

Cabinet Office Ordinance on Disclosure of Large Volume Share Certificate, etc. Holding Status

(Ordinance of the Ministry of Finance No. 36 of November 20, 1990)

Pursuant to the provisions of Article 27-23, paragraphs (1), (3) and (5), Article 27-24, Article 27-25, paragraphs (1) and (2), Article 27-26 of the Securities and Exchange Act (Act No. 25 of 1948) and Article 27-28 of that Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-29, paragraph (2) of that Act), and to the provision of Article 4, paragraph c(2) of the Supplementary Provisions of the Act for Partial Revision of the Securities and Exchange Act (Act No. 43 of 1990), the Cabinet Office Ordinance on Disclosure of Large Volume of Share Certificate, etc. Holding Status shall be enacted as follows.

(Definitions)

Article 1 In this Cabinet Office Ordinance, the meanings of the terms listed in the following items shall be as prescribed respectively in those items:

- (i) Covered Warrants for Target Securities: the securities set forth in Article 2, paragraph (1), item (xix) of the Financial Instruments and Exchange Act (Act No. 25 of 1948; hereinafter referred to as the "Act") which indicate the options pertaining to Target Securities (meaning the target securities defined in Article 27-23, paragraph (2) of the Act; hereinafter the same shall apply in this Article) (such options shall be limited to those wherein the person who exercises the options acquires the position of a buyer in the sale and purchase of Target Securities pertaining to the options through the exercise of the options);
- (ii) Depositary Receipts for Target Securities: the securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to Target Securities;
- (iii) Depositary Receipts for Share Certificates: the securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to share certificates;
- (iv) Depositary Receipts Related to Share Certificates: Depositary Receipts for Target Securities, which are not Depositary Receipts for Share Certificates;
- (v) Beneficiary Certificates of Target Securities in Trust: Beneficiary Certificates of Securities in Trust (meaning the beneficiary certificates of securities in trust set forth in Article 2-3, item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; hereinafter referred to as the "Order")); the same shall apply

hereinafter), of which the Entrusted Securities (meaning the entrusted securities prescribed in that item; the same shall apply hereinafter) are Target Securities;

- (vi) Beneficiary Certificates of Share Certificates in Trust: Beneficiary Certificates of Securities in Trust, of which the share certificates are the Entrusted Securities;
- (vii) Beneficiary Certificates of Trusts Related to Share Certificates: Beneficiary Certificates of Target Securities in Trust, which are not Beneficiary Certificates of Share Certificates in Trust; and
- (viii) Target Securities Redeemable Corporate Bonds: corporate bond certificates which are redeemable, under certain conditions, by means of Target Securities issued by a company other than the issuing company of said corporate bond certificates (limited to those with rights by which persons who hold said corporate bond certificates may have the company issuing said corporate bond certificates redeem them by means of the Target Securities).

(Definition of the Issuer)

Article 1-2 The securities to be specified by a Cabinet Office Ordinance, referred to in Article 27-23, paragraph (1) of the Act, shall be those listed in the following items, and the person to be specified by a Cabinet Office Ordinance, referred to in that paragraph, shall be any of the persons listed in the following items according to the categories of securities in the respective items:

- (i) Covered Warrants for Target Securities: the issuer of the Target Securities;
- (ii) Depositary Receipts for Target Securities: the issuer of the Target Securities;
- (iii) Beneficiary Certificates of Target Securities in Trust: the issuer of the Target Securities;
- (iv) Target Securities Redeemable Corporate Bonds: the issuer of the Target Securities; and
- (v) securities or certificates issued by a foreign person which have the nature of the securities set forth in the preceding item: the issuer of the Target Securities.

(Matters to be Included in Large Volume Holding Reports, etc.)

Article 2 (1) A person who is to submit a large volume holding report under the provisions of Article 27-23, paragraph (1) of the Act and Article 27-26, paragraph (4) of the Act shall prepare four copies of said report by using Form No. 1, and submit them to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Director-General of a Local Finance Bureau,

etc.").

- (2) A large volume holding report under the provisions of the preceding paragraph shall have attached a document specifying the name, location and contact details of a person who conducts an intermediary, brokerage or agency service for the sale and purchase or other transactions of Share Certificates, etc. (meaning the share certificates, etc. defined in Article 27-23, paragraph (1) of the Act; the same shall apply hereinafter) for which said large volume holding report has come to be submitted, on behalf of the person who is to submit said large volume holding report (excluding a financial instruments business operator, etc. as defined in Article 34 of the Act).

(Cases Where Reports of Possession of a Large Volume Are Not Required)

Article 3 The case to be specified by a Cabinet Office Ordinance referred to in the proviso of Article 27-23, paragraph (1) of the Act shall be either of the following cases:

- (i) a case where there is no increase in the Total Number of Share Certificates, etc. Held (meaning the total number of share certificates, etc. held as prescribed in Article 27-23, paragraph (4) of the Act; the same shall apply hereinafter); or
- (ii) a case where the Total Number of Share Certificates, etc. Held increases solely as a result of the adjustment of the issue price of the shares underlying the share options pertaining to share option certificates or corporate bond certificates with share options.

(Shares with No Voting Rights)

Article 3-2 The shares to be specified by a Cabinet Office Ordinance as shares with no voting rights, referred to in Article 14-5-2, item (i) of the Order, shall be those which satisfy all of the following requirements:

- (i) shares with no voting rights; and
- (ii) shares for which the articles of incorporation have no provisions to the effect that the company issuing said shares shall deliver shares with voting rights in exchange for the acquisition of said shares.

(Securities over which a Person Becomes Aware that He/She Has Authority)

Article 3-3 The securities to be specified by a Cabinet Office Ordinance, referred to in Article 27-23, paragraph (3) of the Act, shall be Depositary Receipts for Share Certificates and Beneficiary Certificates of Share Certificates in Trust.

(Share Certificates, etc. to be Excluded From Share Certificates, etc. Held, due to the Manner in which they are Held or Any Other Circumstance)

Article 4 The Share Certificates, etc. to be specified by a Cabinet Office

Ordinance taking into consideration the manner of holding or any other circumstance, as referred to in Article 27-23, paragraph (4) of the Act, shall be the following Share Certificates, etc.:

- (i) Share Certificates, etc. held as trust property by a person who is engaged in a trust business (limited to cases where said person does not fall under the categories of persons listed in the items of Article 27-23, paragraph (3) of the Act with regard to said Share Certificates, etc.);
- (ii) Share Certificates, etc. held by a person engaged in a Securities-Related Business (meaning the securities-related business defined in Article 28, paragraph (8) of the Act; the same shall apply in Article 11, item (i)) in the course of the business of underwriting or secondary distribution (excluding Share Certificates, etc. held on or after the day immediately following the payment date for said Share Certificates, etc. in the case of underwriting, and excluding those held on or after the day immediately following the transfer date for said Share Certificates, etc. in the case of a secondary distribution);
- (iii) Share Certificates, etc. held by a Financial Instruments Business Operator (meaning the financial instruments business operator defined in Article 2, paragraph (9) of the Act) in the margin transactions defined in Article 156-24, paragraph (1) of the Act;
- (iv) Share Certificates, etc. held in the course of the business prescribed in Article 156-24, paragraph (1) of the Act by a person who is engaged in said business;
- (v) Share Certificates, etc. for which a sales agreement has been concluded, but whose transfer has yet to be completed (limited to Share Certificates, etc. which are to be transferred within five days (not including Sundays and the holidays prescribed in Article 14-5 of the Order) from the date of the agreement, and excluding share certificates for which a sales agreement was concluded through the transactions set forth in the following item);
- (vi) share certificates held as a result of futures transactions targeting an aggregate of two or more share certificates for different issues carried out at a Financial Instruments Exchange (meaning a financial instruments exchange defined in Article 2, paragraph (16) of the Act; the same shall apply in Article 21) (excluding share certificates held on or after the day immediately following the last sale and purchase transaction date of said futures transactions);
- (vii) Share Certificates, etc. (excluding share certificates) held by an employees' pension fund, the Pension Fund Association or the Government Pension Investment Fund;
- (viii) Share Certificates, etc. held as an investment of postal life insurance assets as defined in Article 10 of the Act on the Management Organization

for Postal Savings and Postal Life Insurance, Independent Administrative Agency (Act No. 101 of 2005) (excluding share certificates);

- (ix) Share Certificates, etc. held by a person who has the authority to represent a juridical person on the basis of said authority of representation, or held by a manager on the basis of his/her authority to act as an agent; and
- (x) Share Certificates, etc. held by a person entrusted with such Share Certificates, etc. acquired (limited to the cases where said entrusted person does not fall under the categories of persons listed under Article 27-23, paragraph (3) of the Act with respect to said Share Certificates, etc.), in cases where an Officer (meaning a director, executive officer, accounting advisor (when the accounting advisor is a juridical person, this shall include a member of said juridical person who is in the position of performing such duties), a company auditor, or a person holding a title equivalent thereto; hereinafter the same shall apply in this item) or an employee of a company has acquired the company's Share Certificates, etc. jointly with another Officer or employee of the company (limited to the acquisition under a certain program wherein the Share Certificates, etc. are continuously acquired without depending on the individual's investment decisions, and wherein the amount to be contributed by each of the Officers or employees on each occasion is less than one million yen) (in the case of the acquisition of any Share Certificates, etc. other than those acquired by the company pursuant to the provision of Article 156, paragraph (1) of the Companies Act (Act No. 86 of 2005) (including the cases where it is applied by replacing certain terms pursuant to Article 165, paragraph (3) of that Act), the above shall be limited to the case where such acquisition was made based on an entrustment to a Financial Instruments Business Operator).

(Conversion of Share Option Certificates, etc.)

Article 5 (1) The number to be specified by a Cabinet Office Ordinance, referred to in Article 27-23, paragraph (4) of the Act, shall be any of the following numbers:

- (i) for share option certificates, the number of shares underlying the share options;
- (ii) for corporate bond certificates with share options, the number of shares underlying the share options attached to said corporate bond certificates with share options;
- (iii) for securities or certificates which are issued by a foreign person and have the nature of share certificates, the number of shares;
- (iv) for securities or certificates which have been issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options, the number of securities or certificates that are converted

into shares in the same manner as the securities or certificates issued by a domestic corporation;

- (v) for Investment Securities, etc. (meaning investment securities, etc. as defined in Article 1-4, item (i) of the Order; the same shall apply hereinafter), the number of units of Investment Equity (meaning investment equity as defined in Article 2, paragraph (14) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951), including the status of the members of a Foreign Investment Corporation (meaning a foreign investment corporation as defined in paragraph (23) of that Article); the same shall apply hereinafter);
- (vi) for Covered Warrants for Target Securities, the number of shares or the like listed in the following items according to the category of Target Securities pertaining to the respective options indicated on said Covered Warrants for Target Securities:
 - (a) share certificates: the number of shares which can be acquired through the options indicated on said Covered Warrants for Target Securities;
 - (b) share option certificates: the number of shares underlying the share options of the share option certificates which can be acquired through the options indicated on said Covered Warrants for Target Securities;
 - (c) corporate bond certificates with share options: the number of shares underlying the share options attached to bonds with share options which can be acquired through the options indicated on said Covered Warrants for Target Securities;
 - (d) securities or certificates which are issued by a foreign person and which have the nature of share certificates: the number of shares indicated on said Covered Warrants for Target Securities;
 - (e) securities or certificates which are issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options: the number of securities or certificates that are converted into shares in the same manner as the securities or certificates issued by a domestic corporation; and
 - (f) Investment Securities, etc.: the number of units of Investment Equity which is able to be acquired through options indicated on said Covered Warrants for Target Securities;
- (vii) for Depositary Receipts for Target Securities, the numbers of shares or the like listed in the following items according to the categories of Target Securities pertaining to the rights indicated on said Depositary Receipts for Target Securities:
 - (a) share certificates: the number of shares underlying the rights indicated on said Depositary Receipts for Target Securities;
 - (b) share option certificates: the number of shares underlying the share

- options of the share option certificates underlying the rights indicated on said Depositary Receipts for Target Securities;
- (c) corporate bond certificates with share options: the number of shares underlying the share options attached to the bonds with share option underlying the rights indicated on said Depositary Receipts for Target Securities;
 - (d) securities or certificates which are issued by a foreign person and have the nature of share certificates: the number of shares underlying the rights indicated on said Depositary Receipts for Target Securities;
 - (e) securities or certificates which are issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options: the number of securities or certificates that are converted into shares in the same manner as securities or certificates issued by a domestic corporation; and
 - (f) Investment Securities, etc.: the number of units of Investment Equity underlying the rights indicated on said Depositary Receipts for Target Securities;
- (viii) for Beneficiary Certificates of Target Securities in Trust, the numbers listed in the following items according to the category of the entrusted Target Securities listed in the respective items:
- (a) share certificates: the number of shares of beneficial interests indicated on said Beneficiary Certificates of Target Securities in Trust;
 - (b) share option certificates: the number of shares underlying the share options of share option certificates of beneficial interests indicated on said Beneficiary Certificates of Target Securities in Trust;
 - (c) corporate bond certificates with share options: the number of shares underlying the share options attached to the bonds with share options of beneficial interests indicated on said Beneficiary Certificates of Target Securities in Trust;
 - (d) securities or certificates which are issued by a foreign person and which have the nature of share certificates: the number of shares of beneficial interests indicated on said Beneficiary Certificates of Target Securities in Trust;
 - (e) securities or certificates which are issued by a foreign person and which have the nature of share option certificates or corporate bond certificates with share options: the number of securities or certificates that are converted into shares in the same manner as the securities or certificates issued by a domestic corporation; and
 - (f) Investment Securities, etc.: the number of units of Investment Equity of beneficial interests indicated on said Beneficiary Certificates of Target Securities in Trust; and

- (ix) for Redeemable Corporate Bond Target Securities, the numbers listed in the following items according to the category of Target Securities to be redeemed listed in the respective items:
 - (a) share certificates: the number of shares to be redeemed;
 - (b) share option certificates: the number of shares underlying the share options of share option certificates to be redeemed;
 - (c) corporate bond certificates with share options: the number of shares underlying the share options attached to the corporate bond certificates with share options to be redeemed;
 - (d) securities or certificates which are issued by a foreign person and have the nature of share certificates: the number of shares to be redeemed;
 - (e) securities or certificates which are issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options: the number of securities or certificates that are converted into shares in the same manner as securities or certificates issued by a domestic corporation; and
 - (f) Investment Securities, etc.: the number of units of Investment Equity to be redeemed.
- (2) The total number of issued shares or the number to be specified by a Cabinet Office Ordinance as being equivalent thereto, as referred to in Article 27-23, paragraph (4) of the Act, shall be the total number of units issued Investment Equity.

(Securities Not to be Added in Calculation of the Holding Ratio of Share Certificates, etc.)

Article 5-2 The share certificates and any other securities to be specified by a Cabinet Office Ordinance, referred to in Article 27-23, paragraph (4) of the Act, shall be the following securities:

- (i) share certificates;
- (ii) securities or certificates which are issued by a foreign person and which have the nature of share certificates;
- (iii) Investment Securities, etc;
- (iv) the securities listed in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to share certificates, Investment Securities, etc. or securities set forth in item (xvii) of that paragraph that have the nature of share certificates; and
- (v) Beneficiary Certificates of Securities in Trust, of which the Entrusted Securities are share certificates, Investment Securities, etc. or securities set forth in Article 2, paragraph (1), item (xvii) of the Act that have the nature of share certificates.

(Special Relationship)

Article 5-3 The relationship to be specified by a Cabinet Office Ordinance referred to in Article 14-7, paragraph (1), item (iv) of the Order shall be the relationship between a subsidiary company (limited to a partnership) as defined in Article 8, paragraph (3) of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance No. 59 of 1963) and a parent company as defined in that paragraph.

(Criteria for the Number of Share Certificates, etc. Held which are Excluded from the Deemed Joint Holder)

Article 6 The number to be specified by a Cabinet Office Ordinance referred to in the proviso to Article 27-23, paragraph (6) of the Act shall be either of the numbers listed in the following two items according to the categories listed in the respective items:

- (i) share certificates, etc. issued by a domestic corporation: the number of Share Certificates, etc. of which the Holding Rate of Share Certificates, etc. in Isolation (meaning the Holding Rate of Share Certificates, etc. in Isolation defined in Article 14-7-2, paragraph (2) of the Order; hereinafter the same shall apply in this item) shall be 0.1 percent (in cases where, among the Holding Rates of Share Certificates, etc. of other holders in the special relationship as prescribed in Article 27-23, paragraph (6) of the Act, the total rate of those which are less than the Holding Rate of Share Certificates, etc. in Isolation of the relevant holder exceeds 0.9 percent, the number of Share Certificates, etc. equivalent to the rate obtained by deducting said total rate from 1 percent (in cases where any rate remains after the deduction, said remaining rate shall be ignored)); and
- (ii) Share Certificates, etc. issued by a foreign person: the number equivalent to 1 percent of the total number of the issued shares or the total number of units of the issued Investment Equity.

(Matters to be Contained in the Written Notice Prescribed in Article 27-24 of the Act)

Article 7 In the written notice prescribed in Article 27-24 of the Act, the date of the preparation of the written notice, the name of the issuer of Share Certificates, etc. with which a customer has the authority to exercise his/her voting right or any other rights, or the authority to give instructions as to the exercise of said voting right or any other rights, the number of said Share Certificates, etc., a statement to the effect that said customer has such authority with regard to said Share Certificates, etc., and the status of the acquisition or disposition of Share Certificates, etc. issued by said issuer shall

be stated.

(Matters to be Contained in Change Reports, etc.)

Article 8 (1) A person who is to submit a change report under the provisions of Article 27-25, paragraphs (1) and (3), and Article 27-26, paragraph (2) (limited to the case set forth in item (iii)) and (5) of the Act shall submit four copies of said report by using Form No. 1 to the Director-General of a Local Finance Bureau, etc.

(2) The provisions of Article 2, paragraph (2) shall apply mutatis mutandis to a case where a change report is submitted pursuant to the provisions of the preceding paragraph (excluding a change report under the provisions of Article 27-26, paragraph (1); hereinafter the same shall apply in this paragraph); provided, however, that this shall not apply if a document prescribed in Article 2, paragraph (2) as applied mutatis mutandis pursuant to the provisions of this paragraph (hereinafter referred to as the "Attached Document" in this paragraph) has the same contents as the document attached to a report of possession of a large volume to which said change report pertains, or the same contents as an Attached Document for a change report submitted immediately prior to said change report (limited to that pertaining to said report of possession of a large volume).

(Cases Where Change Reports Are Not Required)

Article 9 The cases to be specified by a Cabinet Office Ordinance, referred to in the proviso to Article 27-25, paragraph (1), shall be the following cases:

- (i) cases where a change report has already been submitted with regard to a decrease of 1 percent or more in the Holding Ratio of Share Certificates, etc. (meaning the holding ratio of share certificates, etc. defined in Article 27-23, paragraph (4) of the Act; the same shall apply hereinafter), where the Holding Ratio of Share Certificates, etc. stated in said change report is 5 percent or less; and
- (ii) cases where the Total Number of Share Certificates, etc. Held increases or decreases only as a result of the adjustment of the issue price of the shares underlying the share options pertaining to share option certificates or corporate bond certificates with share options.

(Exclusions from Changes in Important Matters, etc.)

Article 9-2 (1) Changes which are to be specified by a Cabinet Office Ordinance as being minor changes, as referred to in Article 14-7-2, paragraph (1), item (v) of the Order, shall be those regarding which the rate obtained by dividing the number of Share Certificates, etc., based on which the contracts listed in sub-items (a) to (e) inclusive of that item have been concluded or regarding which

the details of such contracts have been changed by the amount calculated by adding the total number of issued shares of the issuer of said Share Certificates, etc., or the total number of issued Investment Equity, to the number of said Share Certificates, etc. (excluding the securities listed in the items of Article 5-2) held by said holders and Joint Holders (meaning the joint holders prescribed in Article 14-7-2, paragraph (1), item (i) of the Order; the same shall apply hereinafter) (such number shall hereinafter be referred to as the "Total Number, etc. of Issued Share Certificates" in this Article), is less than 1 percent.

- (2) Anything to be specified by a Cabinet Office Ordinance, referred to in Article 14-7-2, paragraph (1), item (vi) of the Order, shall be the following:
 - (i) a change in the breakdown of Share Certificates, etc. held and the rate obtained by dividing the total number of Share Certificates, etc. to be changed by the Total Number, etc. of Issued Share Certificates is less than 1 percent; and
 - (ii) among the matters to be contained in Form No. 1 and Form No. 3, any minor change (excluding that set forth in the preceding item).
- (3) The corporate bond certificates with share options and the securities to be specified by a Cabinet Office Ordinance, referred to in Article 14-7-2, paragraph (2) of the Order, shall be the following securities:
 - (i) corporate bond certificates with share options;
 - (ii) share option certificates; and
 - (iii) securities or certificates issued by a foreign person which are of the same nature as the securities listed in the preceding two items.

(Matters to be Included in Change Reports for Transfers of a Large Number of Share Certificates, etc. in a Short Period)

Article 10 Where matters concerning the party to whom a transfer is made and the consideration received for the transfer are to be included in a change report pursuant to the provisions of Article 27-25, paragraph (2) of the Act, they shall be included in Form No. 2 in lieu of "(5) The status of the acquisition or disposition over the past 60 days regarding Share Certificates, etc. issued by the issuer of said Share Certificates, etc." in "No. 2 Matters concerning a person who submits the report."

(Financial Instruments Business Operators, etc. Who Hold Share Certificates, etc. Subject to Special Provisions)

Article 11 A Financial Instruments Business Operator, a bank or any other person to be specified by a Cabinet Office Ordinance, as referred to in Article 27-26(1) of the Act, shall be any of the following persons:

- (i) Financial Instruments Business Operators (limited to those engaging in

type I financial instruments business activities as defined in Article 28, paragraph (1) of the Act (limited to Securities-Related Business Activities; the same shall apply in the following item) or those who engage in investment management business activities (limited to the activities listed in Article 2, paragraph (8), items (xii) and (xiv) of the Act among the investment management business activities defined in Article 28, paragraph (4) of the Act); the same shall apply in the following item), banks, trust companies (limited to those that have obtained a license under Article 3 of the Trust Business Act (Act No. 154 of 2004) or Article 53, paragraph (1) of that Act), insurance companies, the Norinchukin Bank and the Shoko Chukin Bank Limited;

- (ii) persons who conduct a type I financial instruments business, investment management business, banking business, trust business or insurance business in foreign states in accordance with the laws and regulations thereof, and who do not fall under those listed in the preceding item;
- (iii) the Banks' Shareholdings Purchase Corporation and the Deposit Insurance Corporation of Japan; and
- (iv) persons who are joint holders of the persons listed in the preceding three items (hereinafter referred to as "Financial Instruments Business Operators, etc." in this Article and Article 13), and who do not fall under the category of Financial Instruments Business Operators, etc.

(Criteria of Holding Ratio of Share Certificates, etc. in a Case Where Share Certificates, etc. are Excluded From Share Certificates, etc. Subject to Special Provisions)

Article 12 The ratio to be specified by a Cabinet Office Ordinance, as referred to in Article 27-26, paragraphs (1) and (2), item (iii), shall be 10 percent.

(Cases Where Share Certificates, etc. Are Excluded From Share Certificates, etc. Subject to Special Provisions by Taking Into Consideration the Manner of Holding and Other Circumstances)

Article 13 The cases to be specified by a Cabinet Office Ordinance, referred to in Article 27-26, paragraph (1) of the Act, shall be the following cases:

- (i) cases where a Financial Instruments Business Operator, etc. has a joint holder who is not a Financial Instruments Business Operator, etc. and where the Holding Ratio of Share Certificates, etc. of said joint holder, which is calculated by deeming said joint holder to have no joint holder who is a Financial Instruments Business Operator, etc., exceeds 1 percent; and
- (ii) cases where the Holding Ratio of Share Certificates, etc. pertaining to Share Certificates, etc. held by a Financial Instruments Business Operator, etc. is less than 10 percent, and where a decrease in the Holding Ratio of the

Share Certificates, etc. (limited to that which exceeds 10 percent) as stated in a report of possession of a large volume or a change report, whichever has been most recently submitted, pertaining to said Share Certificates, etc. is less than 1 percent.

(State, etc. Holders of Share Certificates, etc. Subject to Special Provisions)

Article 14 National government, local government or any other person to be specified by a Cabinet Office Ordinance, referred to in Article 27-26, paragraph (1) of the Act, shall be the following persons:

- (i) The national or a local government; or
- (ii) a person not set forth in the preceding item who is a joint holder with a person set forth in the preceding item

(Contents, etc. of Large Volume Holding Reports, etc. pertaining to Share Certificates, etc. Subject to Special Provisions)

Article 15 A person who is to submit a large volume holding report under Article 27-26, paragraph (1) of the Act or a change report under paragraph (2) of that Article (excluding the case set forth in item (iii)) shall prepare four copies of said report using Form No. 3 and submit them to the Director-General of the Local Finance Bureau, etc.

(Acts, etc. which constitute the Making of Important Suggestions)

Article 16 The matters to be specified by a Cabinet Office Ordinance, referred to in Article 14-8-2, paragraph (1), item (xiii) of the Order, shall be the following matters:

- (i) an important change in capital policy (excluding that set forth in Article 14-8-2, paragraph (1), item (x) of the Order for Enforcement of the Securities and Exchange Act);
- (ii) dissolution (excluding dissolution as a result of a merger); and
- (iii) a petition for the commencement of bankruptcy proceedings, rehabilitation proceedings or reorganization proceedings.

(Cases Where Change Reports Pertaining to Share Certificates, etc. Subject to Special Provisions Are Required)

Article 17 The case to be specified by a Cabinet Office Ordinance and the date to be specified by a Cabinet Office Ordinance, referred to in Article 27-26, paragraph (2), item (iv) of the Act, shall be any of the cases listed in the following items and the dates to be specified for the respective cases:

- (i) cases where the Holding Ratio of Share Certificates, etc. as of the reference date that comes after the date on which the calculation of the Holding Ratio of Share Certificates, etc. stated in a change report under Article 27-25,

- paragraph (1) of the Act is based increased or decreased by 1 percent or more from the Holding Ratio of Share Certificates, etc. that was stated in said change report, or any other cases where there arises any change in important matters to be stated in a large volume holding report: within five days (not including Sundays and the holidays prescribed in Article 14-5 of the Order; hereinafter the same shall apply in this Article) from said reference date;
- (ii) cases where the Holding Ratio of Share Certificates, etc. as of the Reference Date that comes after the date on which the calculation of the Holding Ratio of Share Certificates, etc. stated in a large volume holding report under Article 27-23, paragraph (1) of the Act is based increased or decreased by 1 percent or more from the Holding Ratio of Share Certificates, etc. that was stated in said large volume holding report, or any other cases where there arises any change in important matters to be stated in a large volume holding report: within five days from said reference date; and
- (iii) cases where the Share Certificate, etc. Holding Ratio has decreased to 10 percent, and where said Share Certificates, etc. have come to fall under the category of Share Certificates, etc. Subject to Special Provisions: within five days from the date on which the Share Certificates, etc. come to fall under the category of Share Certificates, etc. Subject to Special Provisions.

(Notification of Reference Date for becoming a Holder of Share Certificates, etc. Subject to Special Provisions)

Article 18 (1) A person who intends to provide notice of the reference date under Article 27-26, paragraph (3) of the Act shall prepare two copies of the written notification using Form No. 4 and submit them to the Director-General of the Local Finance Bureau, etc.

(2) A person who intends to change the reference date referred to in the preceding paragraph shall prepare two copies of the written notification using Form No. 4 and submit them to the Director-General of the Local Finance Bureau, etc. in advance.

(Authority to which Large Volume Holding Reports are to be Submitted)

Article 19 (1) In the case of the submission of a large volume holding report or a change report, if the person who makes the submission is a resident as defined in the first sentence of Article 6, paragraph (1), item (v) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949), the report shall be submitted to the Director-General of the Local Finance Bureau who has jurisdiction over the location of the head office or the principal office of such person (or his/her domicile or residence in the case of an individual; the same shall apply in the following Article) (or to the Director-General of the Fukuoka Local Finance Branch Bureau if said location is within the jurisdiction of the

Fukuoka Local Finance Branch Bureau), or to the Kanto Finance Bureau if such person is a non-resident as defined in Article 6, paragraph (1), item (vi) of that Act.

- (2) An amendment report for a large volume holding report or a change report which has been submitted to the Director-General of a Local Finance Bureau, etc. pursuant to the provisions of the preceding paragraph shall be submitted to said Director-General of a Local Finance Bureau, etc.
- (3) The provisions of paragraph (1) shall apply mutatis mutandis to the case where the written notification under the preceding item is submitted.

(Maintenance and Public Inspection of Large Volume Holding Reports, etc.)

Article 20 Large volume holding reports and change reports, and any amendment reports for such reports shall be kept at the Kanto Local Finance Bureau, a local finance bureau which has jurisdiction over the location of the head office or the principal office of a company which is the issuer pertaining to those reports (or the Fukuoka Local Finance Branch Bureau, if said location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau), and a local finance bureau which has jurisdiction over the location of the head office or the principal office of the person who submitted such reports (or the Fukuoka Local Finance Branch Bureau, if said location is within the jurisdiction of the Fukuoka Local Finance Branch Bureau), and shall be made available for public inspection.

Article 21 A Financial Instruments Exchange and an Authorized Financial Instruments Firms Association (meaning the authorized financial instruments firms association defined in Article 2, paragraph (13) of the Act) shall, pursuant to Article 27-28, paragraph (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-29, paragraph (2) of the Act), make copies of large volume holding reports and change reports, and amendment reports for those reports available for public inspection during business hours.

(Cases Where the Reports Are Made Available for Public Inspection)

Article 22 The cases to be specified by a Cabinet Office Ordinance referred to in Article 27-28, paragraph (3) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27-29, paragraph (2) of the Act), shall be cases in which a person who submits a large volume holding report or a change report, or an amendment report thereof, clearly indicates when borrowing funds from a bank, etc., as defined in that paragraph, that said funds will be allocated to the cost of acquiring Share Certificates, etc. pertaining to such reports, and so states in such reports.

(Application Mutatis Mutandis of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Pertaining to the Use of Information and Communications Technology in the Delivery of Written Notice of the Status of Share Certificate Holding)

Article 22-2 The provisions of Article 23-3 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (Ordinance of the Ministry of Finance No. 5 of 1973) shall apply mutatis mutandis to cases where the provisions of Article 27-30-9, paragraph (1) of the Act are applied mutatis mutandis pursuant to paragraph (2) of that Article.

(Use of Information and Communications Technology Pertaining to the Sending of Copies of Large Volume Holding Reports)

Article 22-3 (1) The cases to be specified by a Cabinet Office Ordinance referred to in Article 27-30-11, paragraph (4) of the Act shall be cases where a holder of Share Certificates, etc., pursuant to the provisions of paragraph (5), indicates the type and details of the methods listed in the items of the following paragraph (hereinafter referred to as "Electromagnetic Means" in this Article) to the company issuing said Share Certificates, etc. and obtains consent in writing or by Electromagnetic Means in advance.

(2) The method to be specified by a Cabinet Office Ordinance, referred to in Article 27-30-11, paragraph (4) of the Act, shall be any of the following methods:

(i) the method of using the electronic data processing system set forth in (a) or (b);

(a) a method under which the information is transmitted through a telecommunications line connecting the computer used by the holder of Share Certificates, etc. and the computer used by the company issuing the Share Certificates, etc. and is recorded in a file stored on the computer used by a person who receives the information; or

(b) a method under which the information to be contained in the document, which is recorded in a file on the computer used by the holder of Share Certificates, etc., is offered to the company issuing the Share Certificates, etc. for inspection via a telecommunications line, and is recorded in a file stored on the computer used by the company issuing said Share Certificates, etc. (or in the case of acknowledging the provision of information by Electromagnetic Means or making a notification of not receiving information by such means, a method under which a statement to that effect is recorded in a file stored on the computer used by the holder of Share Certificates, etc.); and

(ii) a method under which the information to be contained in the document,

which is recorded in a file on a magnetic disk, a CD-ROM, or any other medium which is able to record certain matters reliably by a method equivalent thereto, is delivered.

- (3) The method referred to in the items of the preceding paragraph shall be those which allow the company issuing Share Certificates, etc. to create a document by outputting the contents recorded in the file.
- (4) The "electronic data processing system" referred to in paragraph (2), item (i) means an electronic data processing system wherein the computer used by the holder of the Share Certificates, etc. is connected, by way of telecommunications lines, to the computer used by the company issuing Share Certificates, etc.
- (5) The types and details of the method which should be indicated under paragraph (1) shall be the following matters:
 - (i) the method to be used by the holder of Share Certificates, etc. among those prescribed in the items under paragraph (2); and
 - (ii) the method of recording in files.
- (6) A holder of Share Certificates, etc. who has obtained the consent under paragraph (1) shall not provide the information to be contained in the document to the company issuing the Share Certificates, etc. by Electromagnetic Means, if the company issuing the Share Certificates, etc. notifies the holder in writing or by Electromagnetic Means that it will not accept information sent by Electromagnetic Means; provided, however, that this shall not apply in cases where the company issuing the Share Certificates, etc. has newly given its consent under that paragraph.