (i.e. loot boxes) fall under No. 1 (i) Prize Notice as they are at least another “method based on chance”. Gacha-generated-items therefore qualify as prize, rendering the Prize Notice applicable.

(b) No. 5 Prize Notice (“Card Matching” regulation)

With the Prize Notice generally being applicable, the premium limitations as set out by the Prime Minister in No. 2-5 Prize Notice apply as well. While No. 2-4 Prize Notice only limit the maximum value a prize is allowed to have, No. 5 Prize Notice prohibits a certain form of prizes entirely. According to No. 5 Prize Notice “it is prohibited to offer a premium by a lottery or prize competition [i.e. a prize] which uses a method which requires a person to present a specific combination of different types of cards showing two or more types of characters, pictures or symbols”. In terms of kompu gacha, the CAA saw these requirements as met:

(aa) Requirement of “lottery or prize competition”

It has already been established under the prize requirement section that gacha-generated-items are premiums offered by a “lottery or prize competition” (to be precise by another “method of chance” as per the definition under No. 1 (i) Prize Notice) and therefore qualify as prize as required under No. 5 Price Notice.

(bb) Requirement of “cards showing two or more types of characters, pictures or symbols”

According to the CAA, gacha-generated-items constitute a “card showing two or more types of characters, pictures or symbols” within the meaning of No. 5 Prize Notice. As set out already, the Prize Notice was introduced in 1977 after physical baseball and anime-themed trading cards were very popular in Japan. However, the CAA clarifies that “[t]he term "cards" under Paragraph 5 of the [Prize Notice] was, from the initial enactment of the notice in 1962, not limited to paper”.[72] A “card” is therefore “interpreted to indicate any mark which distinguishes it from others using characters, pictures or symbols”. The CAA continues with outlining that gacha items “are of mutually different types” and therefore a system which indicates the relevant items on a screen would be “a symbol which distinguishes one type of item from other types of items” and therefore a “card”.

(cc) Card matching requirement
As previously mentioned, the Prize Notice was introduced in 1977 due to the popularity of baseball- and anime-themed trading cards which used the same set-completion technique as kompu gacha mechanisms to encourage kids to keep buying cards. This method is called "card matching" (or sometimes "picture matching" or "character matching"). According to the CAA, "the provision of premiums through this method is completely prohibited because the method itself is highly deceptive, often uses products which appeal to children, and strongly encourages a spirit of gambling in children". The CAA concludes with stating that "the provision of an additional item to a Consumer who has collected a full set of items of several specific types through [gacha] in an online game" satisfies the requirement of offering "a premium by a lottery or prize competition which uses a method which requires a person to present a specific combination of different types of cards showing two or more types of characters, pictures or symbols" under No. 5 Prize Notice and would therefore be prohibited.

c. Application to regular loot boxes (gacha)

In its position paper on kompu gacha, the CAA also addresses the application of the Premiums and Representations Act to regular gacha mechanisms. However, those who carefully followed the arguments outlined by the CAA in relation to kompu gacha will quickly understand why the Premiums and Representations Act cannot be applied to regular loot boxes as well: Regular loot box mechanisms already fail to meet the very first requirement of being a “Premium” under Art. 2 (3) Premiums and Representations Act. More specifically, they fail to meet the definition’s requirement that the generated items must be “given as a means of inducing customers”. Gacha-generated-items which form part of an overall kompu gacha system fall under the definition because they induce the customer to purchase another gacha roll to obtain another item in order to ultimately obtain the full set of items (“complete gacha” or “kompu gacha”). In simple words, kompu gacha serves the purpose of inducing customers to purchase more and more regular gacha rolls (see above). However, this does not apply to standard loot boxes/gacha mechanisms which only generate items that cannot be combined with other items. Regular loot box mechanisms are therefore relatively safe in Japan. Only combination-like mechanisms should be carefully evaluated before entering the Japanese market. This is a common misunderstanding in particular amongst western game developers.

d. Application to other loot box/gacha mechanisms

After the end of kompu gacha in 2012, Japanese video game companies needed to find new monetization models to compensate for the lost revenue streams. In the following years, new systems were invented and the industry increasingly relied on limited time events where a certain item could only be obtained via gacha during a specific time period. It should be noted that some of the newly invented or used systems are on the edge of falling under the regulation applicable to kompu gacha mechanisms as interpreted by the CAA. Two examples shall be addressed:

aa. Limited time events with combinable items qualifying for a final event

As mentioned, it became quite popular to boost gacha sales through events which allow the user to manage to acquire all rare items from the different limited time events, he has the opportunity to participate in a new event which again provides the possibility to win additional items. Such a system is dangerously close to violating the rules set out by the CAA.
CAA in its kompu gacha notice as the only difference to classic kompu gacha mechanisms is the time element. However, applying the CAA’s logic, it seems unlikely that the time element renders the mechanism legal. The first time event still serves the purpose of inducing customers to purchase gacha rolls during the next time event to ultimately be able to participate in the final event. The final event is still likely to fall under No. 1 (iv) Premiums Notices as it constitutes “other service”. And even if not, the items that can be obtained through the final event would still constitute “benefits”. It should also be reminded that the Art. 2 (3) Premiums and Representations Act applies to both, direct and indirect systems. Lastly, because the player is required to collect certain rare items which only if combined qualify him to participate in the final event, it is likely that the card matching requirement of No. 5 Prize Notice is met.

bb. Limiting loot box purchases by means of a free draw option

As a reaction to claims of misleading advertisement and public pressure following excessive loot box/gacha purchases intensively covered by the media, some Japanese game developers implemented a purchase limitation which provides players with a free draw option allowing them to choose whatever item they want after a certain amount of “unsuccessful” loot box/gacha purchases. For instance: The player would like to have gacha item A. After 500 “unsuccessful” gacha purchases the system automatically allows the player to pick one item of his choice. The player now choses item A. Ironically this system soon became subject to controversy itself, facing allegations of violating consumer protection laws. However, at least in light of the Premiums and Representations Act this seems unlikely. While there are good arguments that the outlined limited purchase system falls under the definition of a “Premium” as it induces customers to purchase additional loot boxes to obtain the free draw, the free item nevertheless does not constitute a “prize” under the definition set out in No. 1 (i) Prize Notice as it is not obtained by means of “a lottery or other method based on chance”. Instead the item is obtained by purchasing a specific number of loot box/gacha roles. Thus, the Prize Notice is not applicable. Second, even if it would be applicable, none of the requirements set out in Art. 2-5 Prize Notice would be satisfied. This goes in particular for No. 5 Prize Notice as the limited purchase system does not include a “card matching” function.

e. Exemptions to the prohibition of kompu gacha

To provide guidelines for the interpretation of the Prize Notice, the Secretary General of the Fair Trade Commission issued the Notification Guidelines. Sec. IV of the Notifications Guidelines provides guidance on the interpretation of No. 5 Prize Notice and sets out three exemptions which “shall not be deemed to constitute methods involving card combinations”. In particular the third exemption seems interesting as it theoretically provides the option to re-introduce kompu gacha systems by relying on the collection of identical virtual items instead of the same items. For instance, instead of collecting item A+B+C+D to obtain item E the player must collect item A four times to obtain item E. The official translation explains the exemption as follows (emphasize added):

“C. Two or more different cards are issued, and premiums are offered in return for presentation of a given number of the same type of card rather than a combination of different cards (while this does not constitute a card combination, it will constitute a lottery or prize competition when the purchaser cannot know the type of card included at the time of purchase (see also Section 1, Subsection 3 of these Guidelines). If the purchaser can know the type of card at the time of purchase, then this may be subject to the provisions of "Notification on Premium
As outlined in the exemption, a loot box/gacha system which requires the collection of identical items would still qualify as “a lottery or prize competition”. Thus, the Prize Notice generally remains applicable. However, since No. 5 Prize Notice is explicitly excluded, this only concerns No. 2-4 Prize Notice. No. 2-4 Prize only restrict the total value of the prize that may be offered by means of a lottery or prize competition. It seems unlikely that these provisions apply to gacha-generated-items which (arguably) do not have a real world value. Sec. IV lit. C Notification Guidelines might therefore provide a loophole to circumvent the kompu gacha prohibition as outlined by the CAA. Nevertheless, each system should be carefully assessed from a legal perspective before being introduced.

3. **Self-regulatory requirements**

As described in the political and regulatory section, the Japanese video gaming industry has established several self-regulatory measures over the years. Some of them became best practice and - despite not having the status of legislation - it is recommended to establish some or all of these measures when entering the Japanese market. The past has shown that the Japanese public and media are very sensitive in relation to certain industry practices which are often perceived as misleading. Already minor incidents can cause a major public outcry which each time brings with it a risk of further regulation or enforcement action. It is therefore recommended to implement at least the following self-regulatory actions as preemptive measures:

- monthly payment caps for younger players;
- measures against real money trading;
- warning signs and/or reminders for in-game purchases;
- disclosure of the probability rates of each gacha-generated-item (not just the drop rates for specific rarity categories);
- implementation of one of the following measures:

  - the limit on the estimated price (the price calculated as an expected value according to the set distribution rate) to obtain any rare gacha item should be within 100 times the price of a single paid gacha, and in the case, that this limit is exceeded, that estimated price or its multiplying factor is to be displayed on the gacha page;

  - the estimated price limit to obtain any rare gacha item should be within JPY 50,000, and in the case, that this limit is exceeded, that estimated price is to be displayed on the gacha page;

  - the upper limit and lower limit of distribution rates for rare gacha items are to be displayed.

3. **Financial laws**

While financial laws are not in scope of this article, it should be noted that Japan is one of the countries with an increased risk that the possibility to purchase virtual currency with real money triggers additional requirements under applicable financial laws (in particular notification or deposit requirements). These requirements must be carefully assessed on a case-by-case basis.
Thanks to Birgit Clark and James Rhodes for the help with this article.


[9] Serkan Toto, asiajin.com, GREE Shares Down 6.15%, After Users Discover Glitch in Their Top Social Game


Serkan Toto, serkantoto.com, JASGA: Japan gets social game association, November 9, 2012.

Serkan Toto, serkantoto.com, JASGA: Japan gets social game association, November 9, 2012.

Serkan Toto, serkantoto.com, JASGA: Japan gets social game association, November 9, 2012.

Serkan Toto, serkantoto.com, JASGA: Japan gets social game association, November 9, 2012.


Yuji Nakamura, japantimes.co.jp, Smartphone gamers blow small fortune on their obsession, March 14, 2016.

For instance, Yuji Nakamura, Bloomberg.com, $6,065 Spent in One Night Shows Dark Side of Japan's Mobile Games.

Yuji Nakamura, japantimes.co.jp, Smartphone gamers blow small fortune on their obsession, March 14, 2016.

Yuji Nakamura, japantimes.co.jp, Smartphone gamers blow small fortune on their obsession, March 14, 2016.


Act. No. 45 of 1907; English version available under: www.cas.go.jp/jp/seisaku/hourei/data/PC.pdf


Mason v. Machine Zone, Inc., United States District Court, D. Maryland, October


[66] English/Japanese version available under http://www.japaneselawtranslation.go.jp/law/detail/?id=2303&vm=04&re=02. It should be noted that different English versions of the law are available online. Some versions do not provide the most recent text.

Looking for more of the latest headlines on LinkedIn?