

Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade

(Fair Trade Commission Rule No. 1 of September 1, 1953)

The following rules on applications for approval, reporting, notification, etc. pursuant to the provisions of Article 6 and 10 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) shall be established.

(Terminology)

Article 1 The terms used in these Rules are the same as those used in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (hereinafter referred to as "the Act") and shall have the same meaning as the terms used in the Act.

(Pertaining to paragraph 5, Article 9 of the Act)

Article 1-2 The total amount of assets calculated using the method provided by the rule of the Fair Trade Commission set out in paragraph 5, Article 9 of the Act shall be the total amount of assets in the final balance sheet of the company (or the balance sheet as of the incorporation of the company if the first business year after the incorporation thereof has not ended) or, in the event of an issue of shares for subscription, etc. pursuant to the provision of Article 199 of the Companies Act (Act No. 86 of 2005), an acquisition of shares resulting from an exercise of share options prescribed in item 21, paragraph 1, Article 2 of the Companies Act, an issue of company bonds, a share exchange, a merger, a split, an acquisition of business, a transfer of business or any other significant change to the assets of the company after the end of business year (or at the time of incorporation, if the first business year after the incorporation of the company has not ended) involved in the balance sheet, the amount calculated by adding or subtracting the change in the total asset amount resulting from the event.

Article 1-3 (1) The total amount calculated using the method provided by the rule of the Fair Trade Commission prescribed in paragraph 5, Article 9 of the Act shall be the amount calculated by adding the amounts of the total assets of the company and its subsidiaries. In this event, the total amount may be calculated by offsetting the investment account, the capital account and claims

and obligations among these companies.

- (2) In the event of offsetting as provided in the preceding paragraph, any subsidiary whose business year ends on a day different from that of the parent company (which refers to a company holding a majority of the voting rights of all shareholders of the subsidiary prescribed in paragraph 10, Article 2 of the Act; hereinafter the same shall apply in this paragraph) shall settle its accounts on the final day of the business year of its parent company to calculate the amount of its total assets; provided, however, that this shall not apply when the difference between the final day of business year of the subsidiary and that of the parent company does not exceed three months.

Article 1-4 (1) A person who files a report on the business of a company and its subsidiaries pursuant to the provision in paragraph 5, Article 9 of the Act shall submit to the Fair Trade Commission a written report using Form No. 1 if it is a company in Japan or a written report using Form No. 2 if it is a foreign company.

- (2) The written report described in the preceding paragraph shall include as attachments a business report, a balance sheet and a profit and loss statement of the company submitting the written report for the most recent business year.

(Pertaining to paragraph 6, Article 9 of the Act)

Article 1-5 (1) A person who files a notification of the incorporation of a new company pursuant to the provision of paragraph 6, Article 9 of the Act shall submit to the Fair Trade Commission a written notice using Form No. 3.

- (2) The written notice described in the preceding paragraph shall include as an attachment a certified copy of the commercial registry for the company submitting the written notice.

Article 1-6 Deleted (Fair Trade Commission Rule No. 6 of 2002)

Article 1-7 Deleted (Fair Trade Commission Rule No. 6 of 2002)

(Pertaining to Article 10 of the Act)

Article 2 (1) A person who files a report on shares acquired or held pursuant to the provision in paragraph 2, Article 10 of the Act (including mutatis mutandis application pursuant to paragraph 3) shall submit to the Fair Trade Commission a written report using Form No. 4 if it is a company in Japan or a written report using Form No. 5 if it is a foreign company; provided, however, that when a merger or a split results in the ratio of voting rights held exceeding the level specified by the Cabinet Order prescribed in paragraph 2, Article 10 of the Act (including mutatis mutandis application pursuant to

paragraph 3) and when information on the shares is stated in the plan with respect to a merger to be submitted to the Fair Trade Commission pursuant to the provision in paragraph 2, Article 15 of the Act (including mutatis mutandis application pursuant to paragraph 3), in the plan with respect to a joint incorporation-type split to be submitted to the Fair Trade Commission pursuant to the provision in paragraph 2, Article 15-2 of the Act (including mutatis mutandis application pursuant to paragraph 5) or in the plan with respect to an absorption-type split to be submitted to the Fair Trade Commission pursuant to the provision in paragraph 3, Article 15-2 of the Act (including mutatis mutandis application pursuant to paragraph 5), submission of the written report on the shares may be replaced by filing of a notification of the plan with respect to the merger, the joint incorporation-type split or the absorption-type split.

- (2) The written report described in the preceding paragraph shall include as attachments a business report, a balance sheet and a profit and loss statement of the company submitting the written report for the most recent business year.

(Pertaining to the proviso of paragraph 1, Article 11 of the Act)

Article 3 (1) A person who seeks approval for the acquisition or the holding of voting rights of a company in Japan that results in holding in excess of five percent (or ten percent in the case of a company engaged in insurance business; the same shall apply in the following article) of the voting rights of all shareholders pursuant to the provision in the proviso of paragraph 1, Article 11 of the Act shall submit to the Fair Trade Commission two sets of a written application, specifically the original and a duplicate, using Form No. 6.

- (2) The written application for approval described in the preceding paragraph shall include as attachments the articles of incorporation, a business report, a balance sheet and a profit and loss statement of the company issuing shares pertaining to the voting rights for the most recent business year.

(Pertaining to paragraph 2, Article 11 of the Act)

Article 4 (1) A person who seeks approval for the holding of voting rights of a company in Japan and expects to hold voting rights in excess of five percent of the voting rights of all shareholders for a period exceeding one year from the date of acquisition, pursuant to the provision of paragraph 2, Article 11 of the Act, shall submit to the Fair Trade Commission two sets of a written application, specifically the original and a duplicate, using Form No. 7.

- (2) The written application for approval described in the preceding paragraph shall include as attachments a business report, a balance sheet and a profit and loss statement of the company issuing shares relating to the voting rights for the most recent business year.

(Pertaining to Article 15 of the Act)

- Article 5 (1) A person who files a notification of the plan with respect to a merger pursuant to the provision in paragraph 2, Article 15 of the Act (including mutatis mutandis application pursuant to paragraph 3) shall submit to the Fair Trade Commission a written notice using Form No. 8 if it is a company in Japan or a written notice using Form No. 9 if it is a foreign company.
- (2) The written notice described in the preceding paragraph shall be submitted under the joint names of the relevant parties.
- (3) The written notice prescribed in paragraph 1 shall include as attachments the documents listed below:
- (i) The articles of incorporation of notifying companies (which refer to all companies involved in the merger; hereinafter the same shall apply in this article)
 - (ii) A copy of the merger contract (or, if the contract is orally executed, a document describing the content of the contract)
 - (iii) Business reports, balance sheets and profit and loss statements for the most recent business year and lists of shareholders each holding in excess of one percent of the voting rights of all shareholders of notifying companies
 - (iv) A copy of the record of resolutions on the merger adopted by the shareholders meeting or the consent to the merger granted by all members, if said resolutions or consent are obtained

(Pertaining to Article 15-2 of the Act)

- Article 5-2 (1) A person who files a notification of the plan with respect to a joint incorporation-type split pursuant to the provision of paragraph 2, Article 15-2 of the Act (including mutatis mutandis application pursuant to paragraph 5) shall submit to the Fair Trade Commission a written notice using Form No. 10 if it is a company in Japan or a written notice using Form No. 11 if it is a foreign company.
- (2) A person who files a notification of the plan with respect to an absorption-type split pursuant to the provision in paragraph 3, Article 15-2 of the Act (including mutatis mutandis application pursuant to paragraph 5) shall submit to the Fair Trade Commission a written notice using Form No. 10-2 if it is a company in Japan or a written notice using Form No. 11-2 if it is a foreign company.
- (3) The written notice described in the preceding paragraph shall be submitted in joint names of relevant parties.
- (4) The written notice prescribed in paragraphs 1 and 2 shall include as attachments the documents listed below:

- (i) The articles of incorporation of notifying companies (which refer to all companies involved in the split; hereinafter the same shall apply in this article)
- (ii) A copy of the written split plan or the split contract
- (iii) Business reports, balance sheets and profit and loss statements for the most recent business year and lists of shareholders each holding in excess of one percent of the voting rights of all shareholders of notifying companies
- (iv) A copy of the record of resolutions on the split adopted by the shareholders meeting or the consent to the split granted by all members, if said resolutions or consent are obtained

(Pertaining to Article 16 of the Act)

Article 6 (1) A person who files a notification of the plan with respect to an acquisition of a business or fixed assets used for business (hereinafter referred to as "acquisition of business, etc.") pursuant to the provision of paragraph 2, Article 16 of the Act (including mutatis mutandis application pursuant to paragraph 4) shall submit to the Fair Trade Commission a written notice using Form No. 12 if the acquisition of business, etc. is from a company in Japan or a written notice using Form No. 13 if the acquisition of business, etc. is from a foreign company.

(2) The written notice described in the preceding paragraph shall include as attachments the documents listed below:

- (i) The articles of incorporation of the notifying company and the other company
- (ii) A copy of the contract pertaining to the act (or, if the contract is executed orally, a document describing the contract)
- (iii) Business reports, balance sheets and profit and loss statements for the most recent business year and lists of shareholders each holding in excess of one percent of the voting rights of all shareholders of the notifying company and the other company
- (iv) A copy of the record of resolutions on the act adopted by the shareholders meeting or the consent to the act granted by all members, if said resolutions or consent are obtained

(Pertaining to Articles 15, 15-2 and 16 of the Act)

Article 7 (1) On receipt of the written notice pursuant to the three preceding articles, the Fair Trade Commission shall deliver to the notifying company a written notice receipt in Form No. 14, 14-2, 14-3 or 15.

(2) In the event of any omission of information in the notification documents specified in the provisions of the three preceding articles, the Fair Trade Commission may deliver the written notice receipt described in the preceding

paragraph after requesting to the notifying company to correct the notification documents.

- (3) If there is any significant change in the information in the notification documents after the notification and before the date the merger, a split or an acquisition of business, etc. takes effect, the notifying company shall resubmit to the Fair Trade Commission the notification documents specified in the provisions of Article 5, 5-2 or 6.
- (4) When a merger, a split or an acquisition of business, etc. has taken effect, the notifying company shall submit to the Fair Trade Commission a written report using Form Nos. 16, 16-2, 16-3 or 17.

Article 8 (1) When requesting a notifying company to submit the necessary reports, information or materials (hereinafter referred to as the "reports, etc.") stipulated in the provision of paragraph 5, Article 15 of the Act (including mutatis mutandis application pursuant to paragraph 6, Article 15-2 and paragraph 5, Article 16 of the Act; hereinafter the same shall apply in the following paragraph), the Fair Trade Commission shall deliver a written request for reports, etc. in Form No. 18, 18-2, 18-3 or 19.

- (2) On receiving from the notifying company the reports, etc. stipulated in the provision of paragraph 5, Article 15 of the Act, the Fair Trade Commission shall deliver to the notifying company a written receipt of reports, etc. using Form Nos. 20, 20-2, 20-3 or 21.