

# **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 Articles 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 unless otherwise provided for in these Rules.

(Amount of Total Assets)

Article 1-2 The total amount of assets calculated using the method provided for in the Rules of the Fair Trade Commission as prescribed by Article 9, paragraph (4) 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 delivery of shares for subscription, etc. pursuant to the provisions of Article 199 of the Companies Act (Act No. 86 of 2005), delivery of shares resulting from an exercise of share options listed in Article 2, paragraph (1), item (xxi) of the same Act, an issue of company bonds, share exchange, merger, split, acquisition of business, transfer of business or any other significant change to the assets of the company after the end of the business year to which said final balance sheet pertains (or after incorporation, if the first business year after the incorporation of the company has not ended), the amount calculated by adding or subtracting the change to or from the amount of total assets resulting from the event.

(Method of Calculating the Amount of Total Assets of a Company and its Subsidiary Companies)

Article 1-3 (1) The total amount calculated using the method provided for in the Rules of the Fair Trade Commission as prescribed by Article 9, paragraph (4) of the Act shall be calculated by aggregating the amount of total assets of the

company and those of its subsidiary companies (which refers to the subsidiary companies prescribed by Article 9, paragraph (5) of the Act; hereinafter the same shall apply in this Article and paragraph (1) of the following Article). In this case, the total amount may be calculated by offsetting these companies' investment accounts and capital accounts among themselves, as well as by offsetting their claims and obligations among themselves.

- (2) In the case of offsetting as prescribed in the preceding paragraph, any subsidiary company 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 company; 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 the business year of the subsidiary company and that of the parent company does not exceed three months.

(Report on Business of Company and its Subsidiary Companies)

Article 1-4 (1) A person who files a report on the business of a company and its subsidiary companies pursuant to the provisions of Article 9, paragraph (4) 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 the business report, balance sheet, and profit and loss statement of the company submitting the written report for the most recent business year.

(Notification of Newly Incorporated Holding Company, etc.)

Article 1-5 (1) A person who files a notification of the new incorporation of a company pursuant to the provisions of Article 9, paragraph (7) of the Act shall submit written notice to the Fair Trade Commission 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)

(Domestic Sales)

Article 2 (1) Domestic sales of a company, etc. provided for in the Rules of the Fair Trade Commission as prescribed by Article 10, paragraph (2) of the Act

shall be calculated by aggregating the following (which shall not include sales allowance, sales return, the amount equivalent to the taxes imposed directly on the goods and the amount equivalent to the taxes with respect to services imposed directly on persons who receive said services) which are included in the sales of the company, etc. in the most recent business year (which refers to ordinary profit, if the company, etc. engages in banking or insurance business, or to operating profit, if the company, etc. engages in Type I Financial Instruments Business; hereinafter the same applies in this Article, Article 2-3, paragraph (1) and Article 2-5, paragraph (1)).

- (i) Sales from transactions, when domestic consumers (which refers to individuals, excluding those who are parties to contracts as businesses or for businesses) are the counterparties to transactions involving goods or services supplied by the relevant company, etc.
  - (ii) Sales from transactions, when juridical persons, other associations or foundations, or individuals who are parties to contracts as businesses or for businesses (hereinafter referred to as "juridical persons, etc." in this paragraph) are the counterparties to transactions involving goods or services supplied by the relevant company, etc. and when the goods or services involved in said transactions are supplied in Japan (excluding sales from transactions when the relevant company, etc. recognizes at the time of concluding the contracts concerning said transactions that the relevant juridical persons, etc. will make further transactions dealing with the relevant goods, with foreign countries as their destinations but without changing the quality or shape of said goods, or that the relevant juridical persons, etc. will send said goods to their sales offices, administrative offices, or their equivalent located in foreign countries (referred to as "business offices, etc." in the following item))
  - (iii) Sales from transactions, when juridical persons, etc. are the counterparties to transactions involving goods or services supplied by the relevant company, etc. and when the goods involved in said transactions are supplied outside Japan and the relevant company, etc. recognizes at the time of concluding the contracts concerning said transactions that the relevant juridical persons, etc. will make further transactions dealing with the relevant goods, with Japan as the destination but without changing the quality or shape of said goods, or that the relevant juridical persons, etc. will send said goods to their business offices, etc. located in Japan
- (2) Notwithstanding the provisions of the preceding paragraph, when a company, etc. finds it impossible to calculate its sales pursuant to the provisions of the items in the preceding paragraph, the company, etc. may, within a proper and reasonable scope, calculate its domestic sales by applying a method that is different from the one prescribed in the preceding paragraph and that is based

on an accounting standard generally accepted as fair and appropriate and consistent with the purpose of the provisions in the preceding paragraph.

(Total Domestic Sales AmountTotal Amount of Domestic Sales of Group of Combined Companies)

- Article 2-2 (1) The total amount of domestic sales of a company and domestic sales of the other companies that belong to the group of combined companies to which said company belongs, calculated using the method provided for in the Rules of the Fair Trade Commission as prescribed by Article 10, paragraph (2) of the Act, shall be calculated by aggregating the respective domestic sales of the companies, etc. that belong to said group of combined companies.
- (2) Domestic sales from mutual transactions between companies, etc. that belong to a group of combined companies may be offset when calculating the total domestic sales amounttotal amount of domestic sales pursuant to the provisions of the preceding paragraph.
- (3) In the case of offsetting as prescribed in the preceding paragraph, any subsidiary company whose business year ends on a day different from that of the ultimate parent company of the company (which refers to the parent company (meaning the parent company prescribed by Article 10, paragraph (7) of the Act; hereinafter the same shall apply in this paragraph) that is not a subsidiary company of another company (meaning the subsidiary company prescribed by Article 10, paragraph (6) of the Act; hereinafter the same shall apply in this paragraph, Article 2-3, paragraph (1), Article 2-4, paragraphs (1) and (3), Article 2-5, paragraph (1), Article 2-7, paragraphs (4) and (5), Article 2-9, paragraph (3), item (i) or meaning the relevant company when said relevant company does not have a parent company; hereinafter the same shall apply in this paragraph, Article 2-6, paragraph (2), item (iv), Article 5, paragraph (3), item (v), Article 5-2, paragraph (4), item (v), Article 5-3, paragraph (3), item (v), and Article 6, paragraph (2), item (v)) shall settle its accounts to calculate its domestic sales on the final day of the business year of said ultimate parent company; provided, however, that this shall not apply when the difference between the final day of business year of the subsidiary company and that of said ultimate parent company does not exceed three months.

Article 2-3 (1) Notwithstanding the provisions of the preceding Article, if the companies, etc. that belong to said group of combined companies include a company obliged to submit consolidated financial statements (which refers to a company obliged to submit consolidated financial statements prescribed in Article 2, paragraph (1) of the Regulation regarding Terminology, Forms and Preparation of Consolidated Financial Statements (Ordinance of the Ministry

of Finance No. 28 of 1976; hereinafter referred to as the "Regulation on Consolidated Financial Statements"); hereinafter the same shall apply in this paragraph, paragraph (3) of this Article and Article 2-5, paragraphs (1) and (3)) or a company that prepares documents concerning financial calculations that are equivalent to consolidated financial statements (which refers to the consolidated financial statements prescribed by Article 1, paragraph (1) of the Regulation on Consolidated Financial Statements; hereinafter the same shall apply in this paragraph and paragraph (3) of this Article and Article 2-5, paragraphs (1) and (3)) (said documents shall be hereinafter referred to as "foreign consolidated financial statements", and said company shall be hereinafter referred to as "company obliged to submit foreign consolidated financial statements", in this paragraph and paragraph (3) of this Article and Article 2-5, paragraphs (1) and (3)) in accordance with the laws and regulations of a foreign country, the total domestic sales amount of the group total amount of the group's domestic sales may be the amount listed in one of the following items that is deemed applicable in accordance with the classification thereof; provided, however, that this shall not apply when it is deemed apparent that the amount prescribed in any of said items is remarkably different from the total domestic sales amount total amount of domestic sales calculated pursuant to the provisions of the preceding Article.

- (i) When the companies, etc. that belong to said group of combined companies include one or more companies obliged to submit consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements (excluding cases that fall under item (iii) below): Total of the amount listed in (a) and (b) below
  - (a) Amount calculated by aggregating the respective sales amounts recorded in the consolidated profit and loss statement included in the consolidated financial statements prepared by said one or more companies obliged to submit consolidated financial statements, less overseas sales in said consolidated financial statements (which refers to the overseas sales prescribed by Article 15-2, paragraph (3) of the Regulation on Consolidated Financial Statements prior to revision by the provisions of Article 2 of the Cabinet Office Ordinance for Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements, etc. (Cabinet Office Ordinance No. 5 of 2009) for which the provisions then in force shall remain applicable pursuant to the provisions of Article 3, paragraph (1), item (ii) of the Supplementary Provision of said Ordinance; hereinafter the same shall apply in this paragraph and Article 2-5, paragraph (1))
  - (b) Amount calculated by aggregating the respective amounts of domestic

sales of the companies, etc. that belong to said group of combined companies and that are not consolidated companies (which refers the consolidated companies listed in Article 2, item (v) of the Regulation on Consolidated Financial Statements; hereinafter the same shall apply in this paragraph and Article 2-5, paragraph (1)) of said one or more companies obliged to submit consolidated financial statements (excluding those falling under each item in the proviso of Article 5, paragraphs (1) and (2) of the Regulation on Consolidated Financial Statements; hereinafter the same shall apply in this paragraph and Article 2-5, paragraph (1))

- (ii) When the companies, etc. that belong to said group of combined companies include one or more companies obliged to submit foreign consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements (excluding cases that fall under the following item): Total of the amount listed in (a) and (b) below
  - (a) Amount calculated by aggregating the respective amounts, recorded in the foreign consolidated financial statements prepared by said one or more companies obliged to submit foreign consolidated financial statements, that represent the total amount of domestic sales included in the total amount of sales of companies that are foreign consolidated companies of said companies obliged to submit foreign consolidated financial statements (hereinafter referred to as "foreign consolidated companies" in this paragraph and Article 2-5, paragraph (1))
  - (b) Amount calculated by aggregating the respective amounts of domestic sales of the companies, etc. that belong to said group of combined companies and that are not foreign consolidated companies of said one or more companies obliged to submit foreign consolidated financial statements (excluding those falling under each item in the proviso of Article 5, paragraphs (1) and (2) of the Regulation on Consolidated Financial Statements; hereinafter the same shall apply in this paragraph and Article 2-5, paragraph (1))
- (iii) When the companies, etc. that belong to said group of combined companies include one or more companies obliged to submit consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements, and one or more companies obliged to submit foreign consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign

- consolidated financial statements: Total of the amount listed in the following
- (a) Amount calculated by aggregating the respective amounts of sales recorded in the consolidated profit and loss statement included in the consolidated financial statements prepared by said one or more companies obliged to submit consolidated financial statements, less overseas sales in said consolidated financial statements
  - (b) Amount calculated by aggregating the respective amounts, recorded in the foreign consolidated financial statements prepared by said one or more companies obliged to submit foreign consolidated financial statements, that represent the total amount of domestic sales included in the total amount of sales of foreign consolidated companies of said companies obliged to submit foreign consolidated financial statements
  - (c) Amount calculated by aggregating the respective amounts of domestic sales of the companies, etc. that belong to said group of combined companies and that are neither consolidated companies of said one or more companies obliged to submit consolidated financial statements nor foreign consolidated companies of said one or more companies obliged to submit foreign consolidated financial statements
- (2) Domestic sales from mutual transactions between companies, etc. that belong to a group of combined companies may be offset when calculating the total domestic sales amounttotal amount of domestic sales pursuant to the provisions of the preceding paragraph.
- (3) In the case of offsetting as prescribed in the preceding paragraph, any company, etc. that belongs to said group of combined companies and whose business year ends on a day different from that of the company obliged to submit consolidated financial statements, etc. (which refers to the company obliged to submit consolidated financial statements that prepared the consolidated financial statements used to calculate the total amount of domestic sales pursuant to the provisions of paragraph (1) or the company obliged to submit foreign consolidated financial statements that prepared the foreign consolidated financial statements, and when two or more consolidated financial statements or foreign consolidated financial statements are to be used to calculate the total amount of domestic sales of said group of combined companies pursuant to said paragraph, refers to one of the companies obliged to submit consolidated financial statements that prepared said consolidated financial statements or one of the companies obliged to submit foreign consolidated financial statements that prepared said foreign consolidated financial statements; hereinafter the same shall apply in this paragraph) shall settle its accounts to calculate its domestic sales on the final day of the business year of said company obliged to submit consolidated financial statements, etc.; provided, however, that this shall not apply when the

difference between the final day of business year of said company obliged to submit consolidated financial statements, etc. and that of said company, etc. that belongs to said group of combined companies does not exceed three months.

(Total Amount of Domestic Sales of Another Company and Domestic Sales of its Subsidiary Companies)

- Article 2-4 (1) The total amount of domestic sales of other companies and domestic sales of subsidiary companies of said other companies, calculated using the method provided for in the Rules of the Fair Trade Commission, as referred to in Article 10, paragraph (2) of the Act, are calculated by aggregating the respective domestic sales of the other companies and subsidiary companies of said other companies (hereinafter referred to as "other company(ies), etc." in the following paragraph and the following Article).
- (2) Domestic sales from mutual transactions among other companies, etc. may be offset when calculating the total amount of domestic sales of said other companies, etc. pursuant to the provisions of the preceding paragraph.
- (3) In the case of offsetting as prescribed in the preceding paragraph, any subsidiary company of another company whose business year ends on a day different from that of said other company shall settle its accounts to calculate its domestic sales on the final day of the business year of said other company; provided, however, that this shall not apply when the difference between the final day of business year of said subsidiary company and that of said other company does not exceed three months.

Article 2-5 (1) Notwithstanding the provisions of the preceding Article, if the other companies, etc. include a company obliged to submit consolidated financial statements or a company obliged to submit foreign consolidated financial statements, the total domestic sales amount of said other companies, etc. may be the amount listed in one of the following items that is deemed applicable in accordance with the classification thereof; provided, however, this shall not apply when it is deemed apparent that the amount prescribed in any of said items is remarkably different from the total amount of domestic sales of said other company, etc. calculated pursuant to the provisions of the preceding Article.

- (i) If the other companies, etc. include one or more companies obliged to submit consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or foreign consolidated financial statements (excluding cases that fall under item (iii) below): Total of the amounts listed in (a) and (b) below
- (a) Amount calculated by aggregating the respective sales amounts recorded in the consolidated profit and loss statement included in the consolidated



- financial statements prepared by said one or more companies obliged to submit consolidated financial statements, less overseas sales
- (b) Amount calculated by aggregating the domestic sales amount of said other company, etc. that is not a consolidated company that includes said one or more companies obliged to submit consolidated financial statements
- (ii) If the other companies, etc. include one or more companies obliged to submit foreign consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements (excluding cases that fall under the following item):  
Total of the amount listed in (a) and (b) below
- (a) Amount calculated by aggregating the respective amounts, recorded in the foreign consolidated financial statements prepared by said one or more companies obliged to submit foreign consolidated financial statements, that represent the total amount of domestic sales included in the total amount of sales of foreign consolidated companies of said companies obliged to submit foreign consolidated financial statements
- (b) Amount calculated by aggregating the amount of domestic sales of said another company, etc. that are not foreign consolidated companies of said one or more companies obliged to submit foreign consolidated financial statements
- (iii) If the other companies, etc. include one or more companies obliged to submit consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements, and one or more companies obliged to submit foreign consolidated financial statements that are not subsidiary companies of other companies obliged to submit consolidated financial statements or of other companies obliged to submit foreign consolidated financial statements: Total of the amount listed in the following
- (a) Amount calculated by aggregating the respective amounts of sales recorded in the consolidated profit and loss statement included in the consolidated financial statements prepared by said one or more companies obliged to submit consolidated financial statements, less overseas sales in said consolidated financial statements
- (b) Amount calculated by aggregating the respective amounts, recorded in the foreign consolidated financial statements prepared by said one or more companies obliged to submit foreign consolidated financial statements, that represent the total amount of domestic sales included in the total amount of sales of foreign consolidated companies of said companies obliged to submit foreign consolidated financial statements

- (c) Amount calculated by aggregating the respective amounts of domestic sales of said another company, etc. that are neither consolidated companies of said one or more companies obliged to submit consolidated financial statements nor foreign consolidated companies of said one or more companies obliged to submit foreign consolidated financial statements
- (2) Domestic sales from mutual transactions among other companies, etc. may be offset when calculating the total amount of domestic sales of said other companies, etc. pursuant to the provisions of the preceding paragraph.
- (3) In the case of offsetting as prescribed in the preceding paragraph, any other company, etc. whose business year ends on a day different from that of the company obliged to submit consolidated financial statements, etc. (which refers to the company obliged to submit consolidated financial statements that prepared the consolidated financial statements used to calculate the total amount of domestic sales of the other companies, etc. pursuant to the provisions of paragraph (1) or the company obliged to submit foreign consolidated financial statements that prepared the foreign consolidated financial statements, and when two or more consolidated financial statements or foreign consolidated financial statements are to be used to calculate the total amount of domestic sales of the other companies, etc. pursuant to the provisions of said paragraph, refers to one of the companies obliged to submit consolidated financial statements that prepared said consolidated financial statements or one of the companies obliged to submit foreign consolidated financial statements that prepared said foreign consolidated financial statements; hereinafter the same shall apply in this paragraph) shall settle its accounts to calculate its domestic sales on the final day of the business year of said company obliged to submit consolidated financial statements, etc.; provided, however, this shall not apply when the difference between the final day of business year of said company obliged to submit consolidated financial statements, etc. and that of the other company, etc. does not exceed three months.

(Notification of Plan with Respect to Share Acquisition)

Article 2-6 (1) A person who intends to give notification of a plan with respect to share acquisition pursuant to the provisions of Article 10, paragraph (2) of the Act shall submit to the Fair Trade Commission a written notice using Form No. 4 (or a written notice using Form No. 5 if the person intends to give notification of a plan with respect to share acquisition pursuant to paragraph (2) of said Article that is applied pursuant to paragraph (5) of said Article); provided, however, that when the ratio of the total number of voting rights adding the voting rights from the shares of the share issuing company to be held by the share acquiring company after acquiring the shares of said share

issuing company and the voting rights from the shares of said share issuing company held by companies, etc. other than said share acquiring company (which refers to the companies, etc. other than the share acquiring company prescribed by Article 10, paragraph (2) of the Act) to the number of voting rights held by all shareholders of said share issuing company exceeds the level specified by the Cabinet Order prescribed by Article 10, paragraph (2) of the Act as a result of a merger or a split, and when information on said share acquisition is stated in the plan with respect to a merger to be submitted to the Fair Trade Commission pursuant to the provisions of Article 15, paragraph (2) of the Act, in the plan with respect to a joint incorporation-type split to be submitted to the Fair Trade Commission pursuant to the provisions of Article 15-2, paragraph (2) of the Act or in the plan with respect to an absorption-type split to be submitted to the Fair Trade Commission pursuant to the provisions of Article 15-2, paragraph (3) of the Act, submission of the written notice on the plan with respect to said share acquisition 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 notice described in the preceding paragraph shall include the following documents as attachments:
- (i) A copy of the contract with respect to the share acquisition or a document certifying the decision over the share acquisition
  - (ii) The business report, balance sheet, and profit and loss statement of the notifying company for the most recent business year
  - (iii) A copy of the record of resolution passed by the shareholders meeting, or record of consent from all members, with respect to the share acquisition, if any
  - (iv) The securities report prepared by the ultimate parent company of the group of combined companies to which the notifying company belongs (which refers to the securities report prescribed by Article 24, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) and includes its equivalents in foreign countries; hereinafter the same shall apply in Article 5, paragraph (3), item (v), Article 5-2, paragraph (4), item (v), Article 5-3, paragraph (3), item (v), and Article 6, paragraph (2), item (v)) or any other document that is necessary and appropriate to show the assets and profit and loss situation of the group of combined companies to which the notifying company belongs

(Case that Prior Notification by Share Acquiring Company is Deemed Difficult)

Article 2-7 The cases provided for in the Rules of the Fair Trade Commission as prescribed by the proviso of Article 10, paragraph (2) of the Act are the following:

- (i) If the company intends to acquire shares issued as a result of split or consolidation of shares
- (ii) If the company intends to acquire shares in an allotment of shares without contribution prescribed by Article 185 of the Companies Act
- (iii) Where the company intends to acquire shares delivered as the consideration for acquisition upon occurrence of any of the specified events involving shares subject to call listed in Article 2, item (xix) of the Companies Act or to share options subject to call prescribed by Article 273, paragraph (1) of the same Act
- (iv) If the company intends to become a limited liability partner in an investment limited partnership (said partner includes a member of an organization similar to investment limited partnership defined below, and said partnership includes organizations that were established under foreign laws and regulations and that are similar to the investment limited partnership (hereinafter referred to as "organization similar to investment limited partnership" in this item)) that is not a subsidiary company of a company and to acquire the shares as partnership property (including the property of an organization similar to investment limited partnership) (except when it is deemed that said limited liability partner substantially makes decisions over investments made by the unlimited liability partner(s) of said investment limited partnership)
- (v) If the company intends to become a partner (excluding one delegated to manage a partnership business) in a partnership that is not a subsidiary company of a company and that was established by a partnership contract prescribed by Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896) whose purpose is operation of business to make investments into companies (including organizations that were established under foreign laws and regulations of foreign countries and that are similar to said partnership (hereinafter referred to as "organization similar to the Civil Code partnership" in this item) and limited to ones that delegate management of their business to one or more partners (including members of an organization similar to the Civil Code partnership; hereinafter the same shall apply in this item)) and to acquire the shares as partnership property (including property of an organization similar to the Civil Code partnership) (except when it is deemed that said partner substantially makes decisions over investments made by the person(s) delegated to manage business of said partnership)
- (vi) If the company is a settlor or beneficiary of shares under a money or securities trust and may exercise the relevant voting rights or may instruct the trustee on the exercise of such voting rights and if the company has concluded a discretionary investment contract (which refers to the

discretionary investment contract prescribed by Article 2, paragraph (8), item (xii)(b) of the Financial Instruments and Exchange Act and limited to a contract wherein one of the parties is fully entrusted with the discretion in making investment decisions prescribed in (b) of the same item) with a financial instruments business operator (which refers to the Financial Instruments Business Operator prescribed by Article 34 of the same Act; hereinafter the same shall apply in this item) to require the trustee to acquire shares of another company (except when it is deemed that said company substantially makes decisions over investments made by the financial instruments business operator, etc. as its counterparty to said discretionary investment contract)

(vii) If the company is a settlor or beneficiary of shares under a money or securities trust and may exercise the relevant voting rights or may instruct the trustee on the exercise of such voting rights and if the company has concluded a trust contract with the trustee wherein the trustee shall make investment decisions and make investments based on the decisions for the settlor or beneficiary (limited to a contract that does not specify the method of utilization of the trust property;) to require the trustee to acquire shares of another company (except when it is deemed that said company substantially makes decisions over investments made by the trustee as the counterparty to said trust contract)

(Exclusions from Voting Rights, etc. from a Money Trust Exercisable by a Share Acquiring Company as the Settlor)

Article 2-8 Voting rights provided for in the Rules of the Fair Trade Commission as prescribed by Article 10, paragraph (3) of the Act shall be voting rights from shares whose exercise is instructed by the company as a settlor company of an investment trust (which refers to the settlor company of an investment trust prescribed by Article 2, paragraph (11) of the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951); hereinafter the same shall apply in this Article) pursuant to the provisions of Article 10 of the same Act and voting rights from shares whose exercise is instructed by the company as the equivalent of a settlor company of an investment trust pursuant to the provisions of foreign laws and regulations equivalent to the provisions of Article 10 of the same Act.

(Subsidiary Company and Parent Company)

Article 2-9 (1) The company, etc. prescribed in the Rules of the Fair Trade Commission that is referred to in Article 10, paragraph (6) of the Act is, when the company prescribed in the same paragraph controls the decisions over financial and business policies of a company, etc., said company, etc.

- (2) The company prescribed in the Rules of the Fair Trade Commission as prescribed by Article 10, paragraph (7) of the Act is, when a company controls the decisions over financial and business policies of the company, etc. prescribed in the same paragraph, said company.
- (3) "Controls the decisions over financial and business policies" as prescribed in the preceding two paragraphs means the cases listed below (excluding cases in which it is deemed apparent that the company does not control financial and business policies of another company, etc. in view of the financial or business relationship). In this case, when the provisions of this paragraph are applied to when another company, etc. is a partnership established by a partnership contract prescribed by Article 667, paragraph (1) of the Civil Code, an investment limited partnership, a limited liability partnership, or an organization similar to specified partnerships, the term "total number of voting rights" herein shall be deemed to be replaced by "whole of the authority to decide execution of business"; the term "voting rights held by" shall be deemed to be replaced by "authority to decide execution of business held by"; the term "the ratio of the number of ... exceeds 50 percent" shall be deemed to be replaced by "the ratio of ... exceeds 50 percent"; the term "the ratio of the number ... exceeds 40 percent" shall be deemed to be replaced by "the ratio ... exceeds 40 percent"; the term "the number of voting rights held by the company itself, etc." shall be deemed to be replaced by "authority to decide execution of business held by the company itself, etc."; the term "the total number of voting rights" shall be deemed to be replaced by "the total of the authority to decide execution of business"; and the term "its voting rights" shall be deemed to be replaced by "its authority to decide execution of business".
- (i) If the ratio of the number of voting rights held by the company itself (including its subsidiary companies; the same shall apply in items (ii) and (iii)) for its own account to the total number of voting rights of another company, etc. (which refers to companies listed below and excludes ones with which effective domination-subordination relationship is deemed not to exist; the same shall apply in items (ii) and (iii)) exceeds 50 percent:
- (a) Company, etc. against which an order of commencement of rehabilitation proceedings has been made pursuant to the provisions of the Civil Rehabilitation Act (Act No. 225 of 1999)
- (b) Stock company against which an order of commencement of corporate reorganization proceedings has been made pursuant to the provisions of Corporate Reorganization Act (Act No. 154 of 2002)
- (c) Company, etc. against which an order of commencement of bankruptcy proceedings has been made pursuant to the provisions of Bankruptcy Act (Act No. 75 of 2004)
- (d) Any other company, etc. that is equivalent to those listed in (a) to (c)

above

- (ii) If the ratio of the number of voting rights held by the company itself for its own account to the total number of voting rights of another company, etc. (excluding cases listed in the preceding item) exceeds 40 percent and if any one of the following requirements is met:
  - (a) That the ratio of the number of voting rights held by the company itself, etc. (which refers to the total number of voting rights listed below; the same shall apply in the following item) to the total number of voting rights of another company, etc. exceeds 50 percent
    - 1. Voting rights held by the company itself for its own account
    - 2. Voting rights held by a person who is deemed to exercise its voting rights based on the same intention as that of the company itself due to its close relationship with the company in terms of contribution, personnel affairs, fund, technology, trade, etc.
    - 3. Voting rights held by a person who has agreed to exercise its voting rights based on the same intention as that of the company itself
  - (b) That the ratio of the number of the following persons (limited to those who are capable of influencing decisions of financial and business policies of another company, etc.) to the total number of members of the board of directors or any other equivalent organization of said other company, etc. exceeds 50 percent
    - 1. Officers of the company
    - 2. Officers of the company who execute its business
    - 3. Employees of the company
    - 4. Persons who used to fall under 1, 2 or 3 above
  - (c) That there exists a contract, etc. under which the company controls decisions over important financial and business policies of another company, etc.
  - (d) That the ratio of the amount financed by the company (said finance includes guarantee of obligation and provisions of security, and said amount includes the amount financed by a person who has a close relationship with the company in terms of contribution, personnel affairs, fund, technology, trade, etc.; the same shall apply in the following item) to the total amount of funds procured by another company, etc. (limited to the amount recorded as liabilities in the balance sheet; the same shall apply in the following item) exceeds 50 percent
  - (e) That there exists any other fact from which it is assumed that the company controls decisions over financial and business policies of another company, etc.
- (iii) If the ratio of the number of voting rights held by the company itself to the total number of voting rights of another company, etc. exceeds 50 percent

(including when voting rights are not held for its own account and excluding cases listed in the preceding two items) and if any one of the requirements listed in (b) to (e) of the preceding item is met. In this case, if another company, etc. is a partnership established by a partnership contract prescribed by paragraph (1), Article 667 of the Civil Code, an investment limited partnership, a limited liability partnership, or an organization similar to specified partnerships, the ratio of the amount financed by the company itself to the total amount of funds procured must not be taken into consideration.

(Application for Approval of the Fair Trade Commission Pursuant to the Proviso of Article 11, Paragraph (1) of the Act)

- Article 3 (1) A person who seeks approval for the acquisition or holding of voting rights of a company in Japan that results in holding in excess of five percent (or ten percent for a company engaged in insurance business; the same shall apply in the following Article) of the voting rights of all shareholders pursuant to the provisions in the proviso of Article 11, paragraph (1) 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, business report, balance sheet, and profit and loss statement of the company issuing shares conferring the voting rights for the most recent business year.

(Application for Approval of the Fair Trade Commission Pursuant to Article 11, Paragraph (2) of the Act)

- Article 4 (1) A person who seeks approval for the holding of voting rights of a company in Japan in which it 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 provisions of Article 11, paragraph (2) 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 the business report, balance sheet, and profit and loss statement of the company issuing shares conferring the voting rights for the most recent business year.

(Notification of Plan with Respect to Merger)

- Article 5 (1) A person who files a notification of the plan with respect to a merger pursuant to the provisions of Article 15, paragraph (2) of the Act shall



- submit to the Fair Trade Commission a written notice using Form No. 8.
- (2) The written notice described in the preceding paragraph shall be submitted in joint names of the relevant parties.
- (3) The written notice described in paragraph (1) shall include the following documents as attachments:
- (i) The articles of incorporation of each of the notifying companies (which refers to all companies involved in the merger; hereinafter the same shall apply in this paragraph)
  - (ii) A copy of the merger contract
  - (iii) The business report, balance sheet, and profit and loss statement for the most recent business year as well as a list of shareholders each holding in excess of one percent of the voting rights held by all shareholders of each notifying company
  - (iv) A copy of the record of resolution passed by the shareholders meeting, or record of consent from all members, with respect to the merger, if any
  - (v) The securities report prepared by the ultimate parent company of the group of combined companies to which each notifying company belongs or any other document that is necessary and appropriate for showing the assets and profit and loss situation of the group of combined companies to which each notifying company belongs

(Notification of Plan with Respect to Split)

- Article 5-2 (1) A person who files a notification of the plan with respect to a joint incorporation-type split pursuant to the provisions of Article 15-2, paragraph (2) of the Act shall submit to the Fair Trade Commission a written notice using Form No. 9.
- (2) A person who files a notification of the plan with respect to an absorption-type split pursuant to the provisions of Article 15-2, paragraph (3) of the Act shall submit to the Fair Trade Commission a written notice using Form No. 10.
- (3) The written notice described in the preceding two paragraphs shall be submitted in joint names of the relevant parties.
- (4) The written notice described in paragraphs (1) and (2) shall include the following documents as attachments:
- (i) The articles of incorporation of each of the notifying companies (which refers to all companies involved in the split; hereinafter the same shall apply in this paragraph)
  - (ii) A copy of the written split plan or of the split contract
  - (iii) The business report, balance sheet, and profit and loss statement for the most recent business year as well as a list of shareholders each holding in excess of one percent of the voting rights held by all shareholders of each notifying company

- (iv) A copy of the record of resolution passed by the shareholders meeting or record of consent from all members, with respect to the split, if any
- (v) The securities report prepared by the ultimate parent company of the group of combined companies to which each notifying company belongs or any other document that is necessary and appropriate for showing the assets and profit and loss situation of the group of combined companies to which each notifying company belongs

(Notification of Plan with Respect to Joint Share Transfer)

Article 5-3 (1) A person who files a notification of the plan with respect to a joint share transfer pursuant to the provisions of Article 15-3, paragraph (2) of the Act shall submit to the Fair Trade Commission a written notice using Form No. 11.

- (2) The written notice described in the preceding paragraph shall be submitted in joint names of the relevant parties.
- (3) The written notice described in paragraph (1) shall include the following documents as attachments:
  - (i) The articles of incorporation of each of the notifying companies (which refers to all companies involved in the joint share transfer; hereinafter the same shall apply in this paragraph)
  - (ii) A copy of the written plan on the joint share transfer or of the contract on the joint share transfer
  - (iii) The business report, balance sheet, and profit and loss statement for the most recent business year as well as a list of shareholders each holding in excess of one percent of the voting rights held by all shareholders of each notifying company
  - (iv) A copy of the record of resolution passed by the shareholders meeting with respect to the joint share transfer, if any
  - (v) The securities report prepared by the ultimate parent company of the group of combined companies to which each notifying company belongs or any other document that is necessary and appropriate for showing the assets and profit and loss situation of the group of combined companies to which each notifying company belongs

(Notification of Plan with Respect to Acquisition of Business, etc.)

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 provisions of Article 16, paragraph (2) of the Act shall submit to the Fair Trade Commission a written notice using Form No. 12.

- (2) The written notice described in the preceding paragraph shall include the

following documents as attachments:

- (i) The articles of incorporation of the notifying company and the other company
- (ii) A copy of the contract relevant to the act
- (iii) The business report, balance sheet, and profit and loss statement for the most recent business year as well as a list of shareholders each holding in excess of one percent of the voting rights held by all shareholders of the notifying company and the other company
- (iv) A copy of the record of resolution passed by the shareholders meeting, or record of consent from all members, with respect to the act, if any
- (v) The securities report prepared by the ultimate parent company of the group of combined companies to which the notifying company belongs or any other document that is necessary and appropriate for showing the assets and profit and loss situation of the group of combined companies to which the notifying company belongs.

(Delivery of Written Notice Receipt, etc.)

Article 7 (1) On receipt of the written notice pursuant to the provisions of Article 2-6 or any of the four preceding Articles, the Fair Trade Commission shall deliver to the notifying company a written notice receipt in Form No. 13, 14, 15, 16, 17 or 18.

(2) In the event of any omission of information in the notification documents pursuant to the provisions of Article 2-6 or any of the four preceding Articles, the Fair Trade Commission may deliver the written notice receipt described in the preceding paragraph after requiring the notifying company to correct the notification documents.

(3) If there is any change in the information in the notification documents before the date when the notifying company acquires the shares after the notification or before the date the merger, split, share transfer, or acquisition of business, etc. takes effect (excluding cases prescribed in the following paragraph), the notifying company shall without delay submit to the Fair Trade Commission a written change report in Form No. 19, 20, 21, 22, 23 or 24.

(4) If there is any significant change in the information in the notification documents before the date when the notifying company acquires the shares after the notification or before the date the merger, split, share transfer or acquisition of business, etc. takes effect, the notifying company shall resubmit to the Fair Trade Commission the notification documents pursuant to the provisions of Article 2-6, 5, 5-2, 5-3 or 6.

(5) On the date when the notifying company has acquired the shares or when the merger, split, share transfer or acquisition of business, etc. has taken effect, the notifying company shall submit to the Fair Trade Commission a written

completion report in Form No. 25, 26, 27, 28, 29 or 30.

(Delivery of Written Request for Reports, etc. or Written Receipt of Reports, etc.)

Article 8 (1) When requesting a notifying company to submit the necessary reports, information or materials (hereinafter referred to as the "reports, etc.") prescribed by Article 10, paragraph (9) of the Act (including mutatis mutandis application pursuant to the provisions of Article 15, paragraph (3), Article 15-2, paragraph (4), Article 15-3, paragraph (3), and Article 16, paragraph (3) 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. 31, 32, 33, 34, 35 or 36.

(2) On receipt from the notifying company of the reports, etc. prescribed by Article 10, paragraph (9) of the Act, the Fair Trade Commission shall deliver to the notifying company a written receipt of reports, etc. in Form No. 37, 38, 39, 40, 41 or 42.