

# Order for Enforcement of the Financial Instruments and Exchange Act

(Cabinet Order No. 321 of September 30, 1965)

The Cabinet enacts this Cabinet Order pursuant to the provisions of Article 2 (8), Article 3 (2), Article 32 (i), Article 54 (2), Article 62 (3), Article 65 (1), Article 66, Article 120, Article 125 (3), Article 133, Article 193-2 (1), and Article 194 of the Securities and Exchange Act (Act No. 25 of 1948).

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## **Chapter I General Provisions**

(Securities or Certificates which are Securities)

Article 1 The securities and certificates to be specified by a Cabinet Order, referred to in Article 2 (1)(xxi) of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act"), are as follows:

- (i) among the Negotiable Certificates of Deposit (meaning the deposit for which a due date for refund is provided and which is not a nominative claim), those issued by a foreign juridical person;
- (ii) securities or certificates that indicate a monetary claim (limited to those which are not nominative claims) owed by an Incorporated Educational Institution, etc. (meaning the incorporated educational institution set forth in Article 3 of the Private Educational Institutions Act (Act No. 270 of 1949) or the juridical person prescribed in Article 64 (4) of that Act; the same applies hereinafter) through its allotment and which indicate the name of said Incorporated Educational Institution, etc. and any other matters specified by a Cabinet Office Ordinance.

(Membership Rights of a General Partnership Company or Limited Partnership Company Regarded as Securities)

Article 1-2 The membership rights specified by a Cabinet Order, referred to in Article 2 (2)(iii) of the Act, are as follows:

- (i) the membership rights of a general partnership company of which all of its members fall under either of the following:
  - (a) a stock company; or
  - (b) a limited liability company; or
- (ii) the membership rights of a limited partnership company of which all of its members with unlimited liability fall under either of the following:
  - (a) a stock company; or
  - (b) a limited liability company.

(Things Similar to Money)

Article 1-3 Those specified by a Cabinet Order, referred to in Article 2 (2)(v) of the Act, are as follows:

- (i) Securities;
- (ii) bills of exchange;

- (iii) promissory notes (excluding promissory notes that fall under those set forth in item (i))
- (iv) goods acquired by using the entire sum of money (including those listed in the preceding three items) invested or contributed from the person who holds the rights set forth in Article 2 (2)(i), (ii), (v) or (vi) of the Act (limited to the goods specified by a Cabinet Office Ordinance as found to be necessary to secure the protection of persons who hold such rights); and
- (v) anything specified by a Cabinet Office Ordinance as being equivalent to those listed in the preceding items.

(Participation in an Invested Business)

Article 1-3-2 The cases as specified by a Cabinet Order, referred to in Article 2 (2)(v)(a) of the Act, are cases which satisfy all of the following requirements:

- (i) the execution of business of the Invested Business (meaning Invested Business defined in Article 2 (2)(v) of the Act; hereinafter the same applies in this Article and item (iv) of the following Article) must be conducted with the consent of all of the Equity Holders (meaning Equity Holders as defined in Article 2 (2)(v) of the Act; hereinafter the same applies in this Article) (in cases where an agreement has been made to the effect that the consent of all of the Equity Holders is not required, the execution of business must be conducted only after all of the Equity Holders manifest their intentions concerning whether they give consent to the decision on the execution of business or not); and
- (ii) all of the Equity Holders must satisfy either of the following:
  - (a) to regularly engage in the Invested Business; or
  - (b) to engage in the Invested Business using their highly specialized ability that is indispensable to the continuation of the Invested Business.

(Rights Found Not to Compromise the Public Interest, etc. Even if Not Regarded as Securities)

Article 1-3-3 The rights specified by a Cabinet Order, referred to in Article 2 (2)(v)(d) of the Act, are as follows:

- (i) the rights based on a contract pertaining to the business listed in the items of Article 2 (1) of the Insurance Business Act (Act No. 105 of 1995);
- (ii) the rights pertaining to the investment or contribution made to a juridical person established under Japanese laws and regulations (excluding general incorporated associations other than public interest incorporated associations and general incorporated foundations other than public interest incorporated foundations) (the rights indicated on the Securities listed in Article 2 (1)(vi) to (ix) inclusive and (xi) of the Act and the rights set forth in Article 2 (2)(iii) of that Act which are regarded as Securities pursuant to the

- provisions of Article 2 (2) of that Act are excluded);
- (iii) the rights based on the profit-sharing forestry contract prescribed in Article 2 (3) of the Act on Special Measures concerning Shared Forest (Act No. 57 of 1958);
  - (iv) the rights based on Partnership Contracts, etc. (meaning a partnership contract set forth in Article 667 (1) of the Civil Code (Act No. 89 of 1896) or other continuous contracts) wherein the parties are limited to the following persons and the Invested Business pertaining to such rights is the sole business to perform the services of the following persons:
    - (a) a certified public accountant;
    - (b) an attorney at law (including registered foreign lawyers)
    - (c) a judicial scrivener;
    - (d) a land and house investigator;
    - (e) a certified administrative procedures specialist;
    - (f) a certified tax accountant;
    - (g) a real property appraiser;
    - (h) a public consultant on social and labor insurance; and
    - (i) a patent attorney;
  - (v) the rights based on the contracts wherein an officer(s) or employee(s), or any other person specified by a Cabinet Office Ordinance of a company that is the issuer of share certificates (hereinafter such persons are collectively referred to as the "Officer(s), etc." in this item and in Article 2-12-4 (2)(iv)) promises to continuously purchase the share certificates of said company jointly with another Officer(s), etc. of said company according to a certain plan, without depending on an individual investment decision, and which satisfy the requirements specified by a Cabinet Office Ordinance; and
  - (vi) anything specified by a Cabinet Office Ordinance as being equivalent to the rights listed in the preceding items.

(Rights Regarded as Securities)

Article 1-3-4 The rights specified by a Cabinet Order, referred to in Article 2 (2)(vii) of the Act, are the claims pertaining to the loans made to a Incorporated Educational Institution, etc. (limited to loans which satisfy all of the requirements listed in the following items):

- (i) the loans (excluding loans with no interest) are made by two or more persons and the rate, the time of performance, and any other matters specified by a Cabinet Office Ordinance for the loans are the same; and
- (ii) the loans, in whole or in part, must satisfy either of the following:
  - (a) the loan is made by a person other than the one who attends the School (meaning a school prescribed in Article 2 (1) of the Private Educational Institutions Act and including the advanced vocational school and

- vocational school prescribed in paragraph (2) of that Article) established by the Incorporated Educational Institution, etc. that receives the loan, and those who are specified by a Cabinet Office Ordinance as an interested person (referred to as the "Interested Person" in sub-item (b));
- (b) the transfer of claims pertaining to the loan to persons other than an Interested Person is not prohibited.

(Cases where Solicited Securities are Not Likely to Be Transferred to Persons Other than Qualified Institutional Investors through Solicitation to Offers to Acquire)

Article 1-4 The cases specified by a Cabinet Order in which solicited Securities are not likely to be transferred to persons other than a Qualified Institutional Investor, as referred to in Article 2 (3)(i) of the Act, and the cases specified by a Cabinet Order, referred to in the provisions of Article 2 (3)(ii)(a) and Article 2-2 (4)(ii)(a) of the Act, are the cases specified in the following items according to the category of Securities set forth in the respective items:

- (i) share certificates (including Securities set forth in Article 1 (2)(xvii) of the Act which have the nature of share certificates, preferred equity securities as provided in the Act on Preferred Equity Investment by Cooperative Financial Institution (Act No. 44 of 1993; hereinafter referred to as the "Act on Preferred Equity Investment") (such preferred equity securities shall be referred to as "Preferred Equity Securities" except in this item and the following item), preferred equity securities as set forth in the Act on Securitization of Assets (Act No. 105 of 1998; hereinafter referred to as the "Asset Securitization Act") and the Securities prescribed in Article 1 (2)(xvii) of the Act which have the nature of such Securities, investment securities and foreign investment securities which are securities similar to investment securities as provided in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951) (hereinafter such securities are collectively referred to as "Investment Securities, etc."); hereinafter the same applies in sub-item (a) of the following item, Article 1-5-2 (2)(ii)(a), Article 1-7 (ii)(b)(1), Article 1-7-4 (ii)(a), Article 1-8-2 (ii)(a) and Article 1-8-4 (iii)(b)(1)), and the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities set forth in Article 2 (1)(vi) of the Act (hereinafter such Securities are referred to as "Share Certificates, etc." in this item, Article 1-5-2 (2)(i), Article 1-7 (ii)(a), Article 1-7-4 (i), Article 1-8-2 (i), Article 1-8-4 (iii)(a), Article 2-4-2 (ii)(a) and Article 2-6-2 (ii)(a)): the cases that satisfy all of the following requirements:
- (a) the issuer of said Share Certificates, etc. is not a person who has already issued Share Certificates, etc. indicating the same features as said Share Certificates, etc. (limited to features with regard to the payment of the

dividends of surplus, distribution of residual assets, cancellation of equity by using profits, or the cancellation of preferred equity investment under Article 15 (1) of the Act on Preferred Equity Investment (limited to the part pertaining to item (ii)) which are related to shares (including preferred equity investment as provided in the Act on Preferred Equity Investment and the preferred equity set forth in the Asset Securitization Act) or equity) which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);

- (b) the Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. are not Securities for Professional Investors (meaning the Securities for Professional Investors defined in Article 4 (3) of the Act; the same applies hereinafter); and
- (c) the Solicitation of Offers to Acquire (meaning Solicitation of Offers to Acquire as prescribed in Article 2 (3) of the Act; the same applies hereinafter) is made or Procedures Related to the Issuance of Securities During a Reorganization (meaning the Procedures Related to the Issuance of Securities During a Reorganization as prescribed in Article 2-2 (2) of the Act; the same applies in Article 1-7-3 (vii) and Article 2-4-2 (i)) shall be taken wherein Share Certificates, etc. are acquired on the condition that a contract for transfer of Share Certificates, etc. which provides to the effect that the person who has acquired the Share Certificates, etc. does not transfer such Share Certificates, etc. to persons other than a Qualified Institutional Investor (meaning the Qualified Institutional Investor set forth in Article 2 (3)(i) of the Act; the same applies hereinafter) be concluded;
- (ii) Share option certificates and share options, Rights to Subscribe for Preferred Equity (meaning the Right to Subscribe for Preferred Equity set forth in the Asset Securitization Act; the same applies hereinafter) or Securities with the rights of conversion into Preferred Equity Securities prescribed in the Asset Securitization Act and Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of such Securities (excluding the Securities set forth in Article 2 (1)(xix) of the Act; hereinafter referred to as "Share Option Certificates, etc." in this item, Article 1-5-2 (2)(ii), Article 1-7 (ii)(b), Article 1-7-4 (ii), Article 1-8-2 (ii), Article 1-8-4 (iii)(b), Article 2-4-2 (ii)(b), Article 2-6-2 (ii)(b) and Article 2-12-3 (v)): the cases that satisfy all of the following requirements:
  - (a) the issuer of the share certificates which are to be acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc., and said share certificates and share option certificates satisfy the requirements set forth in sub-item (a) and sub-item

- (b) of the preceding item respectively;
- (b) the issuer of said Share Option Certificates, etc. (excluding share option certificates; hereinafter the same applies in sub-items (b) and (c)) is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (c) Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. are not Securities for Professional Investors; and
- (d) a restriction prohibiting the person who has acquired or purchased the Share Option Certificates, etc. according to a method specified by a Cabinet Office Ordinance from transferring said Share Option Certificates, etc. other than in the case of transferring to a Qualified Institutional Investor, is imposed on the relevant Share Option Certificates, etc. (in cases where such Share Option Certificates, etc. are Specified Corporate Bond Certificates with a Right to Subscribe for Preferred Equity (meaning the Specified Corporate Bond Certificate with a Right to Subscribe for Preferred Equity as provided in the Asset Securitization Act; the same applies hereinafter) and where the Right to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificates (meaning the Specified Corporate Bond Certificate as provided in the Asset Securitization Act; the same applies hereinafter), the Specified Corporate Bond Certificates and the Certificate of a Right to Subscribe for Preferred Equity (meaning the Certificate of a Right to Subscribe for Preferred Equity as provided in the Asset Securitization Act; the same applies hereinafter) issued therewith) and the Share Option Certificates, etc. satisfy the requirements specified by a Cabinet Office Ordinance as being equivalent thereto.
- (iii) Securities other than the Securities set forth in the preceding two items: the cases that satisfy all of the following requirements:
  - (a) the issuer of said Securities is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
  - (b) Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities are not Securities for Professional Investors; and
  - (c) the Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with the preceding item.

(Cases Where a Solicitation of Offers to Acquire is Made to a Large Number of Persons)

Article 1-5 The Solicitation of Offers to Acquire made to a large number of persons as specified by a Cabinet Order, referred to in Article 2 (3)(i) of the Act, is the solicitation where the Solicitation of Offers to Acquire of Securities is made to not less than 50 persons.

(Cases, etc. Where Solicited Securities are Not Likely to be Transferred to Persons Other than Professional Investors, etc. through Solicitation of Offers to Acquire)

Article 1-5-2 (1) The persons specified by a Cabinet Order, referred to in Article 2 (3)(ii)(b)2. of the Act, are persons falling under either of the following:

- (i) Non-Residents (meaning non-residents as defined in Article 6 (1)(vi) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949); the same applies hereinafter) who acquire the Securities from Residents (meaning the residents set forth in the first sentence of Article 6 (1)(v) of that Act; the same applies hereinafter) through the intermediary, brokerage, or agency service of a Security Related Business Entity (meaning a Financial Services Provider, etc. (meaning a Financial Services Provider, etc. as prescribed in Article 34 of the Act; hereinafter the same applies except in Article 44) or a Foreign Securities Services Provider (meaning a Foreign Securities Services Provider as prescribed in Article 58 of the Act; the same applies hereinafter); the same applies in the following item); or
- (ii) Non-Residents who acquire the Securities from Security Related Business Entities or another Non-Resident.

(2) The case specified by a Cabinet Order, referred to in Article 2 (3)(ii)(b)2. of the Act, is the cases specified in the following items according to the category of Securities set forth in the respective items,:

- (i) share certificates: the cases that satisfy all of the following requirements:
  - (a) the Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Certificates, etc. do not fall under the category of any of the Securities set forth in the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); and
  - (b) the Solicitation of Offers to Acquire is made wherein the Share Certificates, etc. are acquired on the condition that the issuer of the Share Certificates, etc. and the person who intends to acquire the Share Certificates, etc. in response to the Solicitation of Offers to Acquire of said Share Certificates, etc. (hereinafter such person is referred to as the "Acquirer" in this item), and the person who makes the Solicitation of



Offers to Acquire and the Acquirer, conclude a contract for transfer of Share Certificates, etc. which provides to the effect that the Acquirer of the Share Certificates, etc. will not transfer such acquired Share Certificates, etc. to persons other than Professional Investors, etc. (meaning the Professional Investors, etc. prescribed in Article 2 (3)(ii)(b)2. of the Act; the same applies hereinafter) and any other matters specified by a Cabinet Office Ordinance;

- (ii) Share Option Certificates, etc.: the cases that satisfy all of the following requirements:
  - (a) the share certificates which are acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc. satisfy the requirements set forth in sub-item (a) of the preceding item;
  - (b) the Solicitation of Offers to Acquire is made wherein the Share Option Certificates, etc. are to be acquired on the condition that the issuer of the Share Option Certificates, etc. (in cases where the Share Option Certificates, etc. are Specified Corporate Bond Certificates with Rights to Subscribe for Preferred Equity and the Rights to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificate, the Specified Corporate Bond Certificate and the Certificate of a Right to Subscribe for Preferred Equity issued therewith; hereinafter the same applies in this item) and the person who intends to acquire the Share Option Certificates, etc. in response to the Solicitation of Offers to Acquire of said Share Option Certificates, etc. (hereinafter such person is referred to as the "Acquirer" in this item) and the person who makes the Solicitation of Offers to Acquire and the Acquirer, conclude a contract for transfer of Share Option Certificates, etc. which provides to the effect that the Share Option Certificates, etc. acquired by the Acquirer will not be transferred to persons other than Professional Investors, etc. and any other matters specified by a Cabinet Office Ordinance;
- (iii) Securities other than the Securities set forth in the preceding two items: cases in which such Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with the preceding item.

(Requirements for Avoiding that Solicitation of Offers to Acquire Fall Under Solicitation to a Small Number of Investors)

Article 1-6 The requirement specified by a Cabinet Order, referred to in Article 2 (3)(ii)(c) of the Act, is that the other Securities specified by a Cabinet Office Ordinance as being of the same type as the Securities referred to (excluding Securities for which the Solicitation of Offers to Acquire falls under the case set forth in Article 2 (3)(ii)(a) of the Act and the case set forth in Article 2-12 at

the time of its issuance and the Securities for which the Solicitation of Offers to Acquire falls under the category of a public offering of Securities at the time of its issuance and for which the notification under Article 4 (1) of the Act has been made or the Supplements to Shelf Registration Documents prescribed in Article 23-8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) have been submitted with regard to the public offering of such Securities; hereinafter referred to as the "Newly Issued Securities of the Same Type" in this Article) has been issued within six months prior to the day on which the Securities referred to are issued, and the total number of persons to which the Solicitation of Offers to Acquire of the Securities referred to is to be made (in cases where the Solicitation of Offers to Acquire of the Securities is made to Qualified Institutional Investors and the Securities fall under the cases specified in Article 1-4, the Qualified Institutional Investors are excluded) and the persons to which the Solicitation of Offers to Acquire of Newly Issued Securities of the Same Type which have been issued within six months prior to the day on which the Securities referred to are issued, has been made (in cases where the Solicitation of Offers to Acquire of the Newly Issued Securities of the Same Type are made to Qualified Institutional Investors and the Newly Issued Securities of the Same Type fall under the cases specified in Article 1-4, the Qualified Institutional Investors are excluded) are not less than 50 persons.

(Cases which Fall Under Solicitation to a Small Number of Investors through Solicitation of Offers to Acquire)

Article 1-7 The cases specified by a Cabinet Order, referred to in Article 2

(3)(ii)(c) of the Act, are the cases that satisfy all of the following requirements:

(i) The Solicitation of Offers to Acquire is not made only to Professional Investors (meaning Professional Investors as defined in Article 2 (31) of the Act; the same applies hereinafter) of which there are not less than 50 persons (in cases where such persons are Qualified Institutional Investors and the Securities related to the Solicitation of Offers to Acquire fall under the cases specified in Article 1-4, such persons are excluded).

(ii) The requirements specified in sub-items (a) to (c) inclusive below are satisfied according to the category of Securities set forth in the respective sub-items (a) to (c) inclusive:

(a) Share Certificates, etc.: All of the following requirements are satisfied:

(1) the issuer of said Share Certificates, etc. is not a person who has already issued Share Certificates, etc. indicating the same features as said Share Certificates, etc. (limited to features with regard to the payment of the dividends of surplus, distribution of residual assets, cancellation of equity by using profits, or the cancellation of preferred

- equity investment under Article 15 (1) of the Act on Preferred Equity Investment (limited to the part pertaining to item (ii)) which are related to shares (including preferred equity investment as provided in the Act on Preferred Equity Investment and the preferred equity set forth in the Asset Securitization Act) or equity) which fall under any of the items of Article 24 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); and (1) the issuer of said Share Certificates, etc. is not a person who has already issued Share Certificates, etc. indicating the same features as said Share Certificates, etc. (limited to features with regard to the payment of the dividends of surplus, distribution of residual assets, cancellation of equity by using profits, or the cancellation of preferred equity investment under Article 15 (1) of the Act on Preferred Equity Investment (limited to the part pertaining to item (ii)) which are related to shares (including preferred equity investment as provided in the Act on Preferred Equity Investment and the preferred equity set forth in the Asset Securitization Act) or equity) which fall under any of the items of Article 24 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); and
- (2) Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. are not Securities for Professional Investors. (2) Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. are not Securities for Professional Investors.
- (b) Share Option Certificates, etc.: All of the following requirements are satisfied:
1. the issuer of the share certificates which are to be acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc., and said share certificates and share option certificates, satisfy the requirements set forth in sub-item (a)1. and 2. respectively;
  2. the issuer of said Share Option Certificates, etc. (excluding share option certificates; hereinafter the same applies in sub-item (b)) is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
  3. Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. are not Securities for Professional Investors; and

4. a restriction prohibiting the person who has acquired or purchased the Share Option Certificates, etc. according to a method specified by a Cabinet Office Ordinance (in cases where the person who has acquired or purchased the Share Option Certificates, etc. is a Qualified Institutional Investor and said Share Option Certificates, etc. fall under the cases specified in Article 1-4, such Qualified Institutional Investor is excluded) from transferring said Share Option Certificates, etc. other than in the case of transferring collectively to another single person, is imposed on the Share Option Certificates, etc. (in cases where such Share Option Certificates, etc. are Specified Corporate Bond Certificates with a Right to Subscribe for Preferred Equity and where the Right to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificates, the Specified Corporate Bond Certificate and the Certificate of a Right to Subscribe for Preferred Equity issued therewith) and such Share Option Certificates, etc. satisfy the requirements specified by a Cabinet Office Ordinance as being equivalent thereto;
- (c) Securities other than the Securities set forth in sub-items (a) and (b): the cases that satisfy all of the following requirements:
1. the issuer of said Securities is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
  2. Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities are not Securities for Professional Investors; and
  3. Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with sub-item (b).

(Cases where Securities Come to Be Owned by a Considerably Large Number of Persons through Solicitation of Offers to Acquire)

Article 1-7-2 The case specified by a Cabinet Order, referred to in Article 2 (3)(iii) of the Act, are cases where a Solicitation of Offers to Acquire which renders the Securities related to such Solicitation of Offers to Acquire to be owned by not less than 500 persons is to be made.

(Transactions of Securities which are Not Secondary Distributions of Securities)

Article 1-7-3 Transactions of Securities specified by a Cabinet Order, referred to in Article 2 (4) and (6) of the Act, are the transactions falling under any of the

following items:

- (i) the sale and purchase of Securities conducted on a Financial Instruments Exchange Market;
- (ii) the sale and purchase of Securities conducted on an Over-the-Counter Securities Market (meaning Over-the-Counter Securities Market as defined in Article 67 (2) of the Act; the same applies hereinafter);
- (iii) the sale and purchase of Securities (limited to those listed on a Financial Instruments Exchange or Over-the-Counter Traded Securities (meaning Over-the-Counter Traded Securities as defined in Article 2 (8)(x)(c) of the Act; the same applies hereinafter) through the acts set forth in Article 2 (8)(x) of the Act (in cases where the Securities are Specified Listed Securities (meaning Specified Listed Securities as defined in Article 2 (33) of the Act; the same applies hereinafter), such sale and purchase is limited to that in which Professional Investors, etc. are the only parties).
- (iv) the sale and purchase of Securities (limited to Securities that fall under Article 24 (1)(i) of the Act) conducted by a Financial Services Provider, etc. or Professional Investor with another Financial Services Provider, etc. or Professional Investor without relying on a Financial Instruments Exchange Market at an appropriate price considering the circumstances surrounding securities transactions based on the trading price of said Securities in a Financial Instruments Exchange Market for the formation of fair price and facilitation of smooth distribution of said Securities;
- (v) selling of said Securities already issued in a foreign state by a Foreign Securities Services Provider pursuant to the provisions of the proviso to Article 58-2 of the Act to a Financial Services Provider, etc. or Qualified Institutional Investor (including Securities prescribed in Article 2-12-2, limited to Offer to Sell, etc. (meaning Offer to Sell, etc. as defined in Article 2 (4) of the Act; the same applies hereinafter) falling under the cases specified in Article 2 (4)(ii), (a) to (c) inclusive or Procedures Related to the Delivery of Securities During a Reorganization (meaning Procedures Related to the Delivery of Securities During a Reorganization as defined in Article 2-2 (3) of the Act; the same applies hereinafter) falling under the case specified in Article 2-2 (5)(ii)(a) or (b) which have not been conducted; referred to as "Foreign Securities with No Restriction on Transfer" in the following Article and Article 1-8-4 (iv));
- (vi) Selling of Foreign Securities with No Restriction on Transfer by a Financial Services Provider, etc. or Qualified Institutional Investor who acquired such Foreign Securities with No Restriction on Transfer (hereinafter referred to as "Selling Financial Services Provider, etc." in this item) to another Financial Services Provider, etc. (limited to those who purchase said Foreign Securities with No Restriction on Transfer for the

purpose of having such Foreign Securities with No Restriction on Transfer acquired by other persons; hereinafter referred to as "Purchasing Financial Services Provider, etc." in this item) (limited to selling by a Selling Financial Services Provider, etc. or Purchasing Financial Services Provider, etc. who is a member of an Authorized Financial Instruments Business Association (limited to an Authorized Financial Instruments Business Association designated by the Commissioner of the Financial Services Agency; hereinafter the same applies in this item and Article 1-8-4 (iv)), in which the issues, number and other matters of such Foreign Securities with No Restriction on Transfer specified by a Cabinet Office Ordinance is reported by said Selling Financial Services Provider, etc. (in cases where said Selling Financial Services Provider, etc. is not a member of an Authorized Financial Instruments Business Association, said Purchasing Financial Services Provider, etc.) to the Authorized Financial Instruments Business Association;

(vii) the sale and purchase of Securities for which Solicitation of Offers to Acquire which fall under the cases specified in Article 2 (3)(ii), (a) to (c) inclusive of the Act, Offer to Sell, etc. which fall under the cases specified in Article 2 (4)(ii), (a) to (c) inclusive of the Act, Procedures Related to the Issuance of Securities During a Reorganization which fall under the cases specified in Article 2-2 (4)(ii), (a) or (b) of the Act or Procedures Related to the Delivery of Securities During a Reorganization which fall under the cases specified in Article 2-2 (5)(ii), (a) or (b) of the Act have not been conducted (hereinafter referred to as "Securities with No Restriction on Transfer" in this item and the following item) and owned by a person other than the following persons:

- (a) Issuer of said Securities with No Restriction on Transfer;
- (b) Officer (meaning a director, executive officer, accounting advisor and company auditor (including board members, inspectors and persons equivalent thereto); hereinafter the same applies in this item) or incorporator of a juridical person (including foreign juridical person; hereinafter the same applies in this item) who is the Issuer of said Securities with No Restriction on Transfer or any other person equivalent thereto (excluding incorporator and any other person equivalent thereto in cases where there was a period in which he/she did not correspond to any officer, shareholder or other member of said juridical person after the establishment of said juridical person, and said period exceeds five years on a continual basis; hereinafter the same applies in this item);
- (c) Major Shareholder (meaning Major Shareholder as defined in Article 163 (1) of the Act; hereinafter the same applies in sub-item (c)) of a juridical person who is the Issuer of said Securities with No Restriction on Transfer or an officer or incorporator of said Major Shareholder (limited to cases in

which said Major Shareholder is a juridical person) or any other person equivalent thereto (excluding incorporator and any other person equivalent thereto in cases where there was a period in which he/she did not correspond to any officer or incorporator of said juridical person or any other person equivalent thereto after the establishment of a juridical person who is said Major Shareholder, and said period exceeds five years on a continual basis);

- (d) Subsidiary (meaning Subsidiary as defined in Article 29-4 (3) of the Act) of a juridical person who is the Issuer of said Securities with No Restriction on Transfer or a juridical person equivalent thereto, or an officer or incorporator thereof or any other person equivalent thereto; or
- (e) Financial Services Provider, etc.
- (viii) the sale and purchase of Securities with No Restriction on Transfer (limited to those in which both parties to said sale and purchase are persons listed in sub-items (a) to (e) inclusive of the preceding item (excluding those in which both parties are persons specified in sub-item (e) of said item))
- (ix) the sale or purchase of Securities (limited to corporate bond certificates and other Securities specified by a Cabinet Office Ordinance) on condition of repurchase or resale in which the repurchase price or resale price and the repurchase date or resale date are set in advance
- (x) selling of Securities to the Issuer or a person who intends to sell said Securities to the Issuer (including those who intend to sell said Securities to such person); or
- (xi) the sale and purchase of Securities associated with the brokering of the sale and purchase of Securities by a Financial Services Provider, etc. for a customer in a Financial Instruments Exchange Market or Foreign Financial Instruments Market (meaning Foreign Financial Instruments Market as defined in Article 2 (8)(iii)(b) of the Act; the same applies hereinafter).

(Cases where Solicited Securities are Not Likely to be Transferred to Persons Other than Qualified Institutional Investors through Offer to Sell, etc.)

Article 1-7-4 The cases specified by a Cabinet Order in which solicited Securities are not likely to be transferred to persons other than a Qualified Institutional Investor, as referred to in Article 2 (4)(i) of the Act, and the cases specified by a Cabinet Order, referred to in the provisions of Article 2 (4)(ii)(a) and Article 2-2 (5)(ii)(a) of the Act, are the cases specified in the following items according to the category of Securities set forth in the respective items:

- (1) Share Certificates, etc.: the cases that satisfy all of the following requirements:
  - (a) the issuer of said Share Certificates, etc. is not a person who has already issued Share Certificates, etc. indicating the same features as said Share

- Certificates, etc. (limited to features with regard to the payment of the dividends of surplus, distribution of residual assets, cancellation of equity by using profits, or the cancellation of preferred equity investment under Article 15 (1) of the Act on Preferred Equity Investment (limited to the part pertaining to item (ii)) which are related to shares (including preferred equity investment as provided in the Act on Preferred Equity Investment and the preferred equity set forth in the Asset Securitization Act) or equity) which fall under any of the items of Article 24 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (b) the Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. are not Securities for Professional Investors; and
  - (c) the Offer to Sell, etc. is made or Procedures Related to the Delivery of Securities During a Reorganization are taken wherein Share Certificates, etc. are acquired on the condition that a contract for transfer of Share Certificates, etc. which provides to the effect that the person who has acquired the Share Certificates, etc. shall not transfer such Share Certificates, etc. to persons other than a Qualified Institutional Investor be concluded;
- (ii) Share Option Certificates, etc.: the cases that satisfy all of the following requirements:
- (a) the issuer of the share certificates which are to be acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc., and said share certificates and share option certificates satisfy the requirements set forth in sub-item (a) and (b) respectively, of the preceding item;
  - (b) the issuer of said Share Option Certificates, etc. (excluding share option certificates; hereinafter the same applies in sub-items (b) and (c)) is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
  - (c) Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. are not Securities for Professional Investors; and
  - (d) a restriction prohibiting the person who has acquired or purchased the Share Option Certificates, etc. according to a method specified by a Cabinet Office Ordinance from transferring said Share Option Certificates, etc. other than in the case of transferring to a Qualified Institutional



Investor, is imposed on the relevant Share Option Certificates, etc. (in cases where such Share Option Certificates, etc. are Specified Corporate Bond Certificates with a Right to Subscribe for Preferred Equity and where the Right to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificates, the Specified Corporate Bond Certificates and the Certificate of a Right to Subscribe for Preferred Equity issued therewith) and the Share Option Certificates, etc. satisfy the requirements specified by a Cabinet Office Ordinance as being equivalent thereto.

(iii) Securities other than the Securities set forth in the preceding two items: the cases that satisfy all of the following requirements:

- (a) the issuer of said Securities is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (b) the Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities are not Securities for Professional Investors; and
- (c) the Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with the preceding item.

(Solicitation of Offers to Acquire to Be Made to a Large Number of Persons)

Article 1-8 The cases specified by a Cabinet Order as the cases where Solicitation of Offers to Acquire is to be made to a large number of persons, referred to in Article 2 (4)(i) of the Act, are cases where the Solicitation of Offers to Acquire is made to not less than 50 persons.

(Cases where Solicited Securities are Not Likely to be Transferred to Persons Other than Professional Investors, etc. through Offer to Sell, etc.)

Article 1-8-2 The cases specified by a Cabinet Order, referred to in Article 2 (4)(ii)(b)2. of the Act, are the cases specified in the following items according to the category of Securities set forth in the respective items:

- (i) Share Certificates, etc.: the cases that satisfy all of the following requirements:
  - (a) the Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. do not fall under the category of any of the Securities listed in the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); and
  - (b) the Offer to Sell, etc. is made on the condition that the Share Certificates,

etc. may be purchased if the person who makes the Offer to Sell, etc. of the Share Certificates, etc. and the person who intends to purchase the Share Certificates, etc. in response to the Offer to Sell, etc. (hereinafter such person is referred to as the "Purchaser" in this item) conclude a contract for transfer of Share Certificates, etc. which provides to the effect that the Purchaser shall not transfer the Share Certificates, etc. purchased thereby to persons other than Professional Investors, etc., and which stipulates any other matters specified by a Cabinet Office Ordinance; or

- (ii) Share Option Certificates, etc.: the cases that satisfy all of the following requirements:
  - (a) the share certificates which are acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc. satisfy the requirements set forth in sub-item (a) of the preceding item; and
  - (b) the Offer to Sell, etc. is made on the condition that the Share Option Certificates, etc. may be purchased if the person who makes the Offer to Sell, etc. of the Share Option Certificates, etc. (or, in cases where the Share Option Certificates, etc. are Specified Corporate Bond Certificates with Rights to Subscribe for Preferred Equity and the Rights to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificates, the Specified Corporate Bond Certificate and the Certificate of a Right to Subscribe for Preferred Equity issued therewith; hereinafter the same applies in this item) and the person who intends to purchase the Share Option Certificates, etc. in response to the Offer to Sell, etc. (hereinafter such person is referred to as the "Purchaser" in this item) conclude a contract for transfer of Share Option Certificates, etc. which provides to the effect that the Purchaser shall not transfer the Share Option Certificates, etc. purchased thereby to persons other than Professional Investors, etc. and which stipulates any other matters specified by a Cabinet Office Ordinance; and
- (iii) Securities other than the Securities set forth in the preceding two items: the Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with the preceding item.

(Requirements for Avoiding that Offer to Sell, etc. Fall Under Solicitation to a Small Number of Investors)

Article 1-8-3 The requirement specified by a Cabinet Order, referred to in Article 2 (4)(ii)(c) of the Act, is that Offer to Sell, etc. (excluding transactions referred to in the items of Article 1-7-3; hereinafter the same applies in this Article) of other Securities specified by a Cabinet Office Ordinance as being of the same type as the respective Securities (excluding the following Securities;

hereinafter referred to as "Already Issued Securities of the Same Type" in this Article) has been made within one month prior to the day on which the Offer to Sell, etc. of the respective Securities is made, and the total number of persons to which the Offer to Sell, etc. of the respective Securities is to be made (in cases where the Offer to Sell, etc. of the Securities is made to Qualified Institutional Investors and the Securities fall under the cases specified in Article 1-7-4, the Qualified Institutional Investors are excluded) and the persons to which the Offer to Sell, etc. of Already Issued Securities of the Same Type has been made within one month prior to the day on which the Offer to Sell, etc. of the Securities is made (in cases where the Offer to Sell, etc. of Already Issued Securities of the Same Type are made to Qualified Institutional Investors and the Already Issued Securities of the Same Type fall under the cases specified in Article 1-7-4, the Qualified Institutional Investors are excluded) are not less than 50 persons.

- (i) Securities for which the Offer to Sell, etc. fell under the case set forth in Article 2 (4)(ii)(a) of the Act at the time of the Offer to Sell, etc. thereof
- (ii) Securities for which the Offer to Sell, etc. fell under the case set forth in Article 2-12 at the time of the Offer to Sell, etc. thereof
- (iii) Securities for which the Offer to Sell, etc. corresponded to the Secondary Distribution of Securities at the time of the Offer to Sell, etc. thereof, and the notification under Article 4 (1) of the Act has been given or the Supplements to Shelf Registration Documents defined in Article 23-8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) has been submitted with regard to said Secondary Distribution of Securities
- (iv) Securities for which the Offer to Sell, etc. corresponded to the Secondary Distribution of Foreign Securities prescribed in Article 27-32-2 (1) of the Act at the time of the Offer to Sell, etc. thereof, and Foreign Securities Information (meaning Foreign Securities Information as defined in that paragraph; the same applies hereinafter) was provided or publicized pursuant to the provisions of that paragraph (including Securities falling under the provisions of the proviso to that paragraph)

(Cases which Fall Under Solicitation to a Small Number of Investors through Offer to Sell, etc.)

- Article 1-8-4 The cases specified by a Cabinet Order, referred to in Article 2 (4)(ii)(c) of the Act, are the cases that satisfy all of the following requirements:
- (i) The Offer to Sell, etc. is not made only to Professional Investors of which there are not less than 50 persons (in cases where such persons are Qualified Institutional Investors and the Securities related to the Offer to Sell, etc. fall under the cases specified in Article 1-7-4, such persons are excluded).

- (ii) When engaging in Offer to Sell, etc. of Securities which satisfy the requirements specified in Article 1-7 (ii), said Offer to Sell, etc. is carried out in accordance with such requirements.
- (iii) When engaging in Offer to Sell, etc. of Securities other than the Securities set forth in the preceding item, the requirements specified in sub-items (a) to (c) inclusive below are satisfied according to the category of Securities set forth in the respective sub-items (a) to (c) inclusive:
  - (a) Share Certificates, etc.: All of the following requirements are satisfied:
    1. the issuer of said Share Certificates, etc. is not a person who has already issued Share Certificates, etc. indicating the same features as said Share Certificates, etc. (limited to features with regard to the payment of the dividends of surplus, distribution of residual assets, cancellation of equity by using profits, or the cancellation of preferred equity investment under Article 15 (1) of the Act on Preferred Equity Investment (limited to the part pertaining to item (ii)) which are related to shares (including preferred equity investment as provided in the Act on Preferred Equity Investment and the preferred equity set forth in the Asset Securitization Act) or equity) which fall under any of the items of Article 24 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
    2. the Securities specified by a Cabinet Office Ordinance as being the same type of Securities as said Share Certificates, etc. are not Securities for Professional Investors;
  - (b) Share Option Certificates, etc.: All of the following requirements are satisfied:
    1. the issuer of the share certificates which are to be acquired, subscribed for or converted through the exercise of the rights indicated in said Share Option Certificates, etc., and said share certificates and share option certificates satisfy the requirements set forth in sub-item (a)1. and 2. respectively;
    2. the issuer of said Share Option Certificates, etc. (excluding share option certificates; hereinafter the same applies in sub-item (b)) is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
    3. Securities specified by a Cabinet Office Ordinance as being of the same type as said Share Option Certificates, etc. are not Securities for Professional Investors; and
    4. a restriction prohibiting the person who has acquired or purchased the

Share Option Certificates, etc. according to a method specified by a Cabinet Office Ordinance (in cases where the person who has acquired or purchased the Share Option Certificates, etc. is a Qualified Institutional Investor and said Share Option Certificates, etc. fall under the cases specified in Article 1-4, such Qualified Institutional Investor is excluded) from transferring said Share Option Certificates, etc. other than in the case of transferring collectively to another single person, is imposed on the Share Option Certificates, etc. (in cases where such Share Option Certificates, etc. are Specified Corporate Bond Certificates with a Right to Subscribe for Preferred Equity and where the Right to Subscribe for Preferred Equity may be transferred independently from the Specified Corporate Bond Certificates, the Specified Corporate Bond Certificate and the Certificate of a Right to Subscribe for Preferred Equity issued therewith) and such Share Option Certificates, etc. satisfy the requirements specified by a Cabinet Office Ordinance as being equivalent thereto;

(c) Securities other than the Securities set forth in sub-items (a) and (b): the cases that satisfy all of the following requirements:

1. the issuer of said Securities is not a person who has already issued Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities which fall under any of the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
2. the Securities specified by a Cabinet Office Ordinance as being of the same type as said Securities are not Securities for Professional Investors; and
3. the Securities satisfy the requirements which are specified by a Cabinet Office Ordinance in accordance with sub-item (b).

(iv) When engaging in Offer to Sell, etc. of Foreign Securities with No Restriction on Transfer, all of the following requirements are satisfied.

(a) In cases where a Financial Services Provider, etc. (limited to a member of an Authorized Financial Instruments Business Association) has engaged in Offer to Sell, etc. of Foreign Securities with No Restriction on Transfer, the issues of said Foreign Securities with No Restriction on Transfer, the number calculated according to the provisions of Cabinet Office Ordinance as the number of persons who acquired and currently hold said Foreign Securities with No Restriction on Transfer by said Offer to Sell, etc. (hereinafter referred to as "Number of Holders" in this item) and other matters specified by a Cabinet Office Ordinance are reported to the Authorized Financial Instruments Business Association pursuant to the rules of the Authorized Financial Instruments Business Association.

- (b) The Authorized Financial Instruments Business Association that received the report prescribed in sub-item (a) shall calculate and publicize the total Number of Holders with respect to each issue of Foreign Securities with No Restriction on Transfer pursuant to the rules of the Authorized Financial Instruments Business Association.
- (c) The total Number of Holders with respect to each issue of Foreign Securities with No Restriction on Transfer referred to in sub-item (a) does not exceed one thousand.

(Cases Where Securities are Held by a Considerably Large Number of Persons through Offer to Sell, etc.)

Article 1-8-5 The case specified by a Cabinet Order referred to in Article 2 (4)(iii) of the Act is a case which will render the Securities pertaining to Offer to Sell, etc. to be held by not less than 500 persons who have responded to such a Offer to Sell, etc..

(Acts Excluded from Financial Instruments Business)

Article 1-8-6 (1) The acts specified by a Cabinet Order, referred to in Article 2 (8) of the Act, are as follows:

- (i) the acts listed in the items of Article 2 (8) of the Act carried out by the following persons:
  - (a) the State;
  - (b) the local governments;
  - (c) the Bank of Japan; and
  - (d) foreign governments and other persons equivalent to the persons listed in sub-item (a) to sub-item (c) inclusive under the laws and regulations of a foreign state;
- (ii) among the acts set forth in Article 2 (8)(iv) of the Act, acts to conduct Over-the-Counter Derivatives Transactions (excluding Securities-Related Over-the-Counter Derivatives Transactions (meaning the transactions listed in Article 28 (8)(iv) of the Act); hereinafter the same applies in this item) with any of the following persons or to provide intermediary, brokerage (excluding the Brokerage for the Clearing of Securities, etc.), or agency service for Over-the-Counter Derivatives Transactions on behalf of the respective persons (excluding the acts that fall under those set forth in the preceding item):
  - (a) persons specified by a Cabinet Office Ordinance as persons found to have expert knowledge of and experience with Derivatives Transactions; or
  - (b) a stock company whose amount of stated capital is not less than the amount specified by a Cabinet Office Ordinance;
- (iii) among the acts listed in Article 2 (8)(xv) of the Act, the investment in a single juridical person by appropriating the entire sum of money or other

- property invested or contributed from the person who holds the beneficial interest in commodities investment prescribed in Article 2 (6) of the Act on Regulation of Business Pertaining to Commodity Investment (Act No. 66 of 1991) (in cases where the beneficial interest in commodities investment means the rights set forth in Article 2 (6)(ii) of that Act or the rights listed in Article 2 (6)(iii) of that Act (limited to those similar to the rights listed in Article 2 (6)(ii) of that Act), the trustee of a trust related to those rights) (hereinafter such investment is referred to as "Specified Investment" in this item and in the following paragraph) which satisfies all of the following requirements (excluding the acts falling under those listed in item (i)):
- (a) a statement to the effect that a Specified Investment is to be made in the relevant juridical person and that the relevant juridical person shall invest the money or other property pertaining to the Specified Investment into Commodities Investment (meaning commodities investment as prescribed in Article 2 (1) of the Act on Regulation of Business Pertaining to Commodity Investment; the same applies hereinafter) is provided for in either the Commodities Investment Contract (meaning a commodities investment contract as prescribed in Article 2 (5) of that Act), the trust contract related to the beneficial interest in commodities investment, or the contract of sale of the beneficial interest in commodities investment;
  - (b) the juridical person is required to entrust the discretion in making investment decisions pertaining to Commodities Investment as prescribed in Article 2 (2) of the Act on Regulation of Business Pertaining to Commodity Investment to the commodities investment advisor, etc. as prescribed in Article 33 (1) of that Act; and
  - (c) the investment is not the one in which the juridical person invests money or other property pertaining to the Specified Investment mainly in Securities or rights pertaining to Derivatives Transactions; and
  - (iv) in addition to what is listed in the preceding three items, acts specified by a Cabinet Office Ordinance by taking into consideration of the nature of the acts and any other circumstances.
- (2) In cases where the juridical person set forth in item (iii) of the preceding paragraph invests in another juridical person by appropriating the entire sum of money or other property pertaining to the Specified Investment, or the entirety of anything other than that invested in Commodities Investment, with regard to the application of the provisions of sub-item (a) to sub-item (c) inclusive of the preceding item, such other juridical person is deemed to be the relevant juridical person.

(Scope of a Financial Institution)

Article 1-9 The financial institutions specified by a Cabinet Order, referred to in

the provisions of Article 2 (8) and (11) and Article 27-2 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act), Article 27-28 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-29 (2) of the Act), Article 28 (4), Article 31-4 (3) and (4), Article 33 (1), Article 33-5 (2), Article 33-7, Article 33-8 (1), Article 50 (1)(iv), Article 58, and Article 66 of the Act are as follows:

- (i) the Shoko Chukin Bank Limited;
- (ii) an Insurance Company (meaning an insurance company as prescribed in Article 2 (2) of the Insurance Business Act and a foreign insurance company, etc. as prescribed in paragraph (7) of that Article is included; the same applies hereinafter);
- (iii) a mutual loan company;
- (iv) a securities finance company; and
- (v) among the persons who mainly make call loans or act as intermediaries for the lending and borrowing of such call money in the course of trade, those designated by the Commissioner of the Financial Services Agency.

(Securities Related to Public Offering or Private Placement which is Financial Instruments Business)

Article 1-9-2 The Securities specified by a Cabinet Order, referred to in Article 2 (8)(vii)(g) of the Act, are as follows (excluding those for which the issuer thereof are the trustee of the trust pertaining to such Securities) and are those which fall under the category of Securities in a Commodities Investment or Securities in investment to be conducted by way of acquisition (including production), transfer, or use of the goods listed in Article 37 (1)(ii)(a) to (e) inclusive, or by way of having such goods used:

- (i) the Securities set forth in Article 2 (1)(xiv) of the Act;
- (ii) among the Securities set forth in Article 2 (1)(xvii) of the Act, those which have the nature of the Securities listed in Article 2 (1)(xiv) of the Act;
- (iii) the rights to be indicated on the Securities set forth in the preceding two items which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act; and
- (iv) the rights listed in Article 2 (2)(i) or (ii) of the Act which are regarded as Securities pursuant to the provisions of Article 2 (2) of that Act.

(Transactions Excluded from Those to Be Conducted by Electronic Data Processing System)

Article 1-9-3 The transactions specified by a Cabinet Order, referred to in Article 2 (8)(x) of the Act, are the sale and purchase of Securities for Professional Investors (excluding those set forth in Article 4 (3)(iv) of the Act (excluding those listed in Article 2-12-4 (3)(i) or (iii)), and those falling under the Case



Where Disclosure Has Been Made (meaning a case where disclosure has been made as prescribed in Article 4 (7) of the Act)), or the intermediary, brokerage, or agency service thereof conducted by an electronic data processing system, by using any of the price formation methods set forth in Article 2 (8)(x)(a) to (e) inclusive of the Act or other method similar thereto, and in which a large number of persons are to participate simultaneously as one party in the transaction, or in which the transaction is conducted between a large number of persons.

(Criteria for the Method of Auction)

Article 1-10 The criteria specified by a Cabinet Order, referred to in Article 2 (8)(x)(a) of the Act, are as follows:

- (i) the ratio of the average amount of the total transaction volume for a single business day pertaining to the sales and purchases (excluding those that fall under the category of Derivatives Transactions; hereinafter the same applies in this Article) of Listed Securities, etc. (meaning Securities listed on a Financial Instruments Exchange and Over-the-Counter Traded Securities; hereinafter the same applies in this Article) made in the last six months before the last day of each month according to the price formation method set forth in Article 2 (8)(x)(a) of the Act, to the average amount of the total transaction volume for a single business day pertaining to the sales and purchases of Listed Securities, etc. made in all Financial Instruments Exchange Markets and Over-the-Counter Securities Markets in said last six months, is one percent; and
- (ii) the ratio of the average amount of the total transaction volume for each issue of Listed Securities, etc. for a single business day pertaining to the sales and purchases of Listed Securities, etc. made in the last six months before the last day of each month according to the price formation method set forth in Article 2 (8)(x)(a) of the Act, to the average amount of the total transaction volume for a single business day pertaining to the sales and purchases of said issues of Listed Securities, etc. made in all Financial Instruments Exchange Markets and Over-the-Counter Securities Markets in said last six months, is ten percent.

(Scope of Investment Management)

Article 1-11 The rights specified by a Cabinet Order, referred to in Article 2 (8)(xiv) of the Act, are the rights indicated on the Securities set forth in paragraph(1)(x) of that Article.

(Acts to Be Those of a Financial Instruments Business)

Article 1-12 The acts specified by a Cabinet Order, referred to in Article 2

(8)(xviii) of the Act, are the purchase without the purpose of resale of the Securities (limited to the following Securities) pertaining to the acts listed in item (vii) of that paragraph by the person who has conducted said acts:

- (i) the Securities set forth in Article 2 (8)(vii)(a) or (b) of the Act; and
- (ii) rights to be indicated on the Securities set forth in the preceding item which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act.

(Causes Resembling Causes Pertaining to the Credit Status of a Juridical Person)

Article 1-13 Causes specified by a Cabinet Order, referred to in Article 2 (21)(v)(a) the Act and paragraph (22)(vi)(a) of that Article, are the causes specified by a Cabinet Office Ordinance as causes related to the credit status of a person who is not a juridical person or other causes which affects the basis of the management of the business for a person who conducts business.

(Causes which May Have a Serious Influence on the Business Activities of the Parties or Other business persons or firms)

Article 1-14 Causes specified by a Cabinet Order, referred to in Article 2 (21)(v)(b) of the Act and paragraph (22)(vi)(b) of that Article, are as follows:

- (i) wind storms, torrential rains, heavy snows, floods, storm surges, earthquakes, tsunamis, volcanic eruptions, and any other abnormal natural phenomena; and
- (ii) war, revolution, insurrection, riot, civil disturbance, and any other cause specified by a Cabinet Office Ordinance as being equivalent thereto.

(Transactions Excluded from Over-the-Counter Derivatives Transactions)

Article 1-15 The transactions specified by a Cabinet Order as those found not to compromise the public interest or the protection of investors as referred to in Article 2 (22) of the Act are as follows:

- (i) the transactions set forth in Article 2 (22)(iii) of the Act (excluding sub-item (b)) incidental to transactions of the receipt of deposits, etc. prescribed in Article 2 (2) of the Deposit Insurance Act (Act No, 34 of 1971) or savings, etc. prescribed in Article 2 (2) of the Agricultural and Fishery Cooperation Savings Insurance Act (Act No. 53 of 1973) (limited to the transactions pertaining to the transaction of currencies);
- (ii) conclusion of contracts pertaining to the insurance business prescribed in Article 2 (1) of the Insurance Business Act and the business listed in the items of that paragraph;
- (iii) conclusion of contracts pertaining to the guarantee of obligations; or
- (iv) in cases where obligations pertaining to a loan are no longer performed in

whole or in part, conclusion of a contract to compensate the creditors thereof for the part of the amount which is no longer performed (excluding the contracts set forth in the preceding item).

(Acts to be the Cause of Cash Settlement)

Article 1-16 The acts specified by a Cabinet Order, referred to in Article 2 (22)(i) of the Act, are, with regard to a sale and purchase wherein the parties thereto promise to deliver or receive Financial Instruments (excluding those set forth in Article 2 (24)(v) of the Act) or the consideration therefor at a fixed time in the future in neither a Financial Instruments Market nor a Foreign Financial Instruments Market, the act of cancellation of such a sale and purchase contract by the parties thereto.

(Claims or Other Rights Based on a Deposit Contract, or Securities or Certificates Indicating Such Claims or Rights)

Article 1-17 Those specified by a Cabinet Order, referred to in Article 2 (24)(ii) of the Act, are the means of payment (excluding those falling under currencies) prescribed in Article 6 (1)(vii) of the Foreign Exchange and Foreign Trade Act, the securities prescribed in Article 6 (1)(xi) of that Act, and the claims prescribed in item (xiii) of that paragraph.

(Scope of Financial Indicators)

Article 1-18 The indicators or figures specified by a Cabinet Order, referred to in Article 2 (25)(iii) of the Act, are as follows:

- (i) figures pertaining to the results of observations on terrestrial phenomenon, ground motion, geomagnetism, terrestrial electricity, or hydrology published by a Meteorological Agency or others;
- (ii) figures pertaining to national accounts statistics prepared by the Cabinet in compliance with the standards specified by the United Nations, figures pertaining to the results of the designated statistical surveys prescribed in Article 3 (1) of the Statistics Act (Act No. 18 of 1947) or figures pertaining to the results of the notified statistical surveys prescribed in Article 14 of that Act or any other foreign statistical figures equivalent thereto; or
- (iii) foreign statistical figures equivalent to the preceding item
- (iv) Figures that comprehensively indicate the level of the price of real property or prices of two or more real properties announced or provided periodically by an administrative organ (including local governments) under the provisions of laws and regulations or for the purpose of making them available for use to the general public, figures that comprehensively indicate the level of the price of real property or prices of two or more real properties announced or provided periodically by an organization engaged in business related to real

property for the purpose of making them available for use to investors, or any other figures specified by a Cabinet Office Ordinance as being equivalent thereto.

(Transactions excluded from Subject Transactions of Financial Instruments Debt Assumption Service)

Article 1-18-2 Transactions specified by Cabinet Order as those for which it is found not to compromise the public interest or protection of investors in consideration of the status of transactions, the impact exerted on Japan's capital market and other circumstances prescribed in Article 2 (28) of the Act are transactions giving rise to the obligations assumed, novated or by any other method borne by a juridical person established in compliance with laws and regulations of a foreign state that conducts a service of the same type as Financial Instruments Debt Assumption Service in a foreign state (limited to those who have been granted the same kind of license as prescribed in Article 156-2 of the Act or a permission or other administrative dispositions similar to such license in said foreign state for engaging in said Service under the provisions of laws and regulations of said foreign state; hereinafter the same applies in item (ii) of the following Article) as said Service that are designated by the Commissioner of the Financial Services Agency as transactions the default of which default would have a minor impact on Japan's capital market.

(Subject Transactions of Financial Instruments Debt Assumption Service)

Article 1-19 Transactions specified by a Cabinet Order as those incidental or related to sales and purchase of Securities or Derivatives Transactions, referred to in Article 2 (28) of the Act, are as follows:

- (i) the lending and borrowing of money necessary for the settlement of a Margin Transaction, etc. (meaning a Margin Transaction (meaning the margin transaction defined in Article 156-24 (1) of the Act; the same applies hereinafter), a sale and purchase of Securities (excluding a sale and purchase of Securities that falls under the category of a Derivatives Transaction; the same applies hereinafter), or a Market Transaction of Derivatives made on a Financial Services Provider's own account or a Brokerage for the Clearing of Securities, etc. (limited to those pertaining to a Margin Transaction, the sale and purchase of Securities or Market Transaction of Derivatives made on the Financial Services Provider's own account,); the same applies in the following item) (limited to the lending and borrowing of money pertaining to the loan made by a Securities Finance Company);
- (ii) the lending and borrowing of Securities (in cases where persons other than a Securities Finance Company lend the Securities necessary for the settlement of a Margin Transaction, etc. by utilizing the clearing systems of

- a Financial Instruments Exchange Market or Over-the-Counter Securities Market, it is limited to the loan pertaining to a Margin Transaction, etc. made in neither a Financial Instruments Exchange Market nor an Over-the-Counter Securities Market, except any lending giving rise to the obligations assumed, novated or by any other method borne by a juridical person established in compliance with laws and regulations of a foreign state that conducts a service of the same type as Financial Instruments Debt Assumption Service in a foreign state as said Service that are designated by the Commissioner of the Financial Services Agency as lending the default of which would have a minor impact on Japan's capital market);
- (iii) the delivery or receipt of collateral pertaining to the transactions set forth in the preceding two items; and
  - (iv) in addition to what is listed in the preceding three items, delivery or receipt of Financial Instruments or money, made for the performance of the obligations arisen from the sale and purchase of Securities or Derivatives Transactions (excluding transactions prescribed in the preceding Article), or the transactions listed in the preceding three items.

(Commodity Exchange Subject to Restrictions Found to be of the Same Level as Restrictions on a Stock Company-Operated Financial Instruments Exchange)  
 Article 1-20 The person specified by a Cabinet Order, referred to in Article 2 (38) of the Act, is an Incorporated Commodity Exchange as defined in Article 2 (6) of the Commodity Futures Act (Act No. 239 of 1950).

(Commodity Exchange Subject to Restrictions Found to be of the Same Level as Restrictions on a Financial Instruments Exchange Holding Company)  
 Article 1-21 The person specified by a Cabinet Order, referred to in Article 2 (39) of the Act, is a Commodity Exchange Holding Company as defined in Article 2 (11) of the Commodity Futures Act.

## **Chapter II Disclosure of Corporate Affairs and Other Related Matters**

(Scope of Reorganization)

Article 2 The other acts specified by a Cabinet Order, referred to in Article 2-2 (1) of the Act, are share transfers.

(Scope of a Reorganizing Company)

Article 2-2 The company specified by a Cabinet Order, referred to in Article 2-2 (4)(i) of the Act, is a company that becomes a Company Consolidated through Consolidation-type Merger (meaning Companies Consolidated through Consolidation-type Merger as prescribed in Article 753 (1)(i) of the Companies

Act (Act No. 86 of 2005)), the Splitting Company in Absorption-type Company Split (meaning a Splitting Company in Absorption-type Company Split as defined in Article 758 (i) of that Act, limited to those which have concluded an Absorption-type Company Split Agreement prescribed in Article 757 of that Act pertaining to such Absorption-type Company Split on matters specified in Article 758 (viii)(b) or Article 760 (vii)(b) of that Act and others specified by a Cabinet Office Ordinance as being equivalent thereto), the Splitting Company in Incorporation-type Company Split (meaning a Splitting Company in Incorporation-type Company Split as set forth in Article 763 (v) of that Act, limited to those which determine the matters specified in Article 763 (xii)(b) or Article 765 (1)(viii)(b) of that Act in the Incorporation-type Company Split Plan prescribed in Article 762 of that Act pertaining to said Incorporation-type Company Split and others specified by a Cabinet Office Ordinance as being equivalent thereto) or a Wholly Owned Subsidiary Company in Share Transfer (meaning a Wholly Owned Subsidiary Company in Share Transfer as prescribed in Article 773 (1)(v) of that Act).

(Scope of Securities Issued by a Reorganizing Company)

Article 2-3 The Securities specified by a Cabinet Order, referred to in the provisions of Article 2-2 (4)(i) and Article 4 (1)(ii)(a) of the Act, are as follows:

- (i) share option certificates;
- (ii) corporate bond certificates with share options;
- (iii) among the Beneficiary Certificates of Securities in Trust (meaning those of which, among the Securities listed in Article 2 (1)(xiv) of the Act, the Securities set forth in the items of Article 2 (1) of the Act are the trust property and where the fact to the effect that the contents of the rights pertaining to the Securities which are said trust property (hereinafter referred to as the "Entrusted Securities") are included in the contents of the beneficial interest of the trust and other matters specified by a Cabinet Office Ordinance are provided for in the trust deed pertaining to said trust; the same applies hereinafter), those of which the Entrusted Securities are share certificates or the Securities listed in the preceding two items; or
- (iv) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to share certificates or the Securities listed in item (i) or item (ii).

(Cases Where there are a Large Number of Reorganizing Company's Shareholders, etc. in the Procedures Related to the Issuance of Securities During a Reorganization)

Article 2-4 The cases specified by a Cabinet Order, referred to in Article 2-2 (4)(i) of the Act, are cases where the Reorganizing Company's Shareholders, etc.

(meaning Reorganizing Company's Shareholders, etc. as prescribed in Article 2-2 (4)(i) of the Act; the same applies in the following Article to Article 2-7 inclusive) are not less than 50 persons.

(Cases of Solicitation to a Small Number of Investors Under the Procedures Related to the Issuance of Securities During a Reorganization)

Article 2-4-2 The cases specified by a Cabinet Order, referred to in Article 2-2 (4)(ii)(b) of the Act, are cases that satisfy all of the following requirements.

- (i) The Reorganizing Company's Shareholders, etc. pertaining to the Procedures Related to the Issuance of Securities During a Reorganization do not consist exclusively of Qualified Institutional Investors, and the number of Reorganizing Company's Shareholders, etc. is not 50 persons or more.
- (ii) The requirements specified in sub-items (a) to (c) inclusive below are satisfied according to the category of Securities set forth in the respective sub-items (a) to (c) inclusive:
  - (a) Share Certificates, etc.: The requirements set forth in Article 1-7 (ii)(a) are satisfied.
  - (b) Share Option Certificates, etc.: The requirements set forth in Article 1-7 (ii)(b) are satisfied.

(Cases Where there are a Considerably Large Number of Reorganizing Company's Shareholders, etc. in Procedures Related to the Issuance of Securities During a Reorganization)

Article 2-5 The cases specified by a Cabinet Order, referred to in Article 2-2 (4)(iii) of the Act, are cases where the Reorganizing Company's Shareholders, etc. are not less than 500 persons.

(Cases Where there are a Large Number of Reorganizing Company's Shareholders, etc. under the Procedures Related to the Delivery of Securities During a Reorganization)

Article 2-6 The cases specified by a Cabinet Order, referred to in Article 2-2 (5)(i) of the Act, are cases where the Reorganizing Company's Shareholders, etc. are not less than 50 persons.

(Cases of Solicitation to a Small Number of Investors Under the Procedures Related to the Delivery of Securities During a Reorganization)

Article 2-6-2 The cases specified by a Cabinet Order, referred to in Article 2-2 (5)(ii)(b) of the Act, are cases that satisfy all of the following requirements.

- (i) The Reorganizing Company's Shareholders, etc. pertaining to the Procedures Related to the Delivery of Securities During a Reorganization do not consist exclusively of Qualified Institutional Investors, and the number

- of Reorganizing Company's Shareholders, etc. is not 50 persons or more.
- (ii) The requirements specified in sub-items (a) to (c) inclusive below are satisfied according to the category of Securities set forth in the respective sub-items (a) to (c) inclusive:
    - (a) Share Certificates, etc.: The requirements set forth in Article 1-8-4 (iii)(a) are satisfied.
    - (b) Share Option Certificates, etc.: The requirements set forth in Article 1-8-4 (iii)(b) are satisfied.
    - (c) Securities other than the Securities set forth in sub-items (a) and (b): The requirements set forth in Article 1-8-4 (iii)(c) are satisfied.

(Cases Where there are a Considerably Large Number of Reorganizing Company's Shareholders, etc. in the Procedures Related to the Delivery of Securities During a Reorganization)

Article 2-7 The cases specified by a Cabinet Order, referred to in Article 2-2 (5)(iii) of the Act, are cases where the Reorganizing Company's Shareholders, etc. are not less than 500 persons.

(Securities to which the Provisions of Chapter II of the Act Applies)

Article 2-8 The Securities specified by a Cabinet Order, referred to in Article 3 (ii) of the Act, are the social medical care corporation bonds set forth in the Medical Care Act (Act No. 205 of 1948).

(Scope of the Invested Business Pertaining to Rights in a Securities Investment Business, etc. to which the Provisions of Chapter II of the Act Applies)

Article 2-9 (1) The rights specified by a Cabinet Order, referred to in Article 3 (iii)(a) of the Act, are the rights pertaining to the Invested Business (meaning an Invested Business as set forth in Article 2 (2)(v) of the Act and excluding the following businesses) which shall invest in Securities by appropriating an amount exceeding 50 percent of the total amount of money or other property invested or contributed from the persons who hold the rights listed in Article 2 (2)(v) of the Act.

- (i) an investment in a single juridical person (hereinafter referred to as the "Specified Juridical Person" in this item) by appropriating the entire sum of money or other property invested or contributed from the person who holds the beneficial interest in commodities investment prescribed in Article 2 (6) of the Act on Regulation of Business Pertaining to Commodity Investment (limited to the beneficial interest in commodities investment pertaining to the rights listed in Article 2 (6)(i) of that Act) (hereinafter such investment is referred to as the "Specified Investment" in this Article), which satisfies all of the following requirements:



- (a) the investment is not the one in which the Specified Juridical Person invests Securities by appropriating an amount exceeding 50 percent of the total amount of money or other property pertaining to the Specified Investment; and
  - (b) the Specified Juridical Person is prohibited from receiving investments from two or more persons by laws and regulations, the articles of incorporation of said Specified Juridical Person, articles of endowment, or any other thing equivalent thereto;
- (ii) an investment where the goods appropriated are limited to those specified by a Cabinet Office Ordinance among the goods listed in Article 1-3 (iv) (hereinafter such investment is referred to as the "Specified Investment in Kind" in this item), which satisfies all of the following requirements:
- (a) the person who is to receive the Specified Investment in Kind is prohibited from receiving investments from two or more persons by laws and regulations, the articles of incorporation of said person who is to receive the Specified Investment in Kind, articles of endowment, any other thing equivalent thereto, or the contract for Specified Investment in Kind; and
  - (b) the contract for Specified Investment in Kind provides to the effect that the person who is to receive the Specified Investment in Kind shall not acquire Securities by means of the goods pertaining to the Specified Investment in Kind.
- (2) In cases where the Specified Juridical Person prescribed in item (i) of the preceding paragraph makes an investment in another juridical person by appropriating the entire sum of money or other property pertaining to the Specified Investment, or anything other than those, that are invested through Commodities Investment, with regard to the application of the provisions of sub-item (a) and sub-item (b) of that item, such other juridical person is deemed to be the Specified Juridical Person.

(Scope of Rights Regarded as Securities to which the Provisions of Chapter II of the Act Applies)

Article 2-10 (1) The rights specified by a Cabinet Order, referred to in Article 3 (iii)(b) of the Act, are the following rights:

- (i) among the rights listed in Article 2 (2)(i) of the Act, the beneficial interest of a trust invested by appropriating an amount exceeding 50 percent of the total value of the assets belonging to the trust property to the investment in Securities (excluding the following beneficial interest):
  - (a) the beneficial interest of a trust set forth in Article 130-2 (1) and (2) (including the cases where it is applied mutatis mutandis pursuant to Article 136-3 (2) of the Employees' Pension Insurance Act (Act No. 115 of

- 1954) (including the cases where it is applied mutatis mutandis pursuant to Article 164 (3) of that Act)), Article 136-3 (1)(i), (iv)(d) and (v)(f) of that Act (including the cases where it is applied mutatis mutandis pursuant to Article 164 (3) of that Act), and Article 159-2 (1) and (2) of that Act;
- (b) the beneficial interest of a trust set forth in Article 128 (3) and Article 137-15 (4) of the National Pension Act (Act No. 141 of 1959);
  - (c) the beneficial interest of a trust set forth in Article 30 (1)(i), (iv)(d), (v)(f), and (2) of the Order for Enforcement of the National Pension Act (Cabinet Order No. 304 of 1990) (including the cases where it is applied mutatis mutandis pursuant to Article 51 (1) of that Order);
  - (d) the beneficial interest of a trust pertaining to a qualified retirement pension contract (limited to a trust contract) as prescribed in Article 20 (3) of the Supplementary Provisions of the Corporation Tax Act (Act No. 34 of 1965);
  - (e) the beneficial interest of a trust pertaining to asset management contracts as prescribed in Article 65 (3) of the Defined-Benefit Corporate Pension Act (Act No. 50 of 2001) (limited to a trust contract set forth in Article 65 (1)(i) of that Act), a trust contract set forth in Article 65 (1)(i) of that Act concluded under Article 66 (1) of that Act (including the cases where it is applied mutatis mutandis pursuant to Article 91-7 of that Act) and a trust contract as prescribed in Article 66 (2) of that Act (including the cases where it is applied mutatis mutandis pursuant to Article 91-7 of that Act);
  - (f) the beneficial interest of a trust pertaining to the asset management contract prescribed in Article 8 (2) of the Defined Contribution Pension Act (Act No. 88 of 2001) (limited to the trust contract set forth in paragraph (1)(i) of that Article);
  - (g) the beneficial interest of a trust prescribed in Article 21 (1)(iii) of the Act on the Government Pension Investment Fund (Act No. 105 of 2004);
  - (h) the beneficial interest of a trust pertaining to the protective trust contracts concluded under Article 51 (1) of the Act on Transfer of Corporate Bonds, etc. (Act No. 75 of 2001);
  - (i) the beneficial interest of a trust set forth in Article 43-2 (2) of the Act and other beneficial interest of a trust specified by a Cabinet Office Ordinance as being similar thereto;
  - (j) the beneficial interest of a trust prescribed in Article 6-2 (1) and Article 6-3 (2) of the Workers' Property Accumulation Promotion Act (Act No. 92 of 1971);
  - (k) the beneficial interest of a trust which falls under the category of beneficial interest in commodities investment as prescribed in Article 2 (6) of the Act on Regulation of Business Pertaining to Commodity Investment,

where rights listed in Article 2 (2)(v) of the Act (limited to cases where the Invested Business prescribed in that item pertaining to the respective rights is conducted through Commodities Investment or investment in a single juridical person (hereinafter referred to as the "Specified Juridical Person" in this item) (hereinafter such investment is referred to as the "Specified Investment" in this item and paragraph (3)) which satisfies all of the following requirements) or rights listed in Article 2 (2)(vi) of the Act equivalent thereto are acquired by appropriating the whole of the trust property of the trust:

1. the business is not the one in which the Specified Juridical Person invests in Securities by appropriating an amount exceeding 50 percent of the total amount of money or other property pertaining to the Specified Investment; and
  2. the Specified Juridical Person is prohibited from receiving investments from two or more persons by laws and regulations, the articles of incorporation of said Specified Juridical Person, articles of endowment, and any other thing equivalent thereto;
    - (ii) among the rights set forth in Article 2 (2)(ii) of the Act, rights with the nature of the rights set forth in the preceding item;
    - (iii) among the rights set forth in Article 2 (2)(iii) of the Act, membership rights of a general partnership company, limited partnership company or limited liability company which carries out investment in Securities by appropriating an amount exceeding 50 percent of the total investment;
    - (iv) among the rights set forth in Article 2 (2)(iv) of the Act, rights with the nature of the rights set forth in the preceding item; and
    - (v) among the rights set forth in Article 2 (2)(vi) of the Act, rights with the nature of the rights set forth in paragraph (1) of the preceding Article.
- (2) The rights specified by a Cabinet Order, referred to in Article 3 (iii)(c) of the Act, are the claims set forth in Article 1-3-4.
- (3) In cases where the Specified Juridical Person set forth in paragraph (1)(i)(k) invests in another juridical person by appropriating the entire sum of money or other property pertaining to the Specified Investment, or anything other than those that are invested through Commodities Investment, with regard to the application of the provisions of item (i)(k)1. and 2., said other juridical person is deemed to be the Specified Juridical Person.

(Securities Free From the Application of the Provisions of Chapter II of the Act)

Article 2-11 The Securities specified by a Cabinet Order, referred to in Article 3 (v) of the Act, are, among the Securities set forth in Article 2 (1)(xvii) of the Act, the bonds issued by an institution established by a treaty to which Japan is a

member state and for which it is required by said treaty to obtain the consent of the Japanese government for the public offering or secondary distribution thereof within Japan.

(Public Offering or Secondary Distribution of Securities for Which the

Notification of Public Offering or Secondary Distribution May Be Omitted)

Article 2-12 The cases specified by a Cabinet Order, referred to in Article 4 (1)(i) of the Act are cases where the company (including a foreign company; hereinafter the same applies except in Article 27-4 (vi) and Article 33-2 (vi)) that is the issuer of the share option certificates (limited to those for which the matters set forth in Article 236 (1)(vi) of the Companies Act are provided) or, among the Securities set forth in Article 2 (1)(xvii) of the Act, the Securities which have the nature of share option certificates with the conditions specified by a Cabinet Office Ordinance (hereinafter collectively referred to as the "Share Option Certificates, etc." in this Article) makes a Solicitation of Offers to Acquire or Offers to Sell, etc. of the Share Option Certificates, etc. for the director, accounting advisor, company auditor, executive officer, or employee of said company or of another company specified by a Cabinet Office Ordinance as a company related to the former said company.

(Securities Equivalent to Securities Already Issued in a Foreign State)

Article 2-12-2 Securities specified by a Cabinet Order, referred to in Article 4 (1)(iv) of the Act, are Securities already issued in Japan for which the Solicitation for Newly Issued Securities, etc. (meaning Solicitation for Newly Issued Securities, etc. as defined in paragraph (2) of that Article; the same applies hereinafter) had not been made in Japan at the time of the issuance thereof.

(Secondary Distribution of Securities for which the Notification of Secondary Distribution of Securities May Be Omitted)

Article 2-12-3 The requirements specified by a Cabinet Order, referred to in Article 4 (1)(iv) of the Act, are as specified in the following items according to the category of Securities set forth in the respective items:

- (i) Securities specified in Article 2 (1)(xvii) of the Act which have the nature of Securities specified in item (i) of that paragraph (hereinafter referred to as "Foreign National Government Bonds" in this item): All of the following requirements are satisfied.
  - (a) Information on the trading price pertaining to said Foreign National Government Bonds can easily be obtained in Japan by using the Internet or other method.
  - (b) The sale and purchase of said Foreign National Government Bonds or

- other Foreign National Government Bonds issued by the Issuer of said Foreign National Government Bonds are ongoing in a foreign state.
- (c) Financial information of the Issuer of said Foreign National Government Bonds and other information on the Issuer (limited to those written in Japanese or English) are publicized by said Issuer or any other person equivalent thereto, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act applied mutatis mutandis pursuant to Article 27 of the Act).
- (ii) Securities specified in Article 2 (1)(xvii) of the Act which have the nature of Securities specified in item (ii) of that paragraph (hereinafter referred to as "Foreign Municipal Bonds" in this item): All of the following requirements are satisfied.
- (a) Information on the trading price pertaining to said Foreign Municipal Bonds can easily be obtained in Japan by using the Internet or other method.
- (b) The sale and purchase of said Foreign Municipal Bonds or other Foreign Municipal Bonds issued by the Issuer of said Foreign Municipal Bonds are ongoing in a foreign state.
- (c) Financial information of the Issuer of said Foreign Municipal Bonds and other information on the Issuer (limited to those written in Japanese or English) are publicized by said Issuer or any other person equivalent thereto, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act applied mutatis mutandis pursuant to Article 27 of the Act).
- (iii) Securities specified in Article 2 (1)(xvii) of the Act which have the nature of Securities specified in item (iii) of that paragraph (hereinafter referred to as "Foreign Public Corporate Bonds" in this item): All of the following requirements are satisfied.
- (a) Information on the trading price pertaining to said Foreign Public Corporate Bonds can easily be obtained in Japan by using the Internet or other method.
- (b) The sale and purchase of said Foreign Public Corporate Bonds or other Foreign Public Corporate Bonds issued by the Issuer of said Foreign Public Corporate Bonds are ongoing in a foreign state.
- (c) Accounting information of the Issuer of said Foreign Public Corporate Bonds and other information on the Issuer (limited to those written in Japanese or English, and in the case of accounting information of the Issuer, limited to information prepared according to criteria deemed appropriate by the Commissioner of the Financial Services Agency for the

public interest or protection of investors; the same applies in sub-item (d) of the following item and sub-item (c) of item (vi)) are publicized by said Issuer or any other person equivalent thereto, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).

- (iv) Corporate bond certificates (in cases where certain predetermined conditions are met, limited to those converted into share certificates issued by persons other than the Issuer of said corporate bond certificates; hereinafter the same applies in this item) and Securities specified in Article 2 (1)(xvii) of the Act which have the nature of said corporate bond certificates (hereinafter referred to as "Convertible Corporate Bond Certificates Issued Overseas" in this item and item (vi)): All of the following requirements are satisfied.
  - (a) Information on the trading price pertaining to said Convertible Corporate Bond Certificates Issued Overseas can easily be obtained in Japan by using the Internet or other method.
  - (b) Said Convertible Corporate Bond Certificates Issued Overseas are listed on a Financial Instruments Exchange in a foreign state (meaning an exchange similar to a Financial Instruments Exchange, which is established under laws and regulations of a foreign state; the same applies in Article 12 (vii) and Article 14-3-7 (ii)) which are designated by the Commissioner of the Financial Services Agency in consideration of the Securities listed thereon, the state of disclosure of information on the Issuer, the trading volume and other circumstances (hereinafter referred to as "Designated Foreign Financial Instruments Exchange" in this Article), or the sale and purchase of said Convertible Corporate Bond Certificates Issued Overseas are ongoing in a foreign state.
  - (c) Share certificates which are to be converted in cases where certain predetermined conditions are met or Securities specified in Article 2 (1)(xvii) of the Act which have the nature of share certificates (hereinafter referred to as "Share Certificates" in this Article) are listed on a Financial Instruments Exchange or a Designated Foreign Financial Instruments Exchange.
  - (d) Under the rules provided by a Designated Foreign Financial Instruments Exchange in cases where said Convertible Corporate Bond Certificates Issued Overseas or Share Certificates of the Issuer of said Convertible Corporate Bond Certificates Issued Overseas are listed on said Designated Foreign Financial Instruments Exchange, or under the laws and regulations of a foreign state in which the sale and purchase of said

- Convertible Corporate Bond Certificates Issued Overseas are ongoing (including rules of international organizations similar thereto; hereinafter the same applies in this Article) in other cases, accounting information of the Issuer of said Convertible Corporate Bond Certificates Issued Overseas and other information on the Issuer are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).
- (v) Securities specified in Article 2 (1), (v) to (vii) inclusive of the Act (referred to as "Bond Certificates, etc." in the following item) that fall under Share Option Certificates, etc. (hereinafter referred to as "Bond Certificates with Share Options" in this item) and Securities specified in item (xvii) of that paragraph which have the nature of Bond Certificates with Share Options (referred to as "Bond Certificates with Share Options Issued Overseas" in this item and the following item): All of the following requirements are satisfied.
- (a) Information on the trading price pertaining to said Bond Certificates with Share Options Issued Overseas can easily be obtained in Japan by using the Internet or other method.
- (b) Said Bond Certificates with Share Options Issued Overseas are listed on a Designated Foreign Financial Instruments Exchange, or the sale and purchase of said Bond Certificates with Share Options Issued Overseas are ongoing in a foreign state.
- (c) Share Certificates which are to be acquired, subscribed for or converted through the exercise of the rights indicated in said Bond Certificates with Share Options Issued Overseas are listed on a Designated Foreign Financial Instruments Exchange.
- (d) Under the rules provided by a Designated Foreign Financial Instruments Exchange on which said Bond Certificates with Share Options Issued Overseas or Share Certificates prescribed in sub-item (c) are listed, accounting information of the Issuer of said Bond Certificates with Share Options Issued Overseas and other information on the Issuer (limited to those written in Japanese or English) are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).
- (vi) Bond Certificates, etc. (excluding Convertible Corporate Bond Certificates Issued Overseas and Bond Certificates with Share Options Issued Overseas;

hereinafter the same applies in this item) and Securities specified in Article 2 (1)(xvii) of the Act which have the nature of Bond Certificates, etc.

(hereinafter referred to as "Bond Certificates Issued Overseas" in this item): All of the following requirements are satisfied.

- (a) Information on the trading price pertaining to said Bond Certificates Issued Overseas can easily be obtained in Japan by using the Internet or other method.
- (b) Said Bond Certificates Issued Overseas are listed on a Designated Foreign Financial Instruments Exchange, or the sale and purchase of said Bond Certificates Issued Overseas are ongoing in a foreign state (excluding cases in which a company that holds in its own name or in another person's name the majority of the Voting Rights Held by All the Shareholders, etc. (meaning Voting Rights Held by All the Shareholders, etc. as defined in Article 29-4 (2) of the Act; the same applies hereinafter) of the Issuer of said Bond Certificates Issued Overseas (limited to Issuer of Share Certificates listed on a Financial Instruments Exchange or a Designated Foreign Financial Instruments Exchange; hereinafter referred to as "Parent Company" in this item) guarantees the redemption of the principal and the payment of interest of said Bond Certificates Issued Overseas).
- (c) Under the rules provided by a Designated Foreign Financial Instruments Exchange in cases where said Bond Certificates Issued Overseas are listed on said Designated Foreign Financial Instruments Exchange, or under the laws and regulations of a foreign state in which the sale and purchase of said Bond Certificates Issued Overseas are ongoing in other cases, accounting information of the Issuer of said Bond Certificates Issued Overseas and other information on the Issuer (in the case set forth in the provision in parentheses of sub-item (b), when the Parent Company has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), or under the rules provided by a Designated Foreign Financial Instruments Exchange on which the Share Certificates of the Parent Company are listed, when accounting information of said Parent Company or other information on said Parent Company (limited to those written in Japanese or English) are publicized by said Parent Company, and such information can easily be obtained in Japan by using the Internet or other method, a statement to the effect that a guarantee is received for said Bond Certificates Issued Overseas, the name of the Parent Company providing said guarantee, the description of business of the Issuer and other information specified by a Cabinet Office Ordinance) are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer



has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).

(vii) Share Certificates and Securities specified in Article 2 (1)(xvii) of the Act which have the nature of Share Certificates (hereinafter referred to as "Share Certificates Issued Overseas" in this item): All of the following requirements are satisfied.

(a) Information on the trading price pertaining to said Share Certificates Issued Overseas can easily be obtained in Japan by using the Internet or other method.

(b) Said Share Certificates Issued Overseas are listed on a Designated Foreign Financial Instruments Exchange.

(c) Under the rules provided by a Designated Foreign Financial Instruments Exchange on which said Share Certificates Issued Overseas are listed, accounting information of the Issuer of said Share Certificates Issued Overseas and other information on the Issuer (limited to those written in Japanese or English) are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).

(viii) Beneficiary certificates of foreign investment trusts specified in Article 2 (1)(x) of the Act which are similar to the beneficiary certificates of investment trusts specified in Article 12 (ii) of the Order for Enforcement of the Act on Investment Trust and Investment Corporation (Cabinet Order No. 480 of 2000) (hereinafter referred to as "Beneficiary Certificates Issued Overseas" in this item) and Foreign Investment Securities specified in item (xi) of that paragraph (excluding those which have the nature of investment corporation bond certificates specified in that item; hereinafter referred to as "Investment Securities Issued Overseas" in this item): All of the following requirements are satisfied.

(a) Information on the trading price pertaining to said Beneficiary Certificates Issued Overseas or Investment Securities Issued Overseas (hereinafter referred to as "Said Beneficiary Certificates Issued Overseas, etc." in this item) can easily be obtained in Japan by using the Internet or other method.

(b) Said Beneficiary Certificates Issued Overseas, etc. are listed on a Designated Foreign Financial Instruments Exchange.

(c) Under the rules provided by a Designated Foreign Financial Instruments Exchange on which Said Beneficiary Certificates Issued Overseas, etc. are listed, information on Said Beneficiary Certificates Issued Overseas, etc.

(limited to those written in Japanese or English) are publicized by the Issuer of Said Beneficiary Certificates Issued Overseas, etc., and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act applied mutatis mutandis pursuant to paragraph (5) of that Article (including cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act)).

(ix) Securities specified in Article 2 (1)(xix) of the Act (hereinafter referred to as "Securities Indicating Rights" in this item): All of the following requirements are satisfied.

(a) Said Securities Indicating Rights indicate the rights pertaining to transactions specified in Article 2 (22)(iii) or (iv) pertaining to Share Certificates, etc. (meaning Share Certificates, Securities specified in Article 2 (1)(xi) of the Act (excluding investment corporation bond certificates and Foreign Investment Securities similar to investment corporation bond certificates prescribed in the Act on Investment Trust and Investment Corporation; hereinafter referred to as "Investment Securities" in sub-item (a)) and Securities specified in item (xx) of that paragraph which indicate rights pertaining to Share Certificates or Investment Securities; hereinafter the same applies in sub-item (a)) or corporate bond certificates, etc. (meaning corporate bond certificates and Securities specified in item (xvii) of that paragraph which have the nature of corporate bond certificates; hereinafter the same applies in sub-item (a)) which satisfy all of the following requirements.

1. Said Share Certificates, etc. or said corporate bond certificates, etc. are listed on a Financial Instruments Exchange or a Designated Foreign Financial Instruments Exchange, or the sale and purchase of said corporate bond certificates, etc. are ongoing in a foreign state.
2. Under the rules provided by a Designated Foreign Financial Instruments Exchange on which said Share Certificates, etc. or said corporate bond certificates, etc. are listed, or under the laws and regulations of a foreign state in which the sale and purchase of said corporate bond certificates, etc. are ongoing, accounting information of the Issuer of said Share Certificates, etc. or said corporate bond certificates, etc. and other information on the Issuer (limited to those written in Japanese or English) are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to

Article 27 of the Act)).

- (b) It is agreed upon in advance that by the exercise of rights indicated in said Securities Indicating Rights, the transactions pertaining to such rights will be executed at a certain time in the future, and that the settlement will be conducted by paying or receiving the difference arising from such transactions.
- (c) Information on the trading price pertaining to said Securities Indicating Rights can easily be obtained in Japan by using the Internet or other method.
- (x) Securities specified in Article 2 (1)(xx) of the Act: All of the following requirements are satisfied.
  - (a) Said Securities shall indicate the rights pertaining to Share Certificates.
  - (b) Information on the trading price pertaining to said Securities can easily be obtained in Japan by using the Internet or other method.
  - (c) Said Securities are listed on a Designated Foreign Financial Instruments Exchange.
  - (d) Under the rules provided by a Designated Foreign Financial Instruments Exchange on which said Securities are listed, accounting information of the Issuer of said Securities and other information on the Issuer (limited to those written in Japanese or English) are publicized by the Issuer, and such information can easily be obtained in Japan by using the Internet or other method (excluding cases in which said Issuer has submitted an Annual Report under the provisions of Article 24 (1) of the Act (including cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)).

(Securities, etc. Excluded from Securities for Professional Investors)

Article 2-12-4 (1) The Securities specified by a Cabinet Order as those which are found unlikely to be owned by a large number of Professional Investors, referred to in Article 4 (3) of the Act, are the Securities approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance as those which would not compromise the public interest or protection of investors even if said Securities (excluding Securities specified by a Cabinet Office Ordinance as those which have been found to be improper regarding the protection of investors, taking into consideration the class and liquidation and other matters of the Securities) do not fall under the category of the Securities for Professional Investors, in cases where the holders of such Securities as of the last day of the immediately preceding business year (in case where the Securities fall under the category of Regulated Securities, the Specified Period (meaning a Specified Period as prescribed in Article 24 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to

Article 24 (5) of the Act; the same applies in Article 4-2 (1)) relating to such Securities; hereinafter the same applies in this paragraph, Article 3-4 and Article 4-2-2) of or every last day of the business years commenced within two years before the day of the commencement of the immediately preceding business year of the issuer of such Securities are less than 300 persons (limited to the case where three years have elapsed after the close of the business year wherein the Securities came to fall under the category of Securities for Professional Investors (if there are two or more business years, the latest business year)).

(2) The Solicitation for Delivery of Existing Securities, etc. specified by a Cabinet Order, referred to in Article 4 (3) of the Act (meaning Solicitation for Delivery of Existing Securities, etc. as defined in paragraph (2) of that Article; hereinafter the same applies in this paragraph and Article 3-3) are those falling under any of the following items:

(i) Solicitation for Delivery of Existing Securities, etc. made by a Financial Services Provider, etc. to Professional Investors, etc. for himself/herself;

(ii) Solicitation for Delivery of Existing Securities, etc. made to Non-Residents by entrusting it to a Foreign Securities Services Provider;

(iii) application for sales of Share Certificates, etc. (meaning the Share Certificates, etc. set forth in Article 27-2 (1) of the Act) in response to a Tender Offer (meaning the Tender Offer set forth in Article 27-2 (vi) of the Act; the same applies in Section 1 of the following Chapter);

(iv) the Solicitation for Delivery of Existing Securities, etc. made to an Officer, etc. (limited to an Officer, etc. who purchases the relevant Securities for Professional Investors (limited to purchase based on a contract under which the Officer, etc, continuously purchases Securities for Professional Investors jointly with another Officer, etc. of the issuer according to a certain plan, without depending on an individual investment decision and for which each Officer(s), etc. shall contribute less than one million yen on each occasion)) of the issuer of the Securities for Professional Investors (limited to the following ones) related to the Solicitation for Delivery of Existing Securities, etc.:

(a) the Securities set forth in Article 2 (1)(ix) of the Act;

(b) among the Securities set forth in Article 2 (1)(xvii) of the Act, those with the nature of the Securities set forth in item (ix) of that paragraph;

(c) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Securities listed in sub-item (a) or sub-item (b); or

(d) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Securities listed in sub-item (a) or sub-item (b).

(3) The Securities specified by a Cabinet Order, referred to in Article 4 (3)(iv) of the Act, are the following Securities:

- (i) the Securities which were Specified Listed Securities;
- (ii) the Over-the-Counter Traded Securities, sold or purchased solely in, among the Over-the-Counter Securities Markets, those in which the Authorized Financial Instruments Business Association that establishes the relevant Over-the-Counter Securities Market prohibits Purchasing for General Investors, etc. (meaning the Purchasing for General Investors, etc. prescribed in Article 67 (3) of the Act) pursuant to the provisions of its articles of incorporation (hereinafter referred to as the "Specified Over-the-Counter Traded Securities"); or
- (iii) the Securities which were Specified Over-the-Counter Traded Securities.

(Scope of Regulated Securities)

Article 2-13 The Securities specified by a Cabinet Order, referred to in Article 5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) (hereinafter referred to as the "Regulated Securities" in this Chapter), are as follows:

- (i) the Securities set forth in Article 2 (1)(iv), (viii), (xiii), and (xv) of the Act (with regard to the Securities set forth in Article 2 (1)(xv) of the Act, the Securities are limited to the Specified Promissory Note set forth in the Asset Securitization Act);
- (ii) the Securities set forth in Article 2 (1)(x) and (xi) of the Act;
- (iii) the Securities set forth in Article 2 (1)(xiv) of the Act (excluding Beneficiary Certificates of Securities in Trust);
- (iv) the Securities set forth in Article 2 (1)(xvi) of the Act;
- (v) the Securities set forth in Article 2 (1)(xviii);
- (vi) Beneficiary Certificates of Securities in Trust (limited to those of which the Entrusted Securities are the Securities set forth in the preceding items);
- (vii) the Rights in a Securities Investment Business, etc. prescribed in Article 3 (iii) of the Act (excluding the claims set forth in Article 1-3-4); and
- (viii) anything specified by a Cabinet Office Ordinance as being equivalent to those set forth in the preceding items.

(Securities, etc. Equivalent to Listed Securities)

Article 3 The Securities specified by a Cabinet Order referred to in Article 6 (ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 12, Article 23-12 (1), Article 24 (7), Article 24-2 (3) and Article 24-4-2 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-4-8 (1) and Article 24-5-2 (1) of the Act), Article 24-4-3 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-4-8 (2) and Article 24-5-2 (2) of the Act), Article 24-4-4 (5), Article 24-4-5 (2), Article 24-4-7 (5), Article 24-5 (6) and Article 24-6 (3) of

the Act, and the cases where these provisions (excluding Article 24-6 (3) of the Act) are applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) and the Securities specified by a Cabinet Order as those for which the state of distribution referred to in Article 24 (1)(ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) can be regarded as being equivalent to the Securities listed in Article 24 (1)(i) of the Act are Over-the-Counter Traded Securities and the Authorized Financial Instruments Business Association specified by a Cabinet Order as referred to in Article 6 (ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), Article 24-7 (4)(ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), Article 25 (3) and (5) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), Article 27-30-2, Article 27-30-6 (1), and Article 27-30-8 (1) of the Act is an Authorized Financial Instruments Business Association which registers the Over-the-Counter Traded Securities.

(Securities Specified By a Cabinet Order, Referred to in Article 15 (3) of the Act)

Article 3-2 The Securities specified by a Cabinet Order, referred to in Article 15 (3) of the Act, are the Securities set forth in Article 2 (1)(x) and (xi) of the Act.

(Book-Entry Corporate Bonds, etc. Specified by a Cabinet Order, Referred to in Article 23-8 (2) of the Act)

Article 3-2-2 The book-entry corporate bonds, etc. specified by a Cabinet Order, referred to in Article 23-8 (2) of the Act, are as follows:

- (i) the short-term bonds as provided in the Insurance Business Act;
- (ii) the Specified Short-Term Corporate Bonds as provided in the Asset Securitization Act;
- (iii) the Short-Term Investment Corporation Bonds as provided in the Act on Investment Trusts and Investment Corporations; or
- (iv) the Securities set forth in Article 2 (1)(xvii) of the Act (including the Foreign Investment Securities which are similar to the investment corporation bond certificate as provided in the Act on Investment Trusts and Investment Corporations; the same applies in item (iii) of the following Article) which are specified by a Cabinet Office Ordinance as being equivalent to the short-term corporate bonds as provided in the Act on Transfer of Corporate Bonds, etc. or those set forth in the preceding three

items.

(Solicitation for Which the Notification of Solicitation to a Small Number of Investors May Be Omitted)

Article 3-3 The solicitation specified by a Cabinet Order, referred to in Article 23-13 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is the Solicitation for Newly Issued Securities, etc. or Solicitation for Delivery of Existing Securities, etc. (limited to that which falls under the cases specified in the items of that paragraph) made for the following Securities:

- (i) Certificates of Rights to Subscribe for Preferred Equity;
- (ii) the Securities set forth in Article 2 (1)(xv) of the Act (including the Securities set forth in item (xvii) of that Article which have the nature of the Securities listed in item (xv) of that paragraph); or
- (iii) the Specified Short-Term Corporate Bonds as provided in the Asset Securitization Act, short-term corporate bonds as provided in the Act on Transfer of Corporate Bonds, etc., short-term corporate bonds as provided in the Insurance Business Act, and the Short-Term Investment Corporation Bond as provided in the Act on Investment Trusts and Investment Corporations (including the Securities listed in Article 2 (1)(xvii) of the Act which are specified by a Cabinet Office Ordinance as being equivalent thereto).

(Deadline for Submission of Annual Reports for a Foreign Person)

Article 3-4 The period specified by a Cabinet Order, referred to in Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) and Article 27 of the Act), is six months; provided, however, that in cases where the foreign person who is the issuer of the Securities listed in the items of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) or in Article 24 (1)(i) to (iii) inclusive of the Act as applied mutatis mutandis pursuant to Article 24 (5) of the Act is found unable to submit the Annual Report within six months after the end of its business year due to its nation's laws and regulations, the practice thereof, or any other inevitable grounds, such a period is the period approved in advance by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Scope, etc. of Securities for Which the Submission of an Annual Report May Be Omitted)

Article 3-5 (1) The Securities specified by a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, are share certificates.

(2) The number calculated pursuant to the provisions of a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, is 300.

(Number, etc. of Holders of Securities for Which the Submission of an Annual Report May Be Omitted)

Article 3-6 (1) The number specified by a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, is 300.

(2) The Securities specified by a Cabinet Order as those for which the state of distribution can be regarded as being equivalent to the Specified Listed Securities as prescribed in Article 24 (1)(ii) of the Act are Specified Over-the-Counter Traded Securities.

(3) The Securities specified by a Cabinet Order referred to in Article 24 (1)(iv) of the Act are share certificates, Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are share certificates, and the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to share certificates.

(4) The number specified by a Cabinet Order, referred to in Article 24 (1)(iv) of the Act, is 1000 (in cases where the Securities are Securities for Professional Investors, the number obtained by adding the number of Professional Investors calculated pursuant to the provisions of a Cabinet Office Ordinance to 1000).

(Approval Wherein the Submission of an Annual Reports May Be Omitted)

Article 4 (1) When the issuer of the Securities listed in Article 24 (1)(iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) or Article 24 (1)(iv) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) (excluding the issuer of the Securities which fall under the category of Regulated Securities; the same applies in the following paragraph) intends to obtain the approval set forth in the proviso to Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the issuer shall submit a written application for approval with its articles of incorporation, a copy of its shareholder registry, and any other documents specified by a Cabinet Office Ordinance to the Commissioner of the Financial Services Agency.

(2) In cases where the application for approval under the preceding paragraph has been made, when the Commissioner of the Financial Services Agency finds that the person who has made such an application falls under any of the following items, he/she shall approve omitting the submission of Annual Reports pertaining to the business years starting from the business year that



includes the day on which said application has been made (if the day is a day within three months after the commencement of the business year (if the person is a foreign person, within the period specified in Article 3-4; hereinafter the same applies in this paragraph), the immediately preceding business year) and lasting until the business year immediately preceding the business year that includes the day on which said person comes to no longer fall under said items (if the day is the day within three months after the commencement of a business year, the immediately preceding business year):

(i) a person in liquidation;

(ii) a person who is suspending his/her business for a considerable period; or

(iii) an issuer of the Securities listed in Article 24 (1)(iii) of the Act who has the number of holders of said Securities which have been calculated pursuant to the provisions of a Cabinet Office Ordinance as less than the number specified by a Cabinet Office Ordinance.

(3) The approval under the preceding paragraph shall be given on the condition that the person referred to in that paragraph submits a copy of the shareholder registry and other documents specified by a Cabinet Office Ordinance to the Commissioner of the Financial Services Agency within three months after the end of each business year (limited to the business year that includes the day on which the application set forth in the preceding paragraph has been made and those which end within the period specified by a Cabinet Office Ordinance after the day of the end of said business year) (if the person is a foreign person, within the period specified in Article 3-4) pursuant to the provisions of a Cabinet Office Ordinance.

(4) In cases where the application for approval under paragraph (1) has been made (excluding the cases where the approval under paragraph (2) has been given), if the person who has made such an application is a person who is subject to a ruling for commencement of reorganization proceedings, and said application has been made within three months after the day on which such ruling for commencement of reorganization proceedings has been made, the Commissioner of the Financial Services Agency shall approve omitting the submission of Annual Reports pertaining to the business year that includes the day on which said ruling for commencement of reorganization proceedings has been made.

(Approval for Omitting Submission of Annual Reports Pertaining to Regulated Securities)

Article 4-2 (1) The provisions of paragraph (1) of the preceding Article applies mutatis mutandis to the case where the issuer of the Securities set forth in Article 24 (1)(iii) and (iv) of the Act which fall under the category of Regulated Securities intends to obtain the approval prescribed in the proviso to Article 24

- (1) of the Act as applied mutatis mutandis pursuant to Article 24 (5) of the Act (including the case where it is applied mutatis mutandis pursuant to Article 27 of the Act) and the provisions of paragraphs (2) and (3) of the preceding Article applies mutatis mutandis to said approval respectively. In this case, the phrases "said application has been made" and "business year" in paragraph (2) of the preceding Article are deemed to be replaced with "said application has been made with regard to the respective Securities" and "specified period" respectively, the phrase "the Securities listed in Article 24 (1)(iii) of the Act" in paragraph (2)(iii) of the preceding Article is deemed to be replaced with "the Securities listed in Article 24 (1)(iii) of the Act which fall under the category of Regulated Securities" and the phrases "each business year" and "the business year that includes the day on which the application set forth in the preceding paragraph has been made and those which end within the period specified by a Cabinet Office Ordinance after the day of the end of said business year)" in paragraph (3) of the preceding Article are deemed to be replaced with "each specified period with regard to the respective Securities" and "the specified period that includes the day on which the application set forth in the preceding paragraph has been made and those which end within the period specified by a Cabinet Office Ordinance after the day of the end of said specified period)" respectively.
- (2) The amount specified by a Cabinet Order as the amount of the stated capital of the company, referred to in the proviso to Article 24 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), is as specified in the following items according to the category of Rights in a Securities Investment Business, etc. set forth in the respective items under which the respective Securities fall:
- (i) the rights set forth in Article 2 (2)(i) of the Act: the total value of assets belonging to a trust property;
  - (ii) the rights set forth in Article 2 (2)(iii) of the Act: the amount of stated capital; and
  - (iii) the rights set forth in Article 2 (2)(v) of the Act: the total amount of investment or contribution.
- (3) The amount specified by a Cabinet Order referred to in the proviso to Article 24 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24 (5) of the Act is 100 million yen.
- (4) The Securities specified by a Cabinet Order referred to in Article 24 (1)(iv) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24 (5) of the Act are, among the Rights in a Securities Investment Business, etc., the rights listed in Article 2 (2)(i), (iii), and (v) of the Act.

(5) The number specified by a Cabinet Order referred to in Article 24 (1)(iv) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24 (5) of the Act is 500.

(Deadline for Submission of Foreign Company Reports)

Article 4-2-2 The period specified by a Cabinet Order, referred to in Article 24 (1) and (5) of the Act as applied by replacing certain terms pursuant to Article 24 (10) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is four months; provided, however, that in cases where the Reporting Foreign Company (meaning the Reporting Foreign Company defined in Article 24 (8) of the Act; the same applies hereinafter) is found unable to submit its Foreign Company Reports (meaning the Foreign Company Reports prescribed in Article 24 (8) of the Act; the same applies hereinafter) within four months after the end of its business year, due to its nation's laws and regulations, the practice thereof or any other inevitable grounds, such a period is the period approved in advance by the Commissioner of the Financial Services Agency, pursuant to the provisions of a Cabinet Office Ordinance.

(Deadline for Submission of Annual Reports where a Notice Providing that the Submission of Foreign Company Reports are Not Allowed is Given)

Article 4-2-3 The period specified by a Cabinet Order, referred to in Article 24 (xiii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act) and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), is a period from the day on which the notice under Article 24 (xii) of the Act has been given until the last day of the period wherein the Annual Report under Article 24 (1) of the Act is to be submitted in the case that the submission thereof has been decided pursuant to Article 24 (1) of the Act, or until the day on which one month has elapsed from said day of notice, whichever comes later.

(Public Notice of Submission of Amendment Reports)

Article 4-2-4 (1) The public notice under Article 24-2 (2) of the Act must be given by any of the following methods without delay after the submission of amendment reports referred to in that paragraph:

(i) taking measures to make the information which should be given in a public notice available to many and unspecified persons by a method using the Electronic Data Processing System for Disclosure (meaning the Electronic Data Processing System for Disclosure defined in Article 27-30-2 of the Act;

the same applies hereinafter) pursuant to the provisions of a Cabinet Office Ordinance (hereinafter referred to as "Electronic Public Notice" in this Article); or

(ii) publication in a daily newspaper that publishes matters on current affairs, pursuant to the provisions of a Cabinet Office Ordinance.

(2) A person who gives public notice by way of the Electronic Public Notice pursuant to the preceding paragraph shall continue to provide said public notice by way of Electronic Public Notice during the period until five years have elapsed from the day on which he/she submitted the Annual Report and the documents attached thereto for which the amendment reports set forth in Article 24-2 (2) of the Act have been submitted.

(3) In cases where the person who gives public notice by way of Electronic Public Notice pursuant to the provision of paragraph (1) is unable to make the public notice by way of Electronic Public Notice due to a fault in a telecommunications line or any other cause, he/she shall give public notice, in lieu of the Electronic Public Notice, by the method set forth in item (ii) of paragraph (1) or another method specified by a Cabinet Office Ordinance with the approval of the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(4) Notwithstanding the provision of paragraph (2), in cases where an Interruption of a Public Notice (meaning that the information, which was made available to many and unspecified persons, is no longer to be made available or that such information has been altered after having been made available to many and unspecified persons; hereinafter the same applies in this paragraph) occurs during the period in which the public notice by way of Electronic Public Notice is to be given pursuant to paragraph (2) (such period is referred to as a "Public Notice Period" in item (ii)), if all of the following conditions are met, such Interruption of a Public Notice does not affect the effects of such a public notice:

(i) with regard to the occurrence of an Interruption of a Public Notice, the person who gives the public notice by way of Electronic Public Notice has acted in good faith and without gross negligence or such person has justifiable grounds;

(ii) the total time during which the Interruption of a Public Notice occurred does not exceed one-tenth of the Public Notice Period; and

(iii) promptly after learning about the occurrence of the Interruption of a Public Notice, the person who gives the public notice by way of Electronic Public Notice has given a public notice to that effect, including of the time when the Interruption of Public Notice occurred and the details of the Interruption of Public Notice, by appending such information to the relevant public notice, pursuant to the provisions of a Cabinet Office Ordinance.

(Scope, etc. of Companies Required to Submit a Confirmation Letter)

Article 4-2-5 (1) The company specified by a Cabinet Order, referred to in Article 24-4-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is the issuer of the Securities set forth in Article 24 (1)(i) or (ii) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) (limited to the Securities that fall under the Securities listed in the following items):

- (i) share certificates;
- (ii) Preferred Equity Securities;
- (iii) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities listed in the preceding two items;
- (iv) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Securities set forth in the preceding three items; or
- (v) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Securities listed in item (i) to item (iii) inclusive.

(2) In cases where the provisions of the Act are applied mutatis mutandis to the case where submitting the Amendment Reports (meaning the Amendment Reports set forth in Article 24-2 (1) of the Act; hereinafter the same applies in this paragraph) pursuant to the provisions of Article 7, Article 9, or Article 10 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-2 (1) of the Act under Article 24-4-2 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-2 (4) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24-4-2, paragraph (1)	statements contained in the Annual Report	statements contained in the Amendment Reports
	Annual Reports, etc.	Amendment Reports
	Foreign Company Reports	documents similar to said Amendment Reports which are prepared in English
	a Foreign Company Report	documents similar to said Amendment Reports which are prepared in English

Article 24-4-2, paragraph (1)	together with an Annual Report	together with Amendment Reports
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(3) In cases where the provisions of the Act are applied mutatis mutandis to the case where a Confirmation Letter (meaning a confirmation letter as prescribed in Article 24-4-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); the same applies hereinafter) has been submitted pursuant to the provisions of Article 24-4-2 (1) or (2) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 24-4-2 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-4-2 (4) of the Act) and Article 24-4-2 (4) of the Act, and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) under Article 24-4-2 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act, hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-2 (5) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original term	Terms to replace the original terms
Article 6	the statement and other documents set forth in paragraph (1) and paragraph (6) of the preceding Article	a Confirmation Letter

(4) In cases where the provisions of the Act are applied mutatis mutandis to the case where the Reporting Foreign Company submits a Confirmation Letter pursuant to Article 24-4-2 (1) or (2) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) under Article 24-4-2 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph) (limited to the case where the Reporting Foreign Company has submitted Foreign Company Reports), the technical replacement of terms under Article 24-4-2 (6) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original term	Terms to replace the original terms
Article 24, paragraphs (8), (9) and (11) to (13) inclusive	Annual Reports	Confirmation Letters
	Foreign Company Reports	Foreign Company Confirmation Letters
	Reporting Foreign Company	foreign company

(Replacement of Terms Concerning Amendment Confirmation Letters)

Article 4-2-6 (1) In cases where the provisions of the Act are applied mutatis mutandis to the Confirmation Letter under Article 24-4-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), the technical replacement of terms under Article 24-4-3 (1) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 7	the statement or any of said other documents	said Confirmation Letter
Article 9, paragraph (1)	a statement or other document under Article 5, paragraph (1) or paragraph (6)	the Confirmation Letter
	Article 7	the Amendment Confirmation Letter(s)
Article 10, paragraph (1)	Annual Reports	Confirmation Letters

(2) In cases where the provisions of the Act are applied mutatis mutandis to the case where an Amendment Confirmation Letter (meaning the Amendment Confirmation Letter referred to in Article 24-4-3 (1) of the Act; the same applies hereinafter) for a Confirmation Letter has been submitted pursuant to

the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-4-3 (1) of the Act under Article 24-4-3 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-3 (2) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 6	the statement and other documents set forth in paragraph (1) and paragraph (6) of the preceding Article	Amendment Confirmation Letter

(3) In cases where the provisions of the Act are applied mutatis mutandis to the case where a foreign company submits an Amendment Confirmation Letter for a Confirmation Letter submitted thereby pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-4-3 (1) of the Act under Article 24-4-3 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-3 (3) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24, paragraph (8)	Annual Report	Amendment Confirmation Letter



<p>a foreign company that is required to submit an Annual Reports pursuant to paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5); hereinafter the same applies in this paragraph to paragraph (13) inclusive) (including a foreign company which has submitted an Annual Report under Article 23-3(4); hereinafter referred to as a "Reporting Foreign Company")</p>	<p>a foreign company that is required to submit Annual Reports pursuant to paragraph (1) (including the cases where as applied mutatis mutandis pursuant to paragraph (5); hereinafter the same applies in this paragraph to paragraph (13) inclusive) (limited to a foreign company that submitted a Foreign Company Report)</p>
<p>instead of an Annual Reports under paragraph (1) and the documents that are required to accompany it pursuant to paragraph (6) (hereinafter collectively referred to as "Annual Reports, etc." in this Article)</p>	<p>an Amendment Confirmation Letter</p>
<p>is similar to an Annual Reports, etc. but that has been prepared in English and disclosed in a foreign state (meaning that it is made available for public inspection in a relevant foreign state based on laws and regulations that state (including the rules provided by the operator of a foreign Financial Instruments Market or other person specified by a Cabinet Office Ordinance)</p>	<p>states the matters to be stated on the Amendment Confirmation Letter</p>

	Foreign Company Reports	Foreign Company Amendment Confirmation Letter
Article 24, paragraph (9)	Foreign Company Report(s)	Foreign Company Amendment Confirmation Letter
	documents stating the particulars not stated in a Foreign Company Report that are specified by a Cabinet Office Ordinance as necessary and appropriate for the public interest or for the protection of investors, and other documents specified by Cabinet Office Ordinance	and other documents
Article 24, paragraph (11)	Reporting Foreign Company	foreign company (limited to a foreign company that submitted a Foreign Company Report)
	Foreign Company Report	Foreign Company Amendment Confirmation Letter
	to be an Annual Reports	to be an Amendment Confirmation Letters
	Annual Reports, etc.	Amendment Confirmation Letters

(Scope, etc. of Companies Required to Submit an Internal Control Report)

Article 4-2-7 (1) The person specified by a Cabinet Order referred to in Article 24-4-4 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) is the issuer of the Securities set forth in Article 24 (1)(i) or (ii) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) (limited to the Securities that fall under the category of the Securities listed in the following items):

(i) share certificates;

- (ii) Preferred Equity Securities;
  - (iii) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities listed in the preceding two items;
  - (iv) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Securities set forth in the preceding three items; or
  - (v) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Securities listed in item (i) to item (iii) inclusive.
- (2) In cases where the provisions of the Act are applied mutatis mutandis to the case where an Internal Control Report (meaning the Internal Control Report prescribed in Article 24-4-4 (1) of the Act; the same applies hereinafter) and the documents attached thereto have been submitted pursuant to the provisions of Article 24-4-4 (1) or (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-4-4 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article and the following Article) and Article 24-4-4 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) under Article 24-4-5 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-4 (5) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 6	the statement and other documents set forth in paragraph (1) and paragraph (6) of the preceding Article	an Internal Control Report and the documents attached thereto

- (3) In cases where the provisions of the Act are applied mutatis mutandis to the case where a Reporting Foreign Company submits the Internal Control Report under Article 24-4-4 (1) or (2) of the Act pursuant to Article 24-4-4 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph) (limited to cases where the Reporting Foreign Company has submitted the Foreign Company Report), the technical replacement of terms under Article 24-4-4 (6) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24, paragraphs (8), (9) and (11) to (13) inclusive	Foreign Company Report	Foreign Company Internal Control Report
	Reporting Foreign Company	Foreign Company
	Annual Report	Internal Control Report

(Replacement of Terms Concerning Amendments of Internal Control Reports)

Article 4-2-8 (1) In cases where the provisions of the Act are applied mutatis mutandis to the Internal Control Report and the documents attached thereto under Article 24-4-5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), the technical replacement of terms under Article 24-4-5 (1) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 7	a statement and other documents	an Internal Control Report and the documents attached thereto
Article 9, paragraph (1)	the statement or other document under Article 5, paragraph (1) or paragraph (6) or Article 7	an Internal Control Report and the documents attached thereto and the statement or other documents set forth in Article 7
	the statement and other documents	the amendment reports
Article 10, paragraph (1)	a (the) Registration Statement	an (the) Internal Control Report and the documents attached thereto

(2) In cases where the provisions of the Act are applied mutatis mutandis to the case where an Amendment Report (meaning the Amendment Report set forth

in Article 24-4-5 (1) of the Act; hereinafter the same applies in this Article and the following Article) has been submitted for an Internal Control Report and the documents attached thereto pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-4-5 (1) of the Act under Article 24-4-5 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-5 (2) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 6	the statement and other documents set forth in paragraph (1) and paragraph (6) of the preceding Article	the relevant Amendment Reports

(3) In cases where the provisions of the Act are applied mutatis mutandis to the case where a foreign company submits an Amendment Report for the Internal Control Report submitted thereby pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-4-5 (1) of the Act under Article 24-4-5 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-5 (3) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24, paragraph (8)	an Annual Report	an Amendment Report

<p>a foreign company required to submit an Annual Report pursuant to paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5); hereinafter the same applies in this paragraph to paragraph (13) inclusive) (including a foreign company that has submitted an Annual Report pursuant to Article 23-3(4); hereinafter referred as to "Reporting Foreign Company")</p>	<p>a foreign company required to submit an Amendment Report pursuant to paragraph (1) (including as applied mutatis mutandis pursuant to paragraph (5); hereinafter the same applies in this paragraph to paragraph (13) inclusive) (limited to the foreign companies which have submitted the Foreign Company Reports)</p>
<p>an Annual Report under paragraph (1) and the documents that are required to accompany it under paragraph (6) (hereinafter collectively referred to as "Annual Reports, etc." in this Article)</p>	<p>an Amendment Reports</p>
<p>is similar to an Annual Report, etc., but that has been prepared in English and disclosed in a foreign state (meaning that it is made available for public inspection in the relevant foreign state (including the rules provided by the operator of a Foreign Financial Instruments Market or other person specified by a Cabinet Office Ordinance); the same applies in Articles 24-4-7(6) and 24-5(7))</p>	<p>contains the matters to be stated in the Amendment Reports and that has been prepared in English</p>
<p>Foreign Company Report</p>	<p>Foreign Company Amendment Report</p>

Article 24, paragraph (9)	Foreign Company Reports	Foreign Company Amendment Reports
	A Japanese translation of the summary of the particulars stated in a Foreign Company Report that are specified by Cabinet Office Ordinance as necessary and appropriate for the public interest or for the protection of investors, and	Other documents
Article 24, paragraph (11)	Reporting Foreign Company	foreign company (limited to the foreign company that has submitted a Foreign Company Report)
	Foreign Company Report	Foreign Company Amendment Report
	Annual Report	Amendment Report
	Annual Report, etc.	Amendment Report

(Replacement of Terms Concerning Liability for Damages Related to an Internal Control Report)

Article 4-2-9 In cases where the provisions of the Act are applied mutatis mutandis to the case where the Internal Control Report (including the Amendment Report thereof) contains false statements on important matters, or lacks a statement on important matters that should be stated or on a material fact that is necessary to avoid misunderstanding, under Article 24-4-6 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), the technical replacement of terms under Article 24-4-6 of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 22, paragraph (2)	the preceding paragraph	the preceding paragraph as applied mutatis mutandis pursuant to Article 24- 4-6
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(Scope, etc. of Companies Required to Submit a Quarterly Report)

Article 4-2-10 (1) The company who is the issuer and other persons specified by a Cabinet Order, referred to in Article 24-4-7 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), is the issuer of the Securities set forth in Article 24 (1)(i) or (ii) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) (limited to the Securities that fall under the category of Securities listed in the following items):

- (i) share certificates;
  - (ii) Preferred Equity Securities;
  - (iii) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities set forth in the preceding two items;
  - (iv) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Securities set forth in the preceding three items; or
  - (v) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights of the Securities set forth in item (i) to item (iii) inclusive.
- (2) The period specified by a Cabinet Order to be a three-month period excluded from each business year as referred to in Article 24-4-7 (1) of the Act is , among such three month periods, the last three-month period of each business year.
- (3) The period designated by a Cabinet Order as not exceeding 45 days, referred to in Article 24-4-7 (1) of the Act, is 45 days.
- (4) The period specified by a Cabinet Order as not exceeding 60 days, referred to in Article 24-4-7 (1) of the Act, is the period specified in the following items according to the category of Quarter (meaning each three-month period of the business year as set forth in Article 24-4-7 (1) of the Act; hereinafter the same applies in this paragraph) set forth in the respective items:
- (i) the Quarter following the first Quarter of the business year: 60 days; and
  - (ii) a Quarter other than the Quarter set forth in the preceding item: 45 days.
- (5) In cases where the provisions of the Act are applied mutatis mutandis to the Quarterly Report (meaning the Quarterly Report defined in Article 24-4-7 (1) of the Act; the same applies hereinafter) under Article 24-4-7 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph and the following paragraph), the technical replacement of terms under Article 24-4-7 (4) of the



Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 9, paragraph (1)	other document under Article 5, paragraph (1) or paragraph (6) or Article 7	a Quarterly Report under Article 7
	a statement	an Amendment Report

(6) In cases where the provisions of the Act are applied mutatis mutandis to the case where the Quarterly Report and the Amendment Report (meaning the amendment report referred to in Article 24-4-7 (4) of the Act; hereinafter the same applies in this Article and the following Article) thereof contain false statements, or lack a statement on important matters that should be stated or on a material fact that is necessary to avoid misunderstanding under Article 24-4-7 (4) of the Act, the technical replacement of terms under Article 24-4-7 (4) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 22, paragraph (1)	Registration Statement	Quarterly Report or an Amendment Reports thereof

(7) In cases where the provisions of the Act are applied mutatis mutandis to the case where a Quarterly Report has been submitted pursuant to the provisions of Article 24-4-7 (1) or (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-4-7 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article and the following Article) and where an amendment report for said Quarterly Report has been submitted pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-4-7 (4) of the Act, under Article 24-4-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the technical replacement of terms under Article 24-4-7 (5) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 6	the statement and other documents set forth in paragraph (1) and paragraph (6) of the preceding Article	a relevant Quarterly Report and an Amendment Report

(8) The period specified by a Cabinet Order, referred to in Article 24-4-7 (10) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is a period from the day on which the notice under Article 24-4-7 (9) of the Act has been given until the last day of the period wherein the Quarterly Report under Article 24-4-7 (1) of the Act is to be submitted in the case that the submission thereof has been decided pursuant to Article 24-4-7 (1) of the Act, or until the day on which 15 days have elapsed from said day of notice, whichever comes later.

(9) In cases where the provisions of the Act are applied mutatis mutandis to the case where a Reporting Foreign Company submits Amendment Reports for the Foreign Company Quarterly Report (meaning the Foreign Company Quarterly Report prescribed in Article 24-4-7 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)) and the Supplementary Documents therefor (meaning the Supplementary Documents prescribed in Article 24-4-7 (7) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)) submitted thereby pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-4-7 of the Act under Article 24-4-7 (11) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this paragraph), the technical replacement of terms under Article 24-4-7 (11) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 24-4-7, paragraph (6)	a Reporting Foreign Company that is required to submit a Quarterly Report under paragraph (1)	a Reporting Foreign Company that is required to submit an Amendment Report for a Foreign Company Quarterly Report and a Supplementary Document submitted by the Reporting Foreign Company pursuant to the provisions of Article 7, Article 9(1) or Article 10(1) as applied mutatis mutandis by replacing certain terms pursuant to paragraph (4)
	a Quarterly Report	an Amendment Report
	Foreign Company Quarterly Report	Foreign Company Quarterly Amendment Report"
Article 24-4-7, paragraph (7)	Foreign Company Quarterly Report	Foreign Company Quarterly Amendment Report
Article 24-4-7, paragraph (8)	Foreign Company Quarterly Report	Foreign Company Quarterly Amendment Reports
	a Quarterly Reports	an Amendment Report

(Replacement of Terms Concerning Confirmation Letters Pertaining to Quarterly Reports)

Article 4-2-11 In cases where the provisions of the Act are applied mutatis mutandis to the cases where submitting Quarterly Reports pursuant to Article 24-4-7 (1) or (2) of the Act and where submitting Amendment Reports pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-4-7 (4) of the Act under Article 24-4-8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article), the technical replacement of terms under Article 24-4-8 (1) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 24-4-2, paragraph (1)	said Annual Report	said Quarterly Report
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(Deadline for the Submission of a Semiannual Report where a Notice Providing that the Submission of Foreign Company Semiannual Reports Are Not Allowed Has Been Given)

Article 4-2-12 The period specified by a Cabinet Order, referred to in Article 24-5 (11) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is a period from the day on which the notice under Article 24-5 (10) of the Act has been given until the last day of the period wherein the Semiannual Report under Article 24-5 (1) of the Act is to be submitted in the case that the submission thereof has been decided pursuant to Article 24-5 (1) of the Act, or until the day on which 15 days have elapsed from said day of notice, whichever comes later.

(Replacement of Terms Concerning Confirmation Letters Pertaining to Semiannual Reports)

Article 4-2-13 In cases where the provisions of the Act are applied mutatis mutandis to the cases where submitting Semiannual Report pursuant to Article 24-5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-5 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) and where submitting an Amendment Report (meaning the Amendment Report set forth in Article 24-5 (5) of the Act) is to be submitted pursuant to the provisions of Article 7, Article 9 (1) or Article 10 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-5 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) under Article 24-5-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the technical replacement of terms under Article 24-5-2 (1) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replaced the original terms
Article 24-4-2, paragraph (1)	said Annual Report	said Semiannual Report

(Share Certificates, etc. Equivalent to Listed Share Certificates)

Article 4-3 (1) The share certificates specified by a Cabinet Order, referred to in Article 24-6 (1) of the Act, are the share certificates that fall under the

category of Over-the-Counter Traded Securities.

- (2) The Securities specified by a Cabinet Order, referred to in Article 24-6 (1) of the Act, are the following Securities:
- (i) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are share certificates listed on a Financial Instruments Exchange or the share certificates set forth in the preceding paragraph;
  - (ii) Beneficiary Certificates of Securities in Trust (except those of which the Entrusted Securities thereof are share certificates, those falling under the preceding item are excluded) which fall under the category of Listed Securities (meaning the Securities listed on a Financial Instruments Exchange; the same applies in item (iv)) or Over-the-Counter Traded Securities;
  - (iii) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to share certificates listed on a Financial Instruments Exchange or the rights pertaining to the share certificates provided in the preceding paragraph; or
  - (iv) the Securities set forth in Article 2 (1)(xx) of the Act (except for Securities which indicate rights pertaining to share certificates, those falling under the preceding item are excluded) which fall under the category of Listed Securities or Over-the-Counter Traded Securities.

(A Company Having a Close Relationship)

Article 4-4 (1) The company that has a close relationship as specified by a Cabinet Order, referred to in Article 24-7 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), is the following companies:

- (i) a company who holds the majority of the Voting Rights Held by All the Shareholders, etc. of a Subsidiary Company Submitting Annual Reports (meaning the Subsidiary Company Submitting Annual Reports prescribed in Article 24-7 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act); the same applies in the following item, Article 4-7 (1), Article 39 (3) and Article 41-2 (3)) in its own name or in another person's name (or under a fictitious name; hereinafter the same applies in this Article and Article 4-7); or
- (ii) in cases where a company and a Juridical Person, etc. (meaning a juridical person and other organizations; the same applies hereinafter) for which a majority of the Voting Rights Held by All the Shareholders, etc. are held by said company in its own name or in another person's name, jointly hold the majority of the Voting Rights Held by All the Shareholders, etc. of a Subsidiary Company Submitting Annual Reports in their own name or in another person's name, said company.

(2) In cases where a company and a Juridical Person, etc. for which a majority of the Voting Rights Held by All the Shareholders, etc. are held by said company in its own name or in another person's name (hereinafter such Juridical Person, etc. is referred to as the "Controlled Juridical Person, etc." in this paragraph and Article 4-7), jointly hold the majority of the Voting Rights Held by All the Shareholders, etc. of another Juridical Person, etc. in their own name or in another person's name, said other Juridical Person, etc. is deemed to be the Controlled Juridical Person, etc. of said company and the provisions of item (ii) of the preceding paragraph and this paragraph apply.

(Deadline for Submission of Parent Company, etc. Status Report Related to a Foreign Company)

Article 4-5 The period specified by a Cabinet Order, referred to in Article 24-7 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), is three months; provided, however, that in cases where the Foreign Company (in cases where applied mutatis mutandis pursuant to Article 24-7 (6) of the Act, a foreign person) who is a Parent Company, etc. (meaning a Parent Company, etc. as defined in Article 24-7 (1) of the Act; the same applies in Article 4-8) is found unable to submit the Parent Company, etc. Status Report (meaning the Parent Company, etc. Status Report prescribed in Article 24-7 (1) of the Act; the same applies hereinafter) within three months after the end of its business year due to its nation's laws and regulations, the practice thereof, or any other inevitable grounds, such a period is the period approved in advance by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Replacement of Terms Concerning the Amendment of a Parent Company, etc. Status Report)

Article 4-6 With regard to the Parent Company, etc. Status Report referred to in Article 24-7 (1) of the Act, the technical replacement of terms under paragraph (3) of that Article in cases where the provisions of the Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 9, paragraph (1) of the Act	a statement or other document under Article 5, paragraph (1) or paragraph (6) or	a Parent Company, etc. Status Report or an amendment reports under
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(Persons Other Than a Company Who Has a Close Relationship)

Article 4-7 (1) The persons other than a company who has a close relationship as specified by a Cabinet Order, referred to in Article 24-7 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 24-7 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), are the following persons:

- (i) a Cooperative Financial Institution (meaning the issuer of the Securities set forth in Article 2 (1)(vii) of the Act (including the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of such Securities) who holds the majority of the Voting Rights Held by All the Shareholders, etc. of a Subsidiary Company Submitting Annual Reports in its own name or in another person's name, or any other person specified by a Cabinet Office Ordinance (hereinafter referred to as the " Cooperative Financial Institution, etc." in this Article); or
  - (ii) in cases where a Cooperative Financial Institution, etc. and the Controlled Juridical Person, etc. thereof jointly hold the majority of the Voting Rights Held by All the Shareholders, etc. of a Subsidiary Company Submitting Annual Reports in their own name or in another person's name, said Cooperative Financial Institution, etc.
- (2) In cases where a Cooperative Financial Institution, etc. and the Controlled Juridical Person, etc. thereof jointly hold the majority of Voting Rights Held by All the Shareholder, etc. of another Juridical Person, etc. in their own name or in another person's name, said other Juridical Person, etc. is deemed to be the Controlled Juridical Person, etc. of said Cooperative Financial Institution, etc. and the provisions of item (ii) of the preceding paragraph and this paragraph applies.

(Replacement of Terms Concerning the Submission of the Parent Company, etc. Status Report by Persons Other Than a Company)

Article 4-8 With regard to the case where the Parent Company, etc. referred to in Article 24-7 (1) of the Act is a person other than a company, the technical replacement of terms under paragraph (6) of that Article in cases where the provisions of the Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24-7, paragraph (1) of the Act	foreign company	foreign person

(Replacement of Terms in Cases Where the Issuer is a Person Other Than a Company)

Article 4-9 In cases where the provisions of the Act are applied mutatis mutandis to the case where the issuer is a person other than a company under the provisions of Article 27 of the Act, the technical replacement of terms under that Article is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 24, paragraph (10) of the Act	foreign company	foreign person

(Scope, etc. of Securities for Which the Submission of an Annual Report Pertaining to an Issuer Other Than a Company May Be Omitted)

Article 4-10 (1) The Securities specified by a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in the following paragraph and the following Article), are Preferred Equity Securities.  
(2) The number calculated pursuant to the provisions of a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, is 300.

(The Amount of the Stated Capital, etc. for Which the Submission of an Annual Report Pertaining to an Issuer Other Than a Company May Be Omitted)

Article 4-11 (1) The amount specified by a Cabinet Order as the amount of the stated capital, referred to in the proviso to Article 24 (1) of the Act, is the amount of net assets of the Incorporated Educational Institution, etc. stated on the balance sheet.  
(2) The amount specified by a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, is 100 million yen.  
(3) The number specified by a Cabinet Order, referred to in the proviso to Article 24 (1) of the Act, is 300.  
(4) The Securities specified by a Cabinet Order, referred to in Article 24 (1)(iv) of



the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in the following paragraph), are Preferred Equity Securities and the claims set forth in Article 1-3-4.

(5) The number specified by a Cabinet Order, referred to in Article 24 (1)(iv) of the Act, is the number specified in the following items according to the category of Securities set forth in the respective items:

- (i) Preferred Equity Securities: 1000 (in cases where the Preferred Equity Securities are Securities for Professional Investors, the number obtained by adding the number of Professional Investors calculated pursuant to the provisions of a Cabinet Office Ordinance to 1000); or
- (ii) the claims set forth in Article 1-3-4: 500.

(Issuer of Foreign Bonds, etc. for Which the Submission of a Semiannual Report May Be Omitted)

Article 5 The issuer of, among the Securities set forth in Article 2 (1)(xvii) of the Act, the Securities which have the nature of the Securities listed in item (i) or item (ii) of that paragraph or the issuer of, among the Securities set forth in Article 2 (1)(xvii) of the Act, the Securities which have the nature of the Securities listed in item (iii) of that paragraph (limited to the issuer designated by the Commissioner of the Financial Services Agency as those whose omitted submission of a Semiannual Report and Ad-hoc Report (meaning the Semiannual Report and Ad-hoc Report set forth in Article 24-5 of the Act as applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) would not compromise the public interest or the protection of investors) is not required to submit Semiannual Report and Ad-hoc Report.

### **Chapter III Disclosure Required for a Tender Offer**

#### **Section 1 Tender Offers for Share Certificates, etc. by a Person Other Than the Issuer**

(Securities, etc. that Are Required to be Purchased through Tender Offer)

Article 6 (1) The Securities set forth in Article 27-2 (1) of the Act which are specified by a Cabinet Order are the following Securities (excluding share certificates pertaining to shares with no voting rights on all the matters which may be resolved at a shareholders meeting (referred to as "Shares with No Voting Rights" in Article 14-5-2) or other Securities specified by a Cabinet Office Ordinance; hereinafter referred to as "Share Certificates, etc." in this Section):

- (i) share certificates, share option certificates and corporate bond certificates with share options;

- (ii) securities or certificates issued by a foreign person which have the nature of the Securities set forth in the preceding item;
  - (iii) Investment Securities, etc.;
  - (iv) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Securities set forth in the preceding three items; and
  - (v) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Securities listed in item (i) to item (iii) inclusive.
- (2) The Securities specified by a Cabinet Order as those for which the state of distribution can be regarded as being equivalent to the Specified Listed Securities, provided in Article 27-2 (1) of the Act, are Specified Over-the-Counter Traded Securities.
- (3) The acts specified by a Cabinet Order as being similar to the acceptance of transfer for value of Share Certificates, etc., referred to in Article 27-2 (1) of the Act, are as follows:
- (i) pre-contract for the sale or purchase of Share Certificates, etc. exercisable by one party (limited to cases wherein the party holds the rights to complete the sale or purchase and acquires the position as a buyer through the exercise of said rights)
  - (ii) acquisition of Options (meaning Options as defined in Article 2 (1)(xix) of the Act; the same applies hereinafter) pertaining to the sale and purchase of Share Certificates, etc. (limited to the Options wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase through the exercise of the Options);
  - (iii) any other acts specified by a Cabinet Office Ordinance.

(Purchases, etc. Exempted from Tender Offer)

Article 6-2 (1) The Purchase, etc. of Share Certificates, etc. specified by a Cabinet Order, referred to in the proviso to Article 27-2 (1) of the Act, is the following Purchases, etc. (meaning the Purchases, etc. prescribed in that paragraph; hereinafter the same applies in this Section) of Share Certificates, etc.

- (i) the Purchase, etc. of Share Certificates, etc. made through the exercise of the right to receive the allotment of shares by the person who holds such rights;
- (ii) the Purchase, etc. of Share Certificates, etc. made through the exchange of the beneficiary certificate of an investment trust prescribed in Article 12 (i)(a) of the Order for the Enforcement of the Act on Investment Trust and Investment Corporations under Article 12 (1) of that Order by the person who holds such beneficiary certificates;
- (iii) the Purchase, etc. of Share Certificates, etc. made through the exchange of the beneficiary certificate of an investment trust prescribed in Article 12 (ii)

of the Order for the Enforcement of the Act on Investment Trusts and Investment Corporations under Article 12 (ii)(c) of that Order by the person who holds such beneficiary certificates;

- (iv) the Specified Purchase, etc. (meaning the Purchase, etc. of Share Certificates, etc. which is referred to in paragraph (3); hereinafter the same applies in this paragraph) pertaining to the Share Certificates, etc. issued by the issuer thereof, in cases where the sum rate of the Ownership Ratio of Share Certificates, etc. (meaning the Ownership Ratio of Share Certificates, etc. defined in Article 27-2 (8) of the Act; hereinafter the same applies in this Section) for Share Certificates, etc. in the possession of the person who conducts the Specified Purchase, etc. and the Ownership Ratio of Share Certificates, etc. of the Specially Related Parties (meaning the Specially Related Parties set forth in the proviso to Article 27-2 (1) of the Act) thereof exceeds 50 percent before the Specified Purchase, etc. is conducted (excluding the cases where the Ownership Ratio of Share Certificates, etc. for Share Certificates, etc. in the possession of the person who conducts the Specified Purchase, etc. (in cases where there are Specially Related Parties (meaning Specially Related Parties as set forth in Article 27-2 (1)(i) of the Act) with said person, the rate obtained by adding the Ownership Ratio of Share Certificates, etc. of such Specially Related Parties; hereinafter the same applies in this Section) is not less than two-thirds after the Specified Purchase, etc. is conducted);
- (v) in cases where a Juridical Person, etc. who is in the position of holding the shares or equity pertaining to the voting rights exceeding 50 percent of the number of the Voting Rights Held by All the Shareholders, etc. of a Juridical Person, etc. (excluding the cases specified by a Cabinet Office Ordinance; hereinafter referred to as the "Special Controlling Interest" in this item) (such Juridical Person, etc. is referred to as the "Parent Corporation, etc." in the following item), holds a Special Controlling Interest over another Juridical Person, etc., the Specified Purchase, etc. conducted by said other Juridical Person, etc.;
- (vi) in cases where the person who conducts a Specified Purchase, etc. and the Parent Corporation, etc. of said person who conducts a Specified Purchase, etc. and any other person specified by a Cabinet Office Ordinance (hereinafter referred to as the "Related Juridical Person, etc." in this item) jointly hold shares or Investment Equity (meaning the Investment Equity prescribed in Article 2 (14) of the Act on Investment Trusts and Investment Corporations and including the status as a member of a Foreign Investment Corporation (meaning a Foreign Investment Corporation as prescribed in Article 2 (23) of that Act; the same applies hereinafter) hereinafter the same applies in this Section) pertaining to the voting rights exceeding one-thirds

- of the number of Voting Rights Held by All the Shareholders, etc. of another issuer, the Specified Purchase, etc. of Share Certificates, etc. of said other issuer made by said Related Juridical Person, etc. (excluding those specified by a Cabinet Office Ordinance) (excluding the Specified Purchase, etc. set forth in the preceding item);
- (vii) the Specified Purchase, etc. made in the case specified by a Cabinet Office Ordinance as being a case where the number of the holders of Share Certificates, etc. is small, and where all the holders of the Share Certificates, etc. have given consent to make the Specified Purchase, etc. pertaining to the Share Certificates, etc. by means other than a Tender Offer as specified by a Cabinet Office Ordinance;
  - (viii) the Specified Purchase, etc. made through the exercise of the security interest;
  - (ix) the Specified Purchase, etc. made by the acceptance of the transfer of the business in whole or in part;
  - (x) the Purchase, etc. of Share Certificates, etc. made in response to the Secondary Distribution of Share Certificates, etc. (limited to cases where the notification under Article 4 (1) of the Act has been given or the Supplements to Shelf Registration Documents defined in Article 23-8 (1) of the Act has been submitted under that paragraph with regard to the Secondary Distribution);
  - (xi) in cases where the issuer provides, as a feature of all or part of its shares, that the shareholders may demand said issuer to redeem the shares, the Purchase, etc. of the Share Certificates, etc. which are delivered in exchange of the redemption of the shares;
  - (xii) in cases where the issuer provides, as a feature of all or part of its shares, that the issuer may acquire the shares or share options upon the occurrence of a specified event, Purchase, etc. of the Share Certificates, etc. which are delivered in exchange of the acquisition of the shares or share options;
  - (xiii) in cases where an Officer(s) (meaning a director, executive officer, accounting advisor (in cases where the accounting advisor is a juridical person, the member to perform the duties thereof is included; the same applies in Article 9 (1) and Article 14-8-2 (1)), or company auditor, and in the case of an Investment Corporation (meaning an Investment Corporation as defined in Article 2 (12) of the Act on Investment Trusts and Investment Corporations and including a Foreign Investment Corporation), meaning the corporate officer, supervisory officer, or any person equivalent thereto; hereinafter the same applies in this item) or employee(s) of the issuer of the Share Certificates, etc. entrusts the Purchase, etc. of the issuer's Share Certificates, etc. to a Financial Services Provider (limited to those who conduct Type I Financial Instruments Business (meaning the Type I

Financial Instruments Business defined in Article 28 (1) of the Act; the same applies hereinafter) jointly with other Officers or employees of the issuer, the Purchase, etc. of Share Certificates, etc. made in the case where such Purchase, etc. is to be made continuously according to a certain plan, without depending on an individual investment decision, and any other case specified by a Cabinet Office Ordinance;

(xiv) the Purchase, etc. of the Share Certificates, etc. which are issued by an issuer other than the issuer who is required to submit an Annual Report pursuant to Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) (excluding the issuer of Share Certificates, etc. which are Specified Listed Securities or Specified Over-the-Counter Traded Securities); or

(xv) in cases where the Clearing Member (meaning a Clearing Member as prescribed in Article 156-7 (2)(iii) of the Act) who has the obligation to deliver the Share Certificates, etc. to the Financial Instruments Clearing Organization (in cases where such Financial Instruments Clearing Organization conducts a collaborative Financial Instruments Debt Assumption Service prescribed in Article 156-20-16 (1), including the Interoperable Clearing Organization, etc. set forth in said paragraph; hereinafter the same applies in this item) or the Foreign Financial Instruments Clearing Organization has failed to perform such an obligation by the time specified as the limit for the performance of such obligations in the business rules of said Financial Instruments Clearing Organization or Foreign Financial Instruments Clearing Organization, the Purchase, etc. of Share Certificates, etc. made pursuant to the provisions of said business rules.

(2) The transactions specified by a Cabinet Order, referred to in Article 27-2 (1)(i) and (2) of the Act, are the transactions of Over-the-Counter Traded Securities on an Over-the-Counter Securities Market.

(3) The case specified by a Cabinet Order as the Purchase, etc. from an extremely small number of persons, referred to in Article 27-2 (1)(i) of the Act, and the case specified by a Cabinet Order as the Purchase, etc. of Share Certificates, etc. from an extremely small number of persons, referred to in item (ii) of that paragraph, are the cases where the total number of persons who are counterparties to the Purchase, etc. of Share Certificates, etc., and the counterparties of a Purchase, etc. of Share Certificates, etc. issued by the issuer of the Share Certificates, etc. which has been made outside the Financial Instruments Exchange Market during the 60 days prior to the day on which said Purchase, etc. is to be made (excluding the persons specified by a Cabinet Office Ordinance) (excluding Purchase, etc. made through a Tender

Offer, Purchase, etc. of Share Certificates, etc. made through the transaction of Over-the-Counter Traded Securities on an Over-the-Counter Securities Market, Purchase, etc. of Share Certificates, etc. made through the exercise of share options by the person who holds such options, and the Purchases, etc. listed in paragraph (1)(i) to (iii) inclusive and (x) to (xv) inclusive), is less than ten persons.

(Purchase, etc. to Which Restrictions on Tender Offer Are Applied)

Article 7 (1) The cases specified by a Cabinet Order as equivalent to the possession of Share Certificates, etc., referred to in Article 27-2 (1)(i) of the Act, are the following cases:

- (i) the cases where the person who conducts the Purchase, etc. holds the rights to request delivery of Share Certificates, etc. under a sale and purchase contract or any other contract;
  - (ii) the cases where the person who conducts the Purchase, etc. has the authority to exercise voting rights as a shareholder or Investor (meaning an investor as defined in Article 2 (16) of the Act on Investment Trusts and Investment Corporations and including the members of a Foreign Investment Corporation; the same applies in Article 14-6-2 (ii) of the issuer of Share Certificates, etc., or the authority to give instructions with regard to the exercise of voting rights under a money trust contract or any other contract, or the provisions of Acts;
  - (iii) the cases where the person who conducts the Purchase, etc. has the authority necessary to make investments in Share Certificates, etc. based on a Discretionary Investment Contract (meaning a discretionary investment contract as prescribed in Article 2 (8)(xii)(b) of the Act; the same applies hereinafter) or any other contracts, or the provisions of Acts;
  - (iv) the cases where the person who conducts the Purchase, etc. has made a pre-contract for the sale or purchase of Share Certificates, etc. exercisable by one party (limited to the cases where the person holds the rights to complete the sale or purchase and acquires the position as a buyer through the exercise of said rights);
  - (v) the cases where the person who conducts the Purchase, etc. has acquired the Options pertaining to the sale and purchase of Share Certificates, etc. (limited to the acquisition which causes the person who has exercised the Options acquire the position as a buyer in such sale and purchase through the exercise of the Options); and
  - (vi) any other cases specified by a Cabinet Office Ordinance.
- (2) The period specified by a Cabinet Order, referred to in Article 27-2 (1)(iv) of the Act, is three months.
- (3) The proportion specified by a Cabinet Order related to the acquisition of

Share Certificates, etc., referred to in Article 27-2 (1)(iv) of the Act, is ten percent of the total number of Share Certificates, etc. issued by the issuer of the Share Certificates, etc. subject to such acquisition. In this case, the calculation of such proportion shall be made pursuant to the provisions of a Cabinet Office Ordinance based on the number of voting rights pertaining to the Share Certificates, etc.

- (4) The proportion specified by a Cabinet Order related to the Purchase, etc. of Share Certificates, etc. made through the Specified Purchase and Sale, etc. or the Purchase, etc. made outside of Financial Instruments Exchange Markets, referred to in Article 27-2 (1)(iv) of the Act, is five percent of the total number of Share Certificates, etc. issued by the issuer of the Share Certificates, etc. subject to such Purchase, etc. In this case, the calculation of such proportion shall be made pursuant to the provisions of a Cabinet Office Ordinance based on the number of voting rights pertaining to the Share Certificates, etc.
- (5) The period specified by a Cabinet Order, referred to in Article 27-2 (1)(v) of the Act, is the period from the day of commencement of the period of Purchase, etc. of Share Certificates, etc. stated on the Tender Offer Statement (meaning the Tender Offer Statement prescribed in Article 27-3 (2) of the Act) pertaining to the Tender Offer made with regard to the Share Certificates, etc. until the day on which such period ends.
- (6) The proportion specified by a Cabinet Order, referred to in Article 27-2 (1)(v) of the Act, is five percent of the total number of Share Certificates, etc. issued by the issuer of the Share Certificates, etc. subject to Purchase, etc. In this case, the calculation of such proportion shall be made pursuant to the provisions of a Cabinet Office Ordinance based on the number of voting rights pertaining to the Share Certificates, etc.
- (7) The Purchase, etc. of Share Certificates, etc. specified by a Cabinet Order, referred to in Article 27-2 (1)(vi) of the Act, is , in cases where the provisions of Article 27-2 (1)(iv) of the Act are applied to the Acquisition of Share Certificates, etc. (meaning the Purchase, etc. of Share Certificates, etc. and the Acquisition of Newly Issued Share Certificates, etc. prescribed in Article 27-2 (1)(iv) of the Act; hereinafter the same applies in this paragraph) made by the Purchaser of Share Certificates, etc. (meaning the person who conducts the Purchase, etc. of Share Certificates, etc.; hereinafter the same applies in this paragraph) and to the Acquisition of Share Certificates, etc. made by the Person in Special Relationship (meaning the Specially Related Party prescribed in Article 27-2 (7)(ii) of the Act) thereof by deeming such acquisition to be the Acquisition of Share Certificates, etc. made by the Purchaser of Share Certificates, etc., the Purchase, etc. of Share Certificates, etc. made as the Acquisition of Share Certificates, etc. which is to fall under the category of Purchase, etc. of Share Certificates, etc. prescribed in Article 27-2 (1)(iv) of the

Act.

(Period, etc. of Purchase, etc.)

- Article 8 (1) The period specified by a Cabinet Order, referred to in Article 27-2 (2) of the Act, is not less than 20 days (the number of days listed in the items of Article 1 (1) of the Act on Holidays of Administrative Organs (Act No. 91 of 1988) (hereinafter referred to as the "Holidays of Administrative Organs") is not included) but within 60 days (the Holidays of Administrative Organs shall not be included) from the day on which the Tender Offeror (meaning the Tender Offeror prescribed in Article 27-3 (2) of the Act; hereinafter the same applies in this Section) has given the Public Notice of the Commencement of the Tender Offer (meaning the public notice referred to in Article 27-3 (1) of the Act; hereinafter the same applies in this Section).
- (2) That specified by a Cabinet Order as being equivalent to the price of purchase, referred to in Article 27-2 (3) of the Act, is the ratio of exchange between the Share Certificates, etc. and the Securities or anything other than money, in cases where Securities, or anything other than money, are delivered as the consideration of the Purchase, etc., and when money is delivered for the difference that has arisen in such exchange, such includes the amount of such money.
- (3) In the case of Purchase, etc. of Share Certificates, etc. by means of a Tender Offer, the Price for the Purchase, etc. (meaning the price for the Purchase, etc. referred to in Article 27-2 (3) of the Act) must be the same for all Accepting Shareholders, etc. (meaning the Accepting Shareholders, etc. prescribed in Article 27-12 (1) of the Act; hereinafter the same applies in this Section); provided, however, that in cases where the Tender Offeror allows the Accepting Shareholders, etc. to choose two or more types of consideration, the types of consideration which may be chosen must be the same for all the Accepting Shareholders, etc. and the consideration of each type delivered to the Accepting Shareholders, etc. respectively must be the same as well.
- (4) The affairs specified by a Cabinet Order, referred to in Article 27-2 (4) of the Act, are as follows:
- (i) the retention and refund of Share Certificates, etc. Offered to Sell (meaning Share Certificates, etc. Offered to Sell as prescribed in Article 27-12 (3) of the Act);
  - (ii) the payment for the Purchase, etc. (in cases where Securities, or anything other than money, are delivered as the consideration for Purchase, etc., the delivery of the Securities or anything other than money is included); and
  - (iii) affairs to fix the number of Share Certificates, etc. for which Purchase, etc. is to be made by the Pro Rata Method (meaning the Pro Rata Method prescribed in Article 27-13 (5) of the Act).



- (5) The conditions and methods specified by a Cabinet Order, referred to in Article 27-2 (5) of the Act, are as follows:
- (i) when the period of Purchase, etc. has ended, the written notice of Purchase, etc. containing the number of Share Certificates, etc. for which the Purchase, etc. is to be made and any other matters specified by a Cabinet Office Ordinance shall be sent to the Accepting Shareholders, etc. without delay;
  - (ii) the transfer or other settlement procedures for Purchase, etc. is to be made without delay after the expiration of the period of Purchase, etc.; and
  - (iii) in cases where the total Ownership Ratio of Share Certificates, etc. of a person who makes a Purchase, etc. is not less than two-thirds after such a Purchase, etc. has been conducted, the solicitation for application of Purchase, etc. or Sales, etc. (meaning the Sales, etc. prescribed in Article 27-2 (6) of the Act; hereinafter the same applies in this Chapter) is to be made pursuant to the provisions of a Cabinet Office Ordinance with regard to all the Share Certificates, etc. issued by the issuer of the respective Share Certificates, etc. (excluding the Share Certificates, etc. specified by a Cabinet Office Ordinance as those which would not compromise the public interest or the protection of investors).
- (6) The person who is required to send a written notice under item (i) of the preceding paragraph may, in the case specified by a Cabinet Office Ordinance, provide the matters to be stated in said written notice by a method using an Electronic Data Processing System or any other method specified by a Cabinet Office Ordinance in lieu of sending said written notice. In this case, the person who has provided the matters is deemed to have sent the written notice.

(Special Relationship)

- Article 9 (1) The special relationship specified by a Cabinet Order referred to in Article 27-2 (7)(i) of the Act is , in cases where the person who makes the Purchase, etc. of Share Certificates, etc. is an individual, a relationship with the following persons:
- (i) a relative(s) of such person (limited to the spouse thereof and the relatives by blood or affinity within the first degree of kinship; hereinafter the same applies in this Article);
  - (ii) in cases where the person who conducts the Purchase, etc. of Share Certificates, etc. (including the relative(s) of such a person) is in the position of holding the shares or equity pertaining to not less than 20 percent of the Voting Rights Held by All the Shareholders, etc. of a Juridical Person, etc. in his/her own name or in another person's name (or under a fictitious name; hereinafter the same applies in this Article ) (hereinafter such relationship is referred to as a "Special Capital Relationship" in this Article), said Juridical Person, etc. and its Officers (meaning a director(s), executive officer(s),

accounting advisor(s), or company auditor (including board member(s), inspector(s), and persons equivalent thereto); hereinafter the same applies in this Article) (excluding the cases where said person will come to have a Special Capital Relationship by conducting the Purchase, etc. of said Share Certificates, etc.)

- (2) The special relationship specified by a Cabinet Order, referred to in Article 27-2 (7)(i) of the Act, is, in cases where the person who conducts the Purchase, etc. of Share Certificates, etc. is a Juridical Person, etc., a relationship with the following persons:
  - (i) Officers of such Juridical Person, etc.
  - (ii) in cases where such Juridical Person, etc. has a Special Capital Relationship with another Juridical Person, etc. (excluding the case where such a person will come to have a Special Capital Relationship by conducting such Purchase, etc. of Share Certificates, etc.), said other Juridical Person, etc. and its Officers; and
  - (iii) an individual, another Juridical Person, etc., or any Officer of such other Juridical Person, etc. who has a Special Capital Relationship with such Juridical Person, etc.
- (3) in cases where an individual (including the relatives thereof; hereinafter the same applies in this Article) and the Controlled Juridical Person, etc. thereof, or a Juridical Person, etc. and the Controlled Juridical Person, etc. thereof jointly hold the shares or equity pertaining to the voting rights of not less than 20 percent of the Voting Rights Held by All the Shareholders, etc. of another Juridical Person, etc. in their own name or in another person's name, said individual or Juridical Person, etc. is deemed to have a Special Capital Relationship with said other Juridical Person, etc. and the provisions of the preceding two paragraphs applies.
- (4) in cases where an individual and the Controlled Juridical Person, etc. thereof or a Juridical Person, etc. and the Controlled Juridical Person, etc. thereof jointly hold the shares or equity pertaining to the voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of another Juridical Person, etc. in their own name or in another person's name, said other Juridical Person, etc. is deemed to be the Controlled Juridical Person, etc. of said individual or said Juridical Person, etc. and the provision of the preceding paragraph applies.
- (5) The Controlled Juridical Person, etc. referred to in the preceding two paragraphs, in cases where an individual or a Juridical Person, etc. hold shares or equity pertaining to the voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of another Juridical Person, etc. in his/her own name or in another person's name, said other Juridical Person, etc.

(Securities to Be Added to the Calculation of Ownership Ratio of Share Certificates, etc.)

Article 9-2 The Securities specified by a Cabinet Order, referred to in Article 27-2 (8)(i) and (ii) of the Act, are the following Securities:

- (i) corporate bond certificates with share options;
- (ii) share option certificates;
- (iii) in cases where the issuer provides, as a feature of all or part of its shares, that the shareholders may demand said issuer to redeem the shares, the share certificates of such shares;
- (iv) in cases where the issuer provides, as a feature of all or part of its shares, that the issuer may acquire its shares upon the occurrence of a specified event, the share certificates of such shares; and
- (v) securities or certificates issued by a foreign person which have the nature of the Securities set forth in the preceding items.

(Public Notice of the Commencement of a Tender Offer, etc.)

Article 9-3 (1) Public notices under the Article 27-3 (1), Article 27-6 (1), Article 27-8 (11), Article 27-10 (4), Article 27-11 (2), and Article 27-13 (1) of the Act must be given by any of the following methods:

- (i) taking measures to make the information which should be given in a public notice available to many and unspecified persons by a method using the Electronic Data Processing System for Disclosure pursuant to the provisions of a Cabinet Office Ordinance (referred to as the "Electronic Public Notice" in paragraph (3) to paragraph (5) inclusive); or
  - (ii) publication in a daily newspaper that publishes matters on current affairs (including daily newspapers that report on general industrial and economic matters; the same applies in item (i) of the following Article and Article 14-3-4 (1)(ii)) pursuant to the provisions of a Cabinet Office Ordinance.
- (2) Among the public notices referred to in the preceding paragraph, the public notice set forth in the main clause of Article 27-8 (11) of the Act must be given immediately after the amendment under that paragraph has been submitted.
- (3) The person who gives the public notice by way of Electronic Public Notice pursuant to the provision of paragraph (1) must publish to the effect that the public notice has been given in a daily newspaper that publishes matters on current affairs pursuant to the provisions of a Cabinet Office Ordinance without delay after the person has given the public notice.
- (4) The person who gives the public notice by way of Electronic Public Notice pursuant to paragraph (1) must continue to provide the Electronic Public Notice until the day specified in the following items according to the category of public notice set forth in the respective items:
- (i) a public notice under Article 27-3 (1), Article 27-6 (1), Article 27-8 (11),

Article 27-10 (4), or Article 27-11 (2) of the Act: the last day of the Tender Offer Period; and

(ii) a public notice under Article 27-13 (1) of the Act: the day on which one month has elapsed from the publication of the public notice.

(5) The provisions of Article 4-2-4 (3) and (4) applies mutatis mutandis to a person who gives the public notice by way of Electronic Public Notice pursuant to paragraph (1). In this case, the phrase "item (ii) of paragraph (1)" in Article 4-2-4 (3) is deemed to be replaced with "Article 9-3 (1)(ii)" and the phrase "paragraph (2)" in Article 4-2-4 (4) is deemed to be replaced with "Article 9-3 (4)."

(6) The period specified by a Cabinet Order referred to in the second sentence of Article 27-3 (1) of the Act and Article 27-10 (2)(ii) and (3) of the Act is 30 days (the Holidays of Administrative Organs are not included).

(Public Announcement of the Numbers, etc. of Share Certificates Offered to Sell)

Article 9-4 The public announcement under Article 27-13 (1) of the Act must be given by disclosure to the following journalistic organizations, pursuant to the provisions of a Cabinet Office Ordinance:

(i) news publishers engaged in the sale of daily newspapers that publish matters on current affairs in the course of trade;

(ii) communications agencies engaged in the comprehensive transmission of matters on current affairs to the news publishers set forth in the preceding item in the course of trade; and

(iii) NHK (Japan Broadcasting Corporation) and Private Broadcasters (meaning the Private Broadcasters prescribed in Article 2 (iii)-3 of the Broadcast Act (Act No. 132 of 1950); the same applies hereinafter).

(Person Affiliated with a Tender Offeror)

Article 10 The persons concerned specified by a Cabinet Order, referred to in Article 27-3 (3) of the Act, are the following persons:

(i) a Financial Services Provider or a Bank, etc. (meaning a bank, a Cooperative Financial Institution prescribed in Article 2 (1) of the Act on Preferred Equity Investment (hereinafter referred to as the " Cooperative Financial Institution "), or a Financial Institution listed in the items of Article 1-9 of this Order; the same applies in Article 14-3-5 (i)) who carries out the affairs set forth in Article 8 (4) on behalf of the Tender Offeror; or

(ii) a person who conducts the Purchase, etc. of Share Certificates, etc. by means of a Tender Offer while representing the Tender Offeror.

(Share Certificates, etc. Equivalent to Listed Share Certificates, etc.)

Article 11 The Share Certificates, etc. specified by a Cabinet Order, referred to in Article 27-3 (4)(ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-8 (6) of the Act (including the case where applied mutatis mutandis pursuant to Article 27-13 (3) of the Act), Article 27-11 (4), and Article 27-13 (3) of the Act; hereinafter the same applies in this Article), are the Share Certificates, etc. that fall under the category of Over-the-Counter Traded Securities, and the Authorized Financial Instruments Business Association specified by a Cabinet Order, referred to in Article 27-3 (4)(ii) of the Act, is the Authorized Financial Instruments Business Association that registers such Share Certificates, etc.

(Cases Where Purchase, etc. May be Conducted by Means Other than a Tender Offer)

Article 12 The cases specified by a Cabinet Order, referred to in Article 27-5 (iii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-8 (10) of the Act), are the following cases:

- (i) cases where the person listed in the items of Article 10 conducts the Purchase, etc. under the entrustment of a person other than the Tender Offeror or the Specially Related Party (meaning a Specially Related Party as prescribed in Article 27-2 (7) of the Act and the person who has given the notification to the Commissioner of the Financial Services Agency under Article 27-5 (ii) of the Act; hereinafter the same applies in this Section) thereof;
- (ii) cases where the person listed in the items of Article 10 conducts the Purchase, etc. which is authorized for the facilitation of smooth distribution of Securities by the rules provided by a Financial Instruments Exchange or Authorized Financial Instruments Business Association;
- (iii) cases where the person who holds share options conducts the Purchase, etc. through the exercise of said share options;
- (iv) cases where the Purchase, etc. set forth in Article 6-2 (1)(i) to (iii) inclusive, (xi) and (xii) is to be conducted;
- (v) cases where the person listed in the items of Article 10 conducts the Purchase, etc. by exercising the Options pertaining to the sale and purchase of Share Certificates, etc. held thereby, or in response to the exercise of Options pertaining to the sale and purchase of Share Certificates, etc. attached thereby;
- (vi) cases where the Purchase, etc. set forth in Article 6-2 (1)(xv) is to be conducted;
- (vii) cases where Purchase, etc. is to be conducted in a foreign state where the Foreign Financial Instruments Exchange which lists the Share Certificates, etc. is located, by means of a Foreign Tender Offer (meaning offers similar to

a Tender Offer and the solicitation for application of Purchase, etc. or Sales, etc. of Share Certificates, etc. made to many and unspecified persons under the laws and regulations of a foreign state; the same applies in Article 14-3-7 (ii) under the provisions of laws and regulations of said foreign state; and (viii) cases where the Purchase, etc. pertaining to the Share Certificates, etc. is to be conducted in response to the request for the purchase of Shares under the provisions of Article 116 (1), Article 192 (1), Article 469 (1), Article 785 (1), Article 797 (1), or Article 806 (1) of the Companies Act.

(Prohibited Changes in the Terms of Purchase, etc.)

Article 13 (1) The acts specified by a Cabinet Order, referred to in Article 27-6 (1)(i) of the Act, are as follows:

- (i) the split of shares or Investment Equity; and
- (ii) the allotment of shares or share options to shareholders (limited to those made without requiring an additional payment).

(2) The changes in the Terms of Purchase, etc. specified by a Cabinet Order, referred to in Article 27-6 (1)(iv) of the Act, are as follows:

- (i) in cases where the conditions set forth in Article 27-13 (4)(i) of the Act have been imposed, an increase in the number of Share Certificates, etc. designated in the Public Notice of the Commencement of the Tender Offer and Tender Offer Statement as prescribed in that item; provided, however, that this does not apply to cases where a person other than the Tender Offeror, a Specially Related Party thereof, or the issuer of the Share Certificates, etc. for which the Tender Offer has been commenced (hereinafter referred to as the "Subject Company" in this Section) has given a Public Notice of the Commencement of a Tender Offer or a Public Notice or Public Announcement (meaning a public notice or public announcement as referred to in Article 27-6 (2) or (3) of the Act) of the changes in the Terms of Purchase which increases the number of Share Certificates, etc. planned to be purchased, and has conducted the Tender Offer with regard to the Share Certificates, etc. issued by the Subject Company;

- (ii) an extension of the period of Purchase, etc. exceeding the period specified in Article 8 (1); provided, however, that this does not apply to cases where the period specified in the following items is to be extended according to the category of cases set forth in the respective items:

- (a) cases where the period of Purchase, etc. must be extended pursuant to the provisions of Article 27-8 (8) of the Act: the period to be extended pursuant to that paragraph; and
- (b) cases where a person other than the Tender Offeror or a Specially Related Party thereof has given, with regard to the Share Certificates, etc. issued by the Subject Company, the Public Notice of the Commencement of the

Tender Offer (including the Public Notice of the Commencement of the Tender Offer set forth in Article 27-3 (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) or a Public Notice or Public Announcement (meaning the public notice or public announcement under Article 27-6 (2) or (3) of the Act or Article 27-8 (8) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act or Article 27-22-3 (4) of the Act)) of the changes in the Terms of Purchase which extend the period of Purchase, etc., during the Tender Offer Period (meaning the Tender Offer Period as prescribed in Article 27-5 of the Act; hereinafter the same applies in this Section): a period not exceeding the number of days counted from the day following the last day of the Tender Offer Period (including the Tender Offer Period prescribed in Article 27-5 of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) until the last day of the Tender Offer Period pertaining to the Public Notice of the Commencement of the Tender Offer or the Public Notice or Public Announcement of such changes;

- (iii) a change in the types of consideration for Purchase, etc.; provided, however, that this does not apply to cases where a new type of consideration is added as an option for the Accepting Shareholders, etc. to choose; and
- (iv) in cases where the condition set forth in Article 27-11 (1) of the Act is imposed, a change in the details of said condition.

(Period to Submit a Target Company's Position Statement)

Article 13-2 (1) The period specified by a Cabinet Order, referred to in Article 27-10 (1) of the Act, is ten days (the Holidays of Administrative Organs are not included).

(2) The period specified by a Cabinet Order, referred to in Article 27-10 (11) of the Act, is five days (the Holidays of Administrative Organs are not included).

(Withdrawal, etc. of a Tender Offer)

Article 14 (1) The circumstances specified by a Cabinet Order, referred to in Article 27-11 (1) of the Act, are as follows; provided, however, that, with regard to circumstances set forth in item (i) to item (iii) inclusive, those that satisfy the criteria specified by a Cabinet Office Ordinance as being minor are excluded:

- (i) the fact that the organ which is responsible for making decisions on the execution of operations of the Subject Company or its Subsidiary (meaning a Subsidiary as prescribed in Article 2 (iii) of the Companies Act; hereinafter the same applies in this Article and Article 14-8-2) has made a decision to conduct the following matters (limited to those publicly announced after the

- day on which the Public Notice of the Commencement of the Tender Offer has been given):
- (a) a share exchange;
  - (b) a share transfer;
  - (c) a company split;
  - (d) a merger;
  - (e) a dissolution (excluding the dissolution as a result of merger);
  - (f) a filing of a petition for commencement of bankruptcy proceedings, rehabilitation proceedings or reorganization proceedings;
  - (g) a reduction of the amount of stated capital;
  - (h) the transfer, acceptance, suspension, or abolition of the business in whole or in part;
  - (i) an application for the delisting of Share Certificates, etc. made to a Financial Instruments Exchange;
  - (j) an application for rescission of the registration of Share Certificates, etc. made to an Authorized Financial Instruments Business Association;
  - (k) a report under Article 74 (5) of the Deposit Insurance Act;
  - (l) the split of shares or Investment Equity;
  - (m) the allotment of shares or share options (limited to those made without requiring an additional payment);
  - (n) the issuance of shares, share options, corporate bonds with share options or Investment Equity (excluding those set forth in sub-item (l) and sub-item (m));
  - (o) the disposal of Treasury Shares (meaning the Treasury Shares prescribed in Article 113 (4) of the Companies Act) (excluding those set forth in sub-item (m));
  - (p) with regard to the shares which have been already issued, providing different provisions on the matters set forth in Article 108 (1)(viii) or (ix) of the Companies Act;
  - (q) the disposal or transfer of important properties;
  - (r) borrowing in a significant amount; and
  - (s) matters equivalent to the matters set forth in sub-item (a) to sub-item (r) inclusive which the Tender Offeror has designated in the Public Notice of the Commencement of the Tender Offer and the Tender Offer Statement (meaning the Tender Offer Statement defined in Article 27-3 (2) of the Act; hereinafter the same applies in this Article);
- (ii) the fact that the organ which is responsible for making decisions on the execution of operations of the Subject Company has made the decisions specified in the following items according to the category of cases set forth in the respective items, (limited to those publicly announced after the day on which the Public Notice of the Commencement of the Tender Offer was



given):

- (a) in cases where the organ which is responsible for making decisions on the execution of operations of the Subject Company has already made a decision to the effect that the organ may issue new shares or conduct any other acts (limited to those conducted after the last day of the period of Purchase, etc. pertaining to the Tender Offer) that may reduce the Ownership Ratio of Share Certificates, etc. of the Tender Offeror by less than the proportion specified by a Cabinet Office Ordinance after the Tender Offer and has publicly announced the details of such decision on the day when the Public Notice of the Commencement of the Tender Offer was given: a decision to the effect that said decision is maintained; or
- (b) in cases where a Subject Company or its Subsidiary Company has issued Share Certificates, etc. pertaining to two or more classes of shares with different features which have different provisions for the matters set forth in Article 108 (1)(viii) or (ix) of the Companies Act on the day when the Public Notice of the Commencement of the Tender Offer was given: a decision to the effect that said different provisions are not changed;
- (iii) the occurrence of the following facts in a Subject Company (limited to those that occur on or after the day on which the Public Notice of the Commencement of the Tender Offer was given); provided, however, that in cases of sub-item (a), sub-item (c), sub-item (e) and sub-item (g), the cases where the relevant acts are conducted by the Tender Offeror and the Specially Related Party thereof are excluded:
  - (a) a petition seeking an injunction against the business or a provisional disposition order seeking a disposition equivalent thereto has been filed;
  - (b) a rescission of license, suspension of business, or any other disposition equivalent thereto under laws and regulations has been given by an administrative agency;
  - (c) a petition for or a notice of the commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or the exercise of an enterprise mortgage has been filed by a person other than the Subject Company;
  - (d) dishonor of a negotiable instrument or check (limited to those due to the shortage of funds necessary for payment), or a disposition of the suspension of a transaction given by a clearinghouse (hereinafter referred to as "Dishonor, etc." in this Article);
  - (e) a suspension of transaction by the Major Trading Partner(s) (meaning the trading partner(s) for which the sales or purchases of the previous business year are not less than ten percent of the total amount of sales or purchases);
  - (f) damages resulting from a disaster;

- (g) an action pertaining to a claim based on a property right has been filed;
  - (h) the delisting of share certificates (limited to the delisting from all Financial Instruments Exchanges on which said Share Certificates are listed);
  - (i) the rescission of registration of share certificates (limited to cases where all the Authorized Financial Instruments Business Associations which register said share certificates have rescinded the registration thereof (excluding rescissions made on the grounds of listing said share certificates); or
  - (j) facts equivalent to those set forth in sub-item (a) to sub-item (i) inclusive which the Tender Offeror has designated in the Public Notice of the Commencement of the Tender Offer and the Tender Offer Statement;
  - (iv) cases where permission, authorization, approval, or anything similar thereto (hereinafter collectively referred to as "Permission, etc." in this item) from an administrative agency under other laws and regulations is necessary for the acquisition of Share Certificates, etc., the fact that such Permission, etc. was not obtained by the day immediately preceding the last day of the Tender Offer Period; and
  - (v) any other circumstances specified by a Cabinet Office Ordinance as being equivalent to those listed in the preceding items.
- (2) The changes in important circumstances specified by a Cabinet Order, referred to in Article 27-11 (1) of the Act, are the following matters:
- (i) death;
  - (ii) being subject to an order for commencement of guardianship;
  - (iii) a dissolution;
  - (iv) being subject to a ruling for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings;
  - (v) a petition for or a notice of the commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or the exercise of an enterprise mortgage has been filed by a person other than the Tender Offeror or the Specially Related Party thereof; or
  - (vi) the fact of Dishonor, etc.

(Method, etc. for Cancellation of Contracts)

Article 14-2 The method specified by a Cabinet Order, referred to in Article 27-12 (2) of the Act, is a method wherein a document stating the cancellation of the contract pertaining to the Tender Offer is delivered or sent to the person designated by the Tender Offeror (limited to the persons specified by a Cabinet Office Ordinance), and the time specified by a Cabinet Order, referred to in Article 27-12 (2) of the Act, is the time when said document has been delivered to or has reached the designated person.

(Cases where a Partial Tender Offer is Allowed)

Article 14-2-2 The rate specified by a Cabinet Order, referred to in Article 27-13 (4) of the Act, is two-thirds.

(Authorized Financial Instruments Business Associations Providing Public Inspection)

Article 14-3 The Authorized Financial Instruments Business Association specified by a Cabinet Order, referred to in Article 27-14 (3) of the Act, is an Authorized Financial Instruments Business Association stipulated in Article 11.

## **Section 2 Tender Offer for Listed Share Certificates, etc. by Issuer**

(Scope of Application of a Tender Offer)

Article 14-3-2 (1) The transactions specified by a Cabinet Order, referred to in Article 27-22-2 (1) of the Act, are the transactions of Over-the-Counter Traded Securities in an Over-the-Counter Securities Market.

(2) The Purchase, etc. specified by a Cabinet Order as that for making available to a large number of persons the matters pertaining to a Purchase, etc. (meaning the Purchase, etc. prescribed in Article 27-22-2 (1) of the Act; hereinafter the same applies in this Section), referred to in Article 27-22-2 (1)(ii) of the Act, is Purchases, etc. conducted by informing a large number of persons of the matters related to the Purchase, etc. (limited to those which include the wording that a solicitation for application of Purchase, etc. or Sale, etc. of the Listed Share Certificates, etc. (meaning the Listed Share Certificates, etc. set forth in Article 24-6 (1) of the Act; hereinafter the same applies in this Section) is to be conducted related to said Purchase, etc.) by publication in a newspaper or magazine, or by using documents, broadcasts, movies, or any other method.

(Period, etc. of Purchase, etc.)

Article 14-3-3 (1) The period specified by a Cabinet Order, referred to in Article 27-2 (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, is not less than 20 days (the Holidays of Administrative Organs are not included) but within 60 days (the Holidays of Administrative Organs are not included) from the day on which the Tender Offeror (meaning the Tender Offeror prescribed in Article 27-3 (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act; hereinafter the same applies in this Section) has given the Public Notice of the Commencement of the Tender Offer (meaning the public notice set forth in Article 27-3 (1) of the Act as applied

mutatis mutandis pursuant to Article 27-22-2 (2) of the Act; hereinafter the same applies in this Section except in Article 14-3-8 (i)(b)).

- (2) That specified by a Cabinet Order as being equivalent to the price of purchase, referred to in Article 27-2 (3) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, is the ratio of exchange between the Share Certificates, etc. and the Securities or anything other than money, in cases where Securities, or anything other than money, are delivered as the consideration of the Purchase, etc. and when money is delivered for the difference arisen in such exchange, such includes the amount of such money.
- (3) In the case of the Purchase, etc. of Listed Share Certificates, etc., by means of a Tender Offer as set forth in the main clause of Article 27-22-2 (1) of the Act (hereinafter referred to as the "Tender Offer" in this Section), the Price for the Purchase, etc. (meaning the price for the Purchase, etc. referred to in Article 27-2 (3) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act; hereinafter the same applies in this Section) is the same for all Accepting Shareholders, etc. (meaning an Accepting Shareholder, etc. as prescribed in Article 27-12 (1) of the Act, as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act; hereinafter the same applies in this Section); provided, however, that in cases where the Tender Offeror allows the Accepting Shareholders, etc. to choose two or more types of consideration, the types of consideration which may be chosen are the same for all the Accepting Shareholders, etc. and the consideration of each type delivered to the Accepting Shareholders, etc. respectively must be the same as well.
- (4) The affairs specified by a Cabinet Order, referred to in Article 27-2 (4) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, are as follows:
  - (i) the retention and refund of Listed Share Certificates, etc. Offered to Sell (meaning the Listed Share Certificates, etc. Offered to Sell as prescribed in Article 27-12 (3) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 27-22-2 (2) of the Act);
  - (ii) the payment for the Purchase, etc. (in cases where Securities, or anything other than money, are delivered as the consideration for Purchase, etc., the delivery of the Securities or anything other than money is included); and
  - (iii) affairs to fix the number of Listed Share Certificates, etc. for which Purchase, etc. is to be made by the Pro Rata Method (meaning the Pro Rata Method prescribed in Article 27-13 (5) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act).
- (5) The conditions and methods specified by a Cabinet Order, referred to in Article 27-2 (5) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, are as follows:
  - (i) when the period of Purchase, etc. has ended, the written notice of Purchase,

etc. containing the number of Listed Share Certificates, etc. for which Purchase, etc. is to be made, and any other matters specified by a Cabinet Office Ordinance, shall be sent to the Accepting Shareholders, etc. without delay; and

(ii) the transfer or other settlement procedures for Purchase, etc. shall be made without delay after the expiration of the period of Purchase, etc.

(6) The person who is required to send the written notice under item (i) of the preceding paragraph may, in the cases specified by a Cabinet Office Ordinance, provide the matters to be stated in said written notice by a method using an Electronic Data Processing System or any other method specified by a Cabinet Office Ordinance in lieu of sending said written notice. In this case, the person who has provided the matters is deemed to have sent the written notice.

(Public Notice of the Commencement of a Tender Offer, etc.)

Article 14-3-4 (1) Public notices under the provisions of Article 27-3 (1), Article 27-6 (2), Article 27-8 (11), Article 27-11 (2), and Article 27-13 (1) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act must be given by any of the following methods:

(i) taking measures to make the information which should be given in a public notice available to many and unspecified persons by a method using the Electronic Data Processing System for Disclosure pursuant to the provisions of a Cabinet Office Ordinance (referred to as the "Electronic Public Notice" in paragraph (3) to paragraph (5) inclusive); or

(ii) publication in a daily newspaper that publishes matters on current affairs pursuant to the provisions of a Cabinet Office Ordinance.

(2) Among the public notices referred to in the preceding paragraph, the public notice set forth in the main clause of Article 27-8 (11) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act must be given immediately after the amendment under Article 27-8 (11) of the Act has been submitted.

(3) The person who gives a public notice by way of Electronic Public Notice pursuant to the provision of paragraph (1) must publish to the effect that the public notice has been given in a daily newspaper that publishes matters on current affairs pursuant to the provisions of a Cabinet Office Ordinance without delay after the person has given the public notice.

(4) The person who gives a public notice by way of Electronic Public Notice pursuant to paragraph (1) must continue to provide the Electronic Public Notice until the day specified in the following items according to the category of public notice set forth in the respective items:

(i) a public notice under the provisions of Article 27-3 (1), Article 27-6 (2), Article 27-8 (11), or Article 27-11 (2) of the Act as applied mutatis mutandis

- pursuant to Article 27-22-2 (2) of the Act: the last day of the Tender Offer Period; and
- (ii) a public notice under Article 27-13 (1) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act : the day on which one month has elapsed from the publication of the public notice.
- (5) The provisions of Article 4-2-4 (3) and (4) apply mutatis mutandis to a person who gives the public notice by way of Electronic Public Notice pursuant to paragraph (1). In this case, the phrase "item (ii) of paragraph (1)" in Article 4-2-4 (3) is deemed to be replaced with "Article 14-3-4 (1)(ii)" and the phrase "paragraph (2)" in Article 4-2-4 (4) is deemed to be replaced with "Article 14-3-4 (4)."
- (6) The provisions of Article 9-4 apply mutatis mutandis to the public announcement under Article 27-13 (1) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act.

(Person Affiliated with a Tender Offeror)

Article 14-3-5 The persons concerned specified by a Cabinet Order, referred to in Article 27-3 (3) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, are the following persons:

- (i) a Financial Services Provider or a Bank, etc. who carries out the affairs set forth in Article 14-3-3 (4) on behalf of the Tender Offeror; or
- (ii) a person who conducts the Purchase, etc. of Share Certificates, etc. by means of a Tender Offer while representing the Tender Offeror

(Share Certificates, etc. Equivalent to Listed Share Certificates, etc.)

Article 14-3-6 The Share Certificates, etc. specified by a Cabinet Order, referred to in Article 27-3 (4)(ii) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) and (3) of the Act, are the Share Certificates, etc. that fall under the category of Over-the-Counter Traded Securities, and the Authorized Financial Instruments Business Association specified by a Cabinet Order, referred to in Article 27-3 (4)(ii) of the Act, is the Authorized Financial Instruments Business Association that registers the Share Certificates, etc.

(Cases Where Purchase, etc. may be Made by Means Other Than a Tender Offer)

Article 14-3-7 The cases specified by a Cabinet Order, referred to in Article 27-5 of the Act as applied mutatis mutandis by replacing certain terms pursuant to the provisions of Article 27-22-2 (2) and (5) and Article 27-22-3 (5) of the Act, are the following cases:

- (i) cases where the Purchase, etc. pertaining to the Share Certificates is to be made in response to a request for the purchase of Shares under Article 116

- (1), Article 469 (1), Article 785 (1) or Article 806 (1) of the Companies Act or based on the obligations under laws and regulations.
- (ii) cases where the Purchase, etc. is to be conducted in a foreign state where the Foreign Financial Instruments Exchange which lists the Share Certificates, etc. is located, by means of a Foreign Tender Offer under the provisions of laws and regulations of said foreign state;
  - (iii) cases where the persons listed in the items of Article 14-3-5 conduct a Purchase, etc. set forth in Article 12 (iii) and (iv);
  - (iv) cases where the persons listed in the items of Article 14-3-5 conducts the Purchase, etc. under the entrustment of a person other than the Tender Offeror;
  - (v) cases where the persons listed in the items of Article 14-3-5 conducts the Purchase, etc. which is authorized for the facilitation of smooth distribution of Securities by the rules provided by a Financial Instruments Exchange or Authorized Financial Instruments Business Association; and
  - (vi) cases where the persons listed in the items of Article 14-3-5 conducts the Purchase, etc. through exercise of the Options pertaining to the sale and purchase of Listed Share Certificates, etc. held thereby or in response to the exercise of Options pertaining to the sale and purchase of Listed Share Certificates, etc. attached thereby.

(Prohibited Changes in the Terms of Purchase, etc.)

Article 14-3-8 The changes in the Terms of Purchase, etc. specified by a Cabinet Order, referred to in Article 27-6 (1)(iv) of the Act as applied *mutatis mutandis* pursuant to Article 27-22-2 (2) of the Act, are as follows:

- (i) an extension of the period of Purchase, etc. exceeding the period specified in Article 14-3-3 (1); provided, however, that this does not apply to cases where the period specified in the following items is to be extended according to the cases set forth in the respective item:
  - (a) cases where the period of Purchase, etc. must be extended pursuant to the provisions of Article 27-8 (8) of the Act as applied *mutatis mutandis* pursuant to the provisions of Article 27-22-2 (2) and Article 27-22-3 (4) of the Act: the period to be extended pursuant to Article 27-8 (8) of the Act; and
  - (b) cases where a person other than the Tender Offeror has given, with regard to the Share Certificates, etc. issued by the Tender Offeror, a Public Notice of the Commencement of a Tender Offer (meaning the public notice set forth in Article 27-3 (1) of the Act) or a Public Notice or Public Announcement (meaning the public notice or public announcement under Article 27-6 (2) or (3) of the Act or Article 27-8 (8) of the Act) of the changes in the Terms of Purchase which extend the period of Purchase, etc. during

the Tender Offer Period (meaning the Tender Offer Period prescribed in Article 27-5 of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act): a period not exceeding the number of days counted from the day following the last day of the Tender Offer Period until the last day of the Tender Offer Period (meaning the Tender Offer Period set forth in Article 27-5 of the Act) pertaining to the Public Notice of the Commencement of the Tender Offer or the Public Notice or Public Announcement of such changes;

- (ii) a change in the types of consideration for Purchase, etc.: provided, however, that this does not apply to cases where a new type of consideration is added as an option for the Accepting Shareholders, etc. to choose; and
- (iii) in cases where the terms set forth in Article 27-11 (1) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act are imposed, a change in the details of said terms.

(Method, etc. for Cancellation of Contracts)

Article 14-3-9 The method specified by a Cabinet Order, referred to in Article 27-12 (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, is a method wherein a document stating the cancellation of the contract pertaining to the Tender Offer is delivered or sent to the person designated by the Tender Offeror (limited to the persons specified by a Cabinet Office Ordinance), and the time specified by a Cabinet Order, referred to in Article 27-12 (2) of the Act, is the time when said document has been delivered to or has reached the designated person.

(Authorized Financial Instruments Business Associations Providing Public Inspection)

Article 14-3-10 The Authorized Financial Instruments Business Association specified by a Cabinet Order, referred to in Article 27-14 (3) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, is an Authorized Financial Instruments Business Association stipulated in Article 14-3-6.

(Replacement of Terms Concerning the Tender Offer of Listed Share Certificates, etc. by the Issuer)

Article 14-3-11 (1) With regard to the case where Purchase, etc. by means of a Tender Offer is made under Article 27-22-2 (1) of the Act, the technical replacement of terms under paragraph (13) of that Article in cases where the provisions of the Act are applied mutatis mutandis pursuant to paragraph (2) of that Article, is as in the following table:



Provisions of the Act whose terms are to be replaced	Original Terms	Terms to replace the original terms
Article 27-2 (limited to paragraph (2) to paragraph (6) inclusive)	Article 27-12, paragraph (3)	Article 27-12, paragraph (3) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	other provisions of this Section	provisions of the following Section
Article 27-4	paragraph (2) of the preceding Article	paragraph (2) of the preceding Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-7	paragraph (2) or (3) of the preceding Article	paragraph (2) or (3) of the preceding Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	paragraph (8) of the following Article	paragraph (8) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-8 (excluding paragraphs (6), (10), and (12))	the provisions of this Section	the provisions of the following Section
	Article 27-6, paragraph (1)	Article 27-6, paragraph (1) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	Article 27-6, paragraph (2)	Article 27-6, paragraph (2) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

Article 27-9	paragraph (1) to (4) inclusive of the preceding Article	paragraph (1) to (4) inclusive of the preceding Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-12	Article 27-8, paragraph (8)	Article 27-8, paragraph (8) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	paragraphs (1) and (4) of the following Article, 27-14, paragraph (1) and 27-21, paragraphs (1) and (2)	the provisions of paragraphs (1) and (4) of the following Article, 27-14, paragraph (1) and Article 27-21, paragraph (1) and (2) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-13 (excluding paragraph (3))	Article 27-11, paragraph (2)	Article 27-11, paragraph (2) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	the proviso to Article 27-11, paragraph (1)	the proviso to Article 27-11, paragraph (1) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	Article 27-6, paragraph (2)	Article 27-6, paragraph (2) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-14	paragraph (1) of the following Article	paragraph (1) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

	Article 27-3, paragraph (4) (including the cases where it is applied mutatis mutandis pursuant to Articles 27-8, paragraph (6), 27-11, paragraph (4) and paragraph (3) of the preceding Article)	Article 27-3, paragraph (4) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) and Article 27-22-2, paragraph (4) (including as applied mutatis mutandis pursuant to paragraph (8) of that Article)
Article 27-17	Article 27-5 (including as applied mutatis mutandis pursuant to Article 27-8, paragraph (10); hereinafter the same shall apply in this paragraph)	Article 27-5 as applied mutatis mutandis pursuant to Article 27-22-2, paragraphs (2) and (5)
	Article 27-5	Article 27-5 as applied mutatis mutandis pursuant to Article 27-22-2, paragraphs (2) and (5)
	paragraph (2), item (i) of the following Article	paragraph (2), item (i) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	Article 27-6, paragraph (2) or (3)	Article 27-6, paragraph (2) or (3) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	paragraph (2) of the following Article and Article 27-20, paragraph (2)	paragraph (2) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

Article 27-18	Article 27-13, paragraph (4)	Article 27-13, paragraph (4) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	paragraph (1) of the preceding Article	paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
Article 27-21, paragraph (1)	Article 27-17, paragraph (1)	Article 27-17, paragraph (1) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
	Article 27-18, paragraph (2)	Article 27-18, paragraph (2) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

(2) With regard to a Public Notice or Public Announcement given under the provisions of Article 27-8 (8) and (11) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, the technical replacement of terms under Article 27-22-2 (13) of the Act in cases where the provisions of the Act are applied mutatis mutandis pursuant to Article 27-22-2 (6) of the Act, is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 27-7	paragraph (8) of the following Article	paragraph (8) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

(3) With regard to the Tender Offer Report defined in Article 27-13 (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act, the technical replacement of terms under Article 27-22-2 (13) of the Act in cases where the provisions of the Act are applied mutatis mutandis pursuant to

Article 27-22-2 (7) of the Act, is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 27-8 (limited to paragraph (1) to paragraph (5) inclusive)	(including the period by which it is required to be extended pursuant to paragraph (8); the same shall apply in paragraph (7))	(including the period by which it is required to be extended pursuant to paragraph (8))

(Transitional Period After Publication)

Article 14-3-12 The period specified by a Cabinet Order, referred to in Article 27-22-3 (3) of the Act, is 12 hours.

(Replacement of Terms Concerning the Publication of Material Facts

Pertaining to a Company that is the Tender Offeror)

Article 14-3-13 With regard to the cases where a Purchase, etc. of Listed Share Certificates, etc. has been made in violation of Article 27-5 of the Act as applied mutatis mutandis pursuant to Article 27-22-3 (5) of the Act, the technical replacement of terms under Article 27-22-3 (8) of the Act in cases where the provisions of the Act are applied mutatis mutandis pursuant to Article 27-22-3 (8) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 27-17	Article 27-5	Article 27-5 as applied mutatis mutandis pursuant to Article 27-22-3, paragraph (5)
	paragraph (2), item (i) of the following Article	paragraph (2), item (i) of the following Article as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)

Article 27-6, paragraph (2) or (3)	Article 27-6, paragraph (2) or (3) as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2)
(excluding tendered Share Certificates, etc. that could not have been sold, etc. through the Pro Rata Method; the same applies in paragraph (2) of the following Article and Article 27-20, paragraph (2))	(excluding tendered Share Certificates, etc. that could not have been sold, etc. through the Pro Rata Method)

**Chapter III-2 Disclosure of Status of Large Volume Holding of Share Certificates, etc.**

(Scope of Share-related Securities)

Article 14-4 (1) The share certificates, corporate bond certificates with share options, and other Securities specified by a Cabinet Order, referred to in Article 27-23 (1) of the Act, are the following Securities:

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

(2) The Share-related Securities specified by a Cabinet Order as those for which the state of distribution can be regarded as being equivalent to those listed on a Financial Instruments Exchange, referred to in Article 27-13 (1) of the Act, are Over-the-Counter Traded Securities.

(Scope of Securities that Indicate Rights Pertaining to Subject Securities)

Article 14-4-2 The other Securities specified by a Cabinet Order as those which indicate the rights pertaining to the Subject Securities, referred to in Article

27-23 (1) of the Act, are as follows:

- (i) the Securities set forth in Article 2 (1)(xix) of the Act which indicate Options pertaining to the sale and purchase of Subject Securities (meaning the Subject Securities defined in Article 27-23 (2) of the Act; hereinafter the same applies in this Article) (limited to the Options wherein the person who exercises the Options acquires a position as a buyer in such sale and purchase through the exercise of the Options);
- (ii) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are Subject Securities;
- (iii) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to Subject Securities;
- (iv) corporate bond certificates (excluding corporate bond certificates with share options) with a special provision that allows the redemption of such bond certificates through the Subject Securities (limited to Subject Securities issued by a company other than the company issuing said corporate bond certificates) (limited to those where the person who holds the corporate bond certificates has the right to have the issuer company of said corporate bond certificates redeem such corporate bond certificates through Subject Securities); and
- (v) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities referred to in the preceding item.

(Holidays Not Included in the Reporting Period)

Article 14-5 The holidays specified by a Cabinet Order, referred to in Article 27-23 (1) of the Act, are the Holidays of Administrative Organs (excluding Sundays).

(Scope of Subject Securities)

Article 14-5-2 The other Securities specified by a Cabinet Order, referred to in Article 27-23 (2) of the Act, are as follows:

- (i) share certificates (excluding the share certificates pertaining to those specified by a Cabinet Office Ordinance as Shares With No Voting Rights);
- (ii) share option certificates and corporate bond certificates with share options (excluding those with the rights to acquire only the Shares With No Voting Rights as the share options);
- (iii) securities or certificates issued by a foreign person which have the nature of the Securities set forth in the preceding two items; and
- (iv) Investment Securities, etc.

(Persons Equivalent to the Person Who Holds Rights to Request Delivery of Share Certificates, etc.)

Article 14-6 The person specified by a Cabinet Order, referred to in Article 27-23 (3) of the Act, are the following persons:

- (i) persons who make a pre-contract for the sale or purchase of Share Certificates, etc. (meaning the Share Certificates, etc. prescribed in Article 27-23 (1) of the Act; hereinafter the same applies in this Chapter) exercisable by one party (limited to the cases where the person holds the right to complete the sale or purchase and acquires the position as a buyer through the exercise of said rights); and
- (ii) persons who acquire the Options pertaining to the sale and purchase of Share Certificates, etc. (limited to cases where the Options are indicated on the Securities set forth in Article 14-4-2 (i)) (limited to acquisition wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase through the exercise of the Options).

(Exceptions of Share Certificates, etc. Held)

Article 14-6-2 The rights specified by a Cabinet Order, referred to in Article 27-23 (4) of the Act, are the following rights:

- (i) rights to request delivery of Share Certificates, etc. under a sale and purchase contract or any other contract;
- (ii) rights to exercise voting rights as a shareholder or Investor of the issuer of Share Certificates, etc. or rights to give instruction with regard to the exercise of voting rights under a money trust contract or any other contract, or the provisions of Acts;
- (iii) rights necessary to make investments in Share Certificates, etc. based on a Discretionary Investment Contract or any other contracts, or the provisions of Acts;
- (iv) rights to complete the sale or purchase of Share Certificates, etc. and to acquire a position as a buyer under the pre-contract for the sale or purchase of Share Certificates, etc. exercisable by one party; and
- (v) rights where the person who has exercised the Options pertaining to the sale and purchase of Share Certificates, etc. acquires a position as a buyer in such sale and purchase through the exercise of the Options.

(Special Relationship)

Article 14-7 (1) The special relationship specified by a Cabinet Order, referred to in Article 27-23 (6) of the Act, is the following relationship:

- (i) the relationship of husband and wife;
- (ii) the relationship between a person who holds shares or equity pertaining to the voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company in his/her own name or in another person's name (or under a fictitious name; hereinafter the same applies in this



- Article) (hereinafter such person is referred to as a "Controlling Shareholder, etc." in this Article) and such company (hereinafter referred to as the "Controlled Company" in this Article);
- (iii) the relationship between one Controlled Company and another Controlled Company with the same Controlling Shareholder, etc.; and
  - (iv) any other relationship specified by a Cabinet Office Ordinance as being equivalent to the relationships listed in the preceding three items.
- (2) In cases where the husband and wife jointly hold the shares or equity pertaining to the voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company in their own name or in another person's name, such husband and wife are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of the preceding paragraph apply.
- (3) In cases where the Controlling Shareholders, etc. and the Controlled Company thereof jointly hold shares or equity pertaining to voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company in their own name or in another person's name, said other company is also deemed to be the Controlled Company of said Controlling Shareholders, etc. and the provisions of paragraph (1) and this paragraph apply.

(Changes in Important Matters to be Contained in the Statement of Large-Volume Holdings)

Article 14-7-2 (1) The other cases specified by a Cabinet Order as the changes in important matters to be contained in the Statement of Large-Volume Holdings, referred to in the provisions of Article 27-25 (1) and Article 27-26 (2)(i) and (ii) of the Act are, among the changes pertaining to the details to be contained in the Statement of Large-Volume Holdings or Statement of Changes (including the Amendment Reports thereof), the changes excluding those listed in the following items:

- (i) the fact that a holder whose Holding Ratio of Share Certificates, etc. in Isolation is less than one percent has become a new Joint Holder (meaning the Joint Holder prescribed in Article 27-23 (5) of the Act and including the person deemed to be a Joint Holder under paragraph (6) of that Article; hereinafter the same applies in this Chapter);
- (ii) the fact that a holder whose Holding Ratio of Share Certificates, etc. in Isolation was less than one percent has ceased to be a Joint Holder;
- (iii) changes in the name, address, or location of a Joint Holder whose Holding Ratio of Share Certificates, etc. in Isolation is less than one percent;
- (iv) increases or reductions of the Holding Ratio of Share Certificates, etc. in Isolation of less than one percent;

- (v) conclusion of the following contracts related to the Share Certificates, etc. pertaining to the possession of the holder of the Share Certificates, etc. and his/her Joint Holder, or among the changes in the contents of such contracts, those which are specified by a Cabinet Office Ordinance as being minor changes;
    - (a) contracts for providing the Share Certificates, etc. as a collateral;
    - (b) contracts for reselling;
    - (c) pre-contracts for sale or purchase exercisable by one party (limited to the cases where the party holds the right to complete the sale or purchase and acquires the position as a seller through the exercise of said rights);
    - (d) contracts for lending and borrowing; and
    - (e) contracts equivalent to the contracts listed in sub-item (a) to sub-item (d) inclusive; and
  - (vi) anything specified by a Cabinet Office Ordinance as being equivalent to the contracts set forth in the preceding items.
- (2) The term "Holding Ratio of Share Certificates, etc. in Isolation" referred to in the preceding paragraph means the ratio obtained by dividing the number of Share Certificates, etc. Held (meaning the Share Certificates, etc. Held set forth in Article 27-23 (4) of the Act) by the number obtained by adding the number of corporate bond certificates with share options and any other Securities specified by a Cabinet Office Ordinance held by the holder and the Joint Holder thereof to the total number of the Issued Shares or the Issued Investment Equity of the issuer of the Share Certificates, etc.

(Criteria for Transfer of a Large Number of Share Certificates, etc. in a Short Period)

Article 14-8 The criteria specified by a Cabinet Order, referred to in Article 27-25 (2) of the Act, are those where the Holding Ratio of Share Certificates, etc. (meaning the Holding Ratio of Share Certificates, etc. prescribed in Article 27-23 (4) of the Act; hereinafter the same applies in this Article) after the change which should be stated in the Statement of Changes referred to in Article 27-25 (2) of the Act becomes less than half of the highest Holding Ratio of Share Certificates, etc. (limited to those for which the calculation is based on the day on or after the day 60 days prior to the day on which calculation of the Holding Ratio of Share Certificates, etc. after the change has been based, and those for which the calculation is based on or before the day immediately preceding the day 60 days prior to the day on which calculation of the Holding Ratio of Share Certificates, etc. after the change has been based which is the nearest to such day 60 days prior to the day on which calculation of the Holding Ratio of Share Certificates, etc. after the change has been based) which has been stated or should have been stated in the Statements of Large-Volume Holdings (meaning

the Statements of Large-Volume Holdings set forth in Article 27-23 (1) or Article 27-26 (1) of the Act) related to said Statement of Changes or in another Statement of Changes (meaning the Statement of Changes set forth in Article 27-25 (1) or Article 27-26 (2) of the Act) related to said Statements of Large-Volume Holdings, and has decreased by more than five percent in comparison with said highest Holding Ratio of Share Certificates, etc.

( Material Proposal)

Article 14-8-2 (1) The acts specified by a Cabinet Order as effecting material changes in or having a material effect on the business activities of the issuer of Share Certificates, etc., referred to in Article 27-26 (1) of the Act, are the acts in which the following matters related to the issuer or its Subsidiary are suggested to the shareholders meeting, the investors' meeting, or the Officers (meaning a member, director, executive officer, accounting advisor, company auditor, or persons equivalent thereto that execute the operations and including those who are found to have the same or higher authority than a member, director, executive officer, or any equivalent persons that execute the operations over the juridical person, irrespective of their titles, such as advisor, consultant, or others; the same applies in item (iv)); provided, however, that those that satisfy the criteria specified by a Cabinet Office Ordinance as being minor are excluded:

- (i) the disposal or acceptance of transfer of important properties;
- (ii) borrowing in a significant amount
- (iii) selection or removal of a representative director;
- (iv) important changes in the constitution of Officers (including important changes related to the number and terms of office of Officers);
- (v) appointment or dismissal of a manager or any other important employee;
- (vi) establishment, changes in, or abolition of a branch office or any other important organization;
- (vii) share exchange, share transfer, or split or merger of the company;
- (viii) the transfer, acceptance, suspension, or abolition of the business in whole or in part;
- (ix) important changes in the policy concerning dividend distribution;
- (x) important changes in the policy concerning the increase in or reduction of the amount of stated capital;
- (xi) delisting from the Financial Instruments Exchange Market or the rescission of registration on the Over-the-Counter Securities Market of the Securities issued thereby;
- (xii) listing on the Financial Instruments Exchange Market and registration in a Register of Over-the-Counter Traded Securities of the Securities issued thereby; and

- (xiii) other matters specified by a Cabinet Office Ordinance as being equivalent to those listed in the preceding items.
- (2) The combinations of two or more days of each month designated pursuant to the provisions of a Cabinet Order, referred to in Article 27-26 (3) of the Act, are any of the following:
- (i) the second and fourth Monday of each month (in cases where there is a fifth Monday, it is the second, fourth and fifth Monday); or
  - (ii) the fifteenth and last day of each month (in cases where such days fall on a Saturday, it is the previous day thereto and in cases where such days fall on a Sunday, it is the day two days before).
- (3) The period specified by a Cabinet Order, referred to in Article 27-26 (4) and (5) of the Act, is the period until five days (the Holidays of Administrative Organs are not included) have elapsed from the first Reference Date (meaning the Reference Date set forth in Article 27-26 (3) of the Act) arrived on or after the day on which the Holding Ratio of Share Certificates, etc. has exceeded five percent or the date of the increase.

(Share Certificates, etc. Equivalent to Listed Share Certificates, etc.)

Article 14-9 The Share Certificates, etc. specified by a Cabinet Order, referred to in Article 27-27 (ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-29 (2) of the Act; hereinafter the same applies in this Article), are the Share Certificates, etc. that fall under the category of Over-the-Counter Traded Securities, and the Authorized Financial Instruments Business Association specified by a Cabinet Order, referred to in Article 27-27 (ii) and Article 27-28 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-29 (2) of the Act), is the Authorized Financial Instruments Business Associations that register the Share Certificates, etc.

### **Chapter III-3 Special Provisions, etc. for Procedures by Use of Electronic Data Processing System for Disclosure**

(Method, etc. for Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures by Use of Electronic Data Processing System for Disclosure)

Article 14-10 (1) A person who carries out Electronic Disclosure Procedures (meaning the Electronic Disclosure Procedures defined in Article 27-30-2 of the Act; hereinafter the same applies in this Article and the following Article) or Discretionary Electronic Disclosure Procedures (meaning the Discretionary Electronic Disclosure Procedures defined in Article 27-30-2 of the Act; hereinafter the same applies in this Article and the following Article) using the

Electronic Data Processing System for Disclosure under Article 27-30-3 (1) or (2) of the Act must , pursuant to the provisions of a Cabinet Office Ordinance, carry out such procedures by inputting the matters to be stated in the written documents in cases where the Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures are carried out in writing, through an input-output device which complies with the technical standards specified by the Commissioner of the Financial Services Agency.

- (2) A person who carries out the Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures under the preceding paragraph must , pursuant to the provisions of a Cabinet Office Ordinance, notify the Commissioner of the Financial Services Agency to such effect in advance, and submit the articles of incorporation pertaining to said person and any other documents; provided, however, that this does not apply to cases where the person who has already made the notification under this paragraph periodically submits the articles of incorporation and other documents pursuant to the provisions of a Cabinet Office Ordinance and to other cases specified by a Cabinet Office Ordinance.

(Method, etc. for Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures by Submission of Magnetic Discs)

Article 14-11 (1) The person who intends to obtain approval from the Commissioner of the Financial Services Agency to carry out the Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures through submission of magnetic discs (including those which can reliably record specific matters by means equivalent thereto; hereinafter the same applies in this Article) under the provisions of Article 27-30-4 (1) or (2) of the Act must, pursuant to the provisions of a Cabinet Office Ordinance, submit documents containing the reasons for submitting magnetic discs and other matters specified by a Cabinet Office Ordinance to the Commissioner of the Financial Services Agency.

- (2) A person who submits the magnetic discs with the approval under the preceding paragraph must, pursuant to the provisions of a Cabinet Office Ordinance, record the matters to be stated in the written documents, in cases where the Electronic Disclosure Procedures or Discretionary Electronic Disclosure Procedures are carried out in writing, in a magnetic disc which complies with the technical standards specified by the Commissioner of the Financial Services Agency and submit it to him/her.

(Exemptions on Electronic Disclosure Procedures by Use of Electronic Data Processing System for Disclosure)

Article 14-11-2 The causes specified by a Cabinet Order, referred to in Article

27-30-5 (1)(i) of the Act, are the case of impossibility of the operation of the electronic data processing system which links via telecommunications line the computers referred to in Article 27-30-2 of the Act, in cases of a cut off of the power supply or any other reason.

(Method of Public Inspection by the Commissioner of the Financial Services Agency)

Article 14-12 When the Commissioner of the Financial Services Agency provides the matters recorded in the file for public inspection pursuant to the provisions of Article 27-30-7 (1) of the Act, he/she shall provide such matters for public inspection by indicating them on the screens of the input/output devices of the computers used by the finance bureau or the Fukuoka Local Finance Branch Bureau.

(Method of Public Inspection by a Financial Instruments Exchange, etc.)

Article 14-13 When a Financial Instruments Exchange and an Authorized Financial Instruments Business Association set forth in Article 3 provide the notified matters for public inspection pursuant to the provisions of Article 27-30-8 (1) of the Act, they shall provide such matters for public inspection by indicating them on the screens of the input/output devices of the computers used at their offices by them.

### **Chapter III-4 Provision or Publication of Specified Information on Securities, etc.**

(Cases in which Specified Information on Securities Need Not be Provided or Publicized)

Article 14-14 The case specified by a Cabinet Order, referred to in Article 27-31 (1) of the Act, is the case in which solicitation is made to less than fifty persons.

### **Chapter IV Financial Services Provider, etc.**

(Underwriting of Securities Constituting a Managing Underwriter)

Article 15 The Underwriting of Securities specified by a Cabinet Order, referred to in Article 28 (1)(iii)(a) of the Act, are those for which discussions are held with the issuer or holder of the Securities for fixing the contents of the Underwriting Contract (meaning a contract concluded for a Public Offering or Secondary Distribution of Securities, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors (meaning the Exclusive Solicitation of Offers to Acquire Targeting Professional Investors set forth in Article 4 (3)(i) of the Act; the same applies hereinafter), or Offer to Sell, etc. Only for Professional

Investors (meaning the Offer to Sell, etc. Only for Professional Investors set forth in Article 2 (6) of the Act; the same applies hereinafter) wherein a party is to acquire the Securities in whole or in part from the issuer or the holder (excluding a Financial Services Provider and Registered Financial Institution (meaning the Registered Financial Institution prescribed in Article 2 (11) of the Act; the same applies hereinafter); hereinafter the same applies in this Article) of said Securities for the purpose of having such Securities be acquired by other persons, or, in cases where there are no persons to acquire such Securities in whole or in part, the party is to acquire the remaining Securities from the issuer or holder of the Securities) upon the conclusion of such Underwriting Contract, and which are specified by a Cabinet Office Ordinance

(Acts to Be the Cause of Cash Settlement)

Article 15-2 The acts specified by a Cabinet Order, referred to in Article 28 (8)(iv)(a) of the Act, are, with regard to sale and purchase wherein the parties thereto promise to deliver or receive Securities or the consideration therefor at a fixed time in the future in neither a Financial Instruments Market nor a Foreign Financial Instruments Market, the act of cancellation of such a sale and purchase contract by the parties thereto.

(Subject Transactions of Brokerage for the Clearing of Securities, etc. Which Are Securities Services)

Article 15-3 The other transactions specified by a Cabinet Order, referred to in Article 28 (8)(vii) of the Act, are as follows:

- (i) the lending and borrowing of money necessary for the settlement of a Margin Transaction, etc. (meaning a Margin Transaction, sale and purchase of Securities, or Securities-Related Market Transaction of Derivatives (meaning the transactions set forth in Article 28 (8)(iii) of the Act; the same applies hereinafter) made on a Financial Services Provider's own account, or Brokerage for Clearing Securities, etc. (limited to that related to a Margin Transaction, sale and purchase of Securities, or Securities-Related Market Transaction of Derivatives made on a Financial Services Provider's own account); the same applies in the following item) (limited to the lending and borrowing pertaining to the loan made by a Securities Finance Company);
- (ii) the lending and borrowing of Securities (in cases where persons other than a Securities Finance Company loans the Securities necessary for the settlement of a Margin Transaction, etc. by utilizing the clearing systems of a Financial Instruments Exchange Market or Over-the-Counter Securities Market, it is limited to the loan pertaining to a Margin Transaction, etc. made in neither a Financial Instruments Exchange Market nor an Over-the-Counter Securities Market);

- (iii) the delivery or receipt of collateral pertaining to the transactions set forth in the preceding two items; and
- (iv) in addition to what is listed in the preceding three items, delivery or receipt of Securities or money, made for the performance of obligations arisen from the sale and purchase of Securities, Transactions of Securities-Related Derivatives (meaning the Transactions of Securities-Related Derivatives set forth in Article 28 (8)(vi) of the Act; the same applies hereinafter), or the transactions listed in the preceding three items.

(Employees Related to the Application for Registration)

Article 15-4 The employee specified by a Cabinet Order, referred to in Article 29-2 (1)(iv) and Article 29-4 (1)(ii) and (iii) of the Act, is an employee who intends to obtain registration under Article 29 of the Act and who falls under any of the following items:

- (i) a person who supervises the function of providing guidance to ensure that Laws and Regulations, etc. (meaning laws and regulations, dispositions of a government agency given under laws and regulations, the articles of incorporation, or any other rules; the same applies in Article 17-13 (i)) are observed with regard to a Financial Instruments Business, or any other person specified by a Cabinet Office Ordinance as being equivalent thereto;
- (ii) a person who supervises the section which gives advice or makes investments (including the orders given therefor) with regard to Investment Advisory Services (meaning Investment Advisory Services as prescribed in Article 28 (6) of the Act; the same applies hereinafter) or Investment Management (meaning the Investment Management set forth in Article 28 (4) of the Act; the same applies hereinafter), or any other person specified by a Cabinet Office Ordinance as being equivalent thereto; or
- (iii) a person who supervises the business operations of the business office or office under Article 29-2 (1)(vi) of the Act with regard to Investment Advisory and Agency Services (meaning Investment Advisory and Agency Services as set forth in Article 28 (3) of the Act; the same applies hereinafter), or any other persons specified by a Cabinet Office Ordinance as being equivalent thereto.

(Calculation of the Amount of Brought-in Capital)

Article 15-5 In cases where assets brought into Japan include an amount indicated in foreign currency, the total amount of Brought-in Capital referred to in Article 29-2 (4) of the Act must be calculated by converting such assets into Japanese currency using the Exchange Rate (meaning the basic exchange rate or the arbitrated exchange rate of a foreign currency set forth in Article 7 (1) of the Foreign Exchange and Foreign Trade Act; the same applies



hereinafter).

(Scope of the Acts that Give the Criteria for Registration)

Article 15-6 The Acts specified by a Cabinet Order, referred to in Article 29-4

(1)(i)(b) and Article 33-5 (1)(ii) of the Act, are as follows:

- (i) the Patent Act (Act No. 121 of 1959);
- (ii) the Utility Model Act (Act No. 123 of 1959);
- (iii) the Design Act (Act No. 125 of 1959);
- (iv) the Trademark Act (Act No. 127 of 1959);
- (v) the Copyright Act (Act No. 48 of 1970);
- (vi) the Act on Layout-Design of Semiconductor Integrated Circuits (Act No. 43 of 1985);
- (vii) the Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions (Act No. 95 of 1996);
- (viii) the Plant Variety Protection and Seed Act (Act No. 83 of 1998);
- (ix) the Civil Rehabilitation Act (Act No. 225 of 1999);
- (x) the Act on Recognition and Assistance for Foreign Insolvency Procedures (Act No. 129 of 2000);
- (xi) the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006);
- (xii) the Act on Authorization of Public Interest Incorporated Association and Public Interest Incorporated Foundation (Act No. 49 of 2006);
- (xiii) the Corporate Reorganization Act (Act No. 54 of 2002);
- (xiv) the Bankruptcy Act (Act No. 75 of 2004); and
- (xv) the Companies Act.

(Minimum Amount of Stated Capital, etc. of a Financial Services Provider)

Article 15-7 (1) The amount specified by a Cabinet Order, referred to in Article 29-4 (1)(iv) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) of the Act), is the amount specified in the following items according to the category of cases set forth in the respective item:

- (i) cases where the Financial Services Provider intends to carry out business related to the acts listed in Article 28 (1)(iii)(a) of the Act: three billion yen;
- (ii) cases where the Financial Services Provider intends to carry out business related to the acts listed in Article 28 (1)(iii)(b) of the Act (excluding the case set forth in the preceding item): 500 million yen;
- (iii) cases where the Financial Services Provider intends to carry out a Type I Financial Instruments Business or an Investment Management (excluding the cases set forth in the preceding two items): 50 million yen; and
- (iv) cases where the Financial Services Provider intends to carry out a Type II

Financial Instruments Business (meaning a Type II Financial Instruments Business set forth in Article 28 (2) of the Act; the same applies hereinafter) (excluding the cases set forth in the preceding three items): ten million yen.

(2) When the applicant is a foreign juridical person, in cases where the amount of stated capital or the total amount of investment set forth in Article 29-4 (1)(iv) of the Act is to be converted into Japanese currency, such conversion shall be made by using the Exchange Rate at the time of registration under Article 29 of the Act, or at the time of the application for changes to the registration under Article 31 (4) of the Act.

(Persons Similar to Those Engaged in the Same Type of Business as a Type I Financial Instruments Business in a Foreign State)

Article 15-8 The persons specified by a Cabinet Order, referred to in Article 29-4 (1)(v)(a) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) of the Act), are the persons whereof all of the Issued Shares or equity in investment is held by a person engaged in the same type of business as a Type I Financial Instruments Business.

(Minimum Net Assets of a Financial Services Provider)

Article 15-9 (1) The amount specified by a Cabinet Order, referred to in Article 29-4 (1)(v)(b) of the Act ( including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) of the Act), is the amount specified in the items of Article 15-7 (1) (excluding item (iv)) according to the category of cases set forth in the respective items.

(2) When the applicant is a foreign juridical person, in cases where the amount of Net Assets set forth in Article 29-4 (1)(iv) of the Act is converted into Japanese currency, such conversion shall be made by using the Exchange Rate at the time of registration under Article 29 of the Act, or at the time of the application for changes to the registration under Article 31 (4) of the Act.

(Special Relationship)

Article 15-10 (1) The special relationship specified by a Cabinet Order, referred to in Article 29-4 (4)(ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) and Article 32 (5) of the Act), is the relationships specified in the following items according to the category of persons set forth in the respective items:

(i) a person who holds Subject Voting Rights (meaning Subject Voting Rights as defined in Article 29-4 (2) of the Act and excluding Subject Voting Rights which are deemed to be held under the provisions of Article 29-4 (4) of the Act (limited to the part pertaining to item (ii)); hereinafter the same applies in this item) or a person whose Subject Voting Rights are held by a

Controlled Company: the relationship between said person and the following persons:

- (a) a person who has agreed to jointly hold or exercise the Subject Voting Rights with said person (referred to as "Joint Holder" in paragraph (3));
  - (b) the spouse of said person;
  - (c) the Controlled Company thereof;
  - (d) the Controlling Shareholder, etc. thereof; and
  - (e) another Controlled Company of the same Controlling Shareholder, etc. thereof; and
- (ii) persons other than those listed in the preceding item: the relationship between said person and the persons listed in sub-item (a) or sub-item (b) of that item.
- (2) The term "Controlling Shareholder, etc." referred to in item (i)(d) and (e) of the preceding paragraph means the person who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company, and the term "Controlled Company" referred to in item (i) of the preceding paragraph means a company whose voting rights are held by Controlling Shareholders, etc. exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. In this case, if the Controlling Shareholders, etc. and the Controlled Company thereof jointly hold voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of another company, said other company is deemed to be the Controlled Company of said Controlling Shareholders, etc. and said Controlling Shareholders, etc. are deemed to be the Controlling Shareholders, etc. of said other company.
- (3) In cases where there is any person who jointly holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company with a Joint Holder, such persons are deemed respectively to be the Controlling Shareholder, etc. (meaning a Controlling Shareholder, etc. as prescribed in the preceding paragraph; the same applies in the following paragraph) of said company, and said company is deemed to be the Controlled Company (meaning the Controlled Company as prescribed in the preceding paragraph; the same applies in the following paragraph) of such person and the provisions of paragraph (1) applies.
- (4) In cases where there is any person who jointly holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company with his/her spouse, such person is deemed to be the Controlling Shareholder, etc. of said company and said company is deemed to be the Controlled Company of such person respectively and the provisions of paragraph (1) applies.

(Minimum Amount of Stated Capital for Authorization)

Article 15-11 (1) The amount specified by a Cabinet Order, referred to in Article

30-4 (ii) of the Act, is 300 million yen.

- (2) When the applicant is a foreign juridical person, in cases where the amount of stated capital referred to in Article 30-4 (1)(ii) of the Act or the amount of Net Assets set forth in item (iii) of that paragraph is to be converted into Japanese currency, such conversion shall be made by using the Exchange Rate at the time of application for authorization under Article 30 (1) of the Act.

(Amount of Deposit for Operation)

Article 15-12 The amount specified by a Cabinet Order, referred to in Article 31-2 (2) of the Act, is the amount stipulated in the following items according to the category of persons set forth in the respective items:

- (i) an individual engaged in a Type II Financial Instruments Business: ten million yen; and
- (ii) persons who engage only in Investment Advisory and Agency Services: five million yen.

(Requirements for Contract in Lieu of Deposit for Operation)

Article 15-13 When a Financial Services Provider (limited to an individual engaged in a Type II Financial Instruments Business or persons who engage only in Investment Advisory and Agency Services; hereinafter the same applies in this Article to Article 15-15 inclusive) concludes the contract set forth in Article 31-2 (3) of the Act, he/she must conclude such contract with a Bank, Insurance Company, or other Financial Institution specified by a Cabinet Office Ordinance, and the contents of such contract must conform to the following requirements:

- (i) that in cases where the order under Article 31-2 (4) of the Act has been given, the amount of Deposit for Operation pertaining to said order is deposited without delay on behalf of such Financial Services Provider;
- (ii) that the contract be valid for the period of one year or longer; and
- (iii) that unless approved by the Commissioner of the Financial Services Agency, the contract shall not be cancelled nor shall there be changes to the contents thereof.

(Procedures for the Execution of Rights Pertaining to Deposit for Operation)

Article 15-14 (1) The person who holds the rights set forth in Article 31-2 (6) of the Act (hereinafter simply referred to as the "Rights" in this Article) may file a petition seeking execution of the Rights to the Commissioner of the Financial Services Agency.

- (2) In cases where the petition referred to in the preceding paragraph has been filed and such a petition is found to be well-grounded, the Commissioner of the Financial Services Agency must publicly notify the person who holds Rights

pertaining to the Deposit for Operation to the effect that the Rights are to be reported within a certain period of not less than 60 days, and that said person is excluded from the distribution procedures unless said person reports within such a period, and notify the person who has filed the petition under the preceding paragraph (such a person is referred to as the "Petitioner" in the following paragraph and paragraph (4)) and the Depositor (meaning a Financial Services Provider and the person who has deposited all or part of the Deposit for Operation set forth in Article 31-2 (1) of the Act on behalf of said Financial Services Provider based on the contract set forth in paragraph (3) of that Article pursuant to the order issued under paragraph (4) of that Article; the same applies in paragraph (4) and paragraph (5)) to that effect.

- (3) Even if the Petitioner withdraws his/her petition, the progress of the procedures shall not be hindered after a public notice has been given under the preceding paragraph.
- (4) The Commissioner of the Financial Services Agency must carry out an investigation into the Rights without delay after the period set forth in paragraph (2) has elapsed. In this case, the Commissioner of the Financial Services Agency must give public notice and notify the Depositor of the due date and place in advance, and give the Petitioner, the person who has reported his/her Rights within said period, and said Depositor an opportunity to present evidence and state their opinions concerning the existence of the Rights and the amount of claims secured by such Rights.
- (5) The Commissioner of the Financial Services Agency must prepare a distribution list based on the results of the investigation under the preceding paragraph and give public notice and notify the Depositor of it without delay.
- (6) The dividend distribution shall be made when 80 days have elapsed from the day on which the public notice was given under the preceding paragraph and in accordance with the distribution list set forth in that paragraph.
- (7) In cases where Securities (including book-entry corporate bonds, etc. prescribed in Article 129 (1) of the Act on Transfer of Corporate Bonds, etc.) have been deposited, if it is necessary for the execution of Rights, the Commissioner of the Financial Services Agency may convert them. In this case, the costs for the conversion are deducted from the conversion value.

(Refund of Deposit for Operation)

Article 15-15 (1) A Financial Services Provider, the successor thereof, or the person who has deposited the Deposit for Operation on behalf of said Financial Services Provider may, when said Financial Services Provider has come to fall under any of the following cases, have all the Deposit for Operation from said deposit refunded with the approval of the Commissioner of the Financial Services Agency:

- (i) when the registration under Article 29 of the Act has been rescinded pursuant to the provisions of Article 52 (1) or (4) or Article 54 of the Act;
  - (ii) when the registration under Article 29 of the Act has become invalid pursuant to the provisions of Article 50-2 (2) of the Act; or
  - (iii) when the Financial Services Provider has obtained the change of registration set forth in Article 31 (4) of the Act for conducting Financial Instruments Business other than a Type II Financial Instruments Business (limited to cases where performed by an individual) or Investment Advisory and Agency Services.
- (2) A Financial Services Provider or a person who has deposited a Deposit for Operation on behalf of said Financial Services Provider may, when the amount of Deposit for Operation (including the Contract Amount (meaning the Contract Amount as defined in Article 31-2 (3) of the Act; hereinafter the same applies in this paragraph)) of said Financial Services Provider has come to exceed the amount specified in Article 15-12, have all or part of the exceeding amount refunded, within the amount obtained by deducting the Contract Amount from the amount of the Deposit for Operation, with the approval of the Commissioner of the Financial Services Agency.

(Scope of a Parent Corporation, etc. and a Subsidiary Corporation, etc.)

Article 15-16-1 (1) A person who satisfies the requirements specified by a Cabinet Order, referred to in Article 31-4 (3) of the Act, are the following persons (excluding those specified by a Cabinet Office Ordinance):

- (i) the Parent Company, etc. thereof;
- (ii) a Subsidiary Company, etc. of the Parent Company, etc. thereof (excluding the person himself/herself and the person set forth in the preceding item and item (i) of the following paragraph);
- (iii) an Affiliated Company, etc. of the Parent Company, etc. thereof (excluding the person set forth in item (ii) of the following paragraph); and
- (iv) the following companies, partnerships, or any other business entity equivalent thereto (including those equivalent thereto in a foreign state and excluding the person himself/herself and the persons listed in the preceding three items and the items of the following paragraph; hereinafter referred to as the "Company, etc." in this item) related to the individual who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. thereof (hereinafter referred to as the "Specified Individual Shareholder"):
  - (a) a Company, etc. (including the Subsidiary Company, etc. and Affiliated Company, etc. of said Company, etc.) for which voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. are held by the Specified Individual Shareholder; and

- (b) a Company, etc. for which voting rights of not less than 20 percent but not more than 50 percent of the Voting Rights Held by All the Shareholders, etc. are held by the Specified Individual Shareholder.
- (2) A person who satisfies the requirements specified by a Cabinet Order, referred to in Article 31-4 (4) of the Act, are the following persons (excluding those specified by a Cabinet Office Ordinance):
- (i) a Subsidiary Company, etc. thereof ; and
  - (ii) an Affiliated Company, etc. thereof.
- (3) The term "Parent Company, etc." referred to in item (i) to item (iii) inclusive of paragraph (1) means those specified by a Cabinet Office Ordinance as a Company, etc. which has control over the Organ (meaning the shareholders meeting and any other organs equivalent thereto; hereinafter referred to as the "Decision Making Body" in this paragraph) which is responsible for deciding the policies for finance, operations, and business of another Company, etc. (meaning a company, partnership, or any other business entity equivalent thereto (including those equivalent thereto in a Foreign State); hereinafter the same applies in this Article) and the term "Subsidiary Company, etc." referred to in paragraph (1)(ii) and (iv)(a) and item (i) of the preceding paragraph means another Company, etc. whose Decision Making Body is controlled by a Parent Company, etc. In this case, where the Parent Company, etc. and Subsidiary Company, etc. or the Subsidiary Company, etc. has control over the Decision Making Body of another Company, etc., such other Company, etc. is deemed to be the Subsidiary Company, etc. of the Parent Company, etc.
- (4) The term "Affiliated Company, etc." referred to in paragraph (1)(iii) and (iv)(a) and paragraph (2)(ii) means a Company, etc. (excluding Subsidiary Company, etc.) specified by a Cabinet Office Ordinance over which another Company, etc. (including a Subsidiary Company, etc. (meaning the Subsidiary Company, etc. prescribed in the preceding paragraph; hereinafter the same applies in this paragraph) of such Company, etc.) may have a material influence on the decisions about the policies for finance, operations, or business, through investment, assumption of office as a director or other position equivalent thereto by a person who is or has been an officer or employee of said other Company, etc., financing, guarantee of obligations, provision of collateral, provision of technology, or transactions, etc. in operations and business.
- (5) The matters necessary for the determination of the holding of the voting rights as set forth in paragraph (1)(iv) are specified by a Cabinet Office Ordinance by taking into consideration of the mode of possession and any other circumstances.

(Scope of Subsidiary Corporation, etc. of a Specified Major Shareholder)  
 Article 15-16-2 (1) Persons who satisfy the requirements specified by a Cabinet

Order prescribed in Article 32-2 (2) of the Act are the following persons:

- (i) a Subsidiary Company, etc. thereof ; and
  - (ii) an Affiliated Company, etc. thereof.
- (2) The term "Subsidiary Company, etc." as used in item (i) of the preceding paragraph means another company, etc. whose body that decides its financial and operational or business policies (meaning shareholders meeting or other equivalent body; hereinafter referred to as "decision-making body" in this paragraph) is controlled by its Parent Company, etc. (a company, etc. (meaning a company, partnership or other equivalent business entity, including those equivalent thereto in a foreign state; hereinafter the same applies in this Article) that controls the decision-making body of another company, etc. specified by Cabinet Office Ordinance). In this case, if a Parent Company, etc. and its Subsidiary Company, etc. or its Subsidiary Company, etc. controls the decision-making body of another company, etc., such company, etc. is deemed as a Subsidiary Company, etc. of the Parent Company, etc
- (3) The term "Affiliated Company, etc." referred to in paragraph (1)(ii) means a Company, etc. (excluding Subsidiary Company, etc.) specified by a Cabinet Office Ordinance over which another Company, etc. (including a Subsidiary Company, etc. (meaning the Subsidiary Company, etc. prescribed in the preceding paragraph; hereinafter the same applies in this paragraph) of such Company, etc.) may have a material influence on the decisions about the policies for finance, operations, or business, through investment, assumption of office as a director or other position equivalent thereto by a person who is or has been an officer or employee of said other Company, etc., financing, guarantee of obligations, provision of collateral, provision of technology, or transactions, etc. in operations and business.

(Securities, etc. Similar to Short-Term Corporate Bonds)

Article 15-17 (1) What is specified by a Cabinet Order as being similar to short-term corporate bonds, referred to in Article 33 (2)(i) of the Act, is as follows:

- (i) the short-term corporate bonds referred to in Article 61-10 (1) of the Insurance Business Act; and
  - (ii) those specified by a Cabinet Office Ordinance as being equivalent to the Securities set forth in Article 2 (1)(iv) of the Act.
- (2) What is specified by a Cabinet Order as being similar to short-term investment corporation bonds is securities similar to investment corporation bond certificates which are issued by a Foreign Investment Corporation and which are equivalent to the short-term investment corporation bonds prescribed in Article 139-12 (1) of the Act on Investment Trusts and Investment Corporations.
- (3) Among the Securities set forth in Article 2 (1)(xvii) of the Act, those specified



by a Cabinet Order, referred to in Article 33 (2)(i) of the Act, are, among the Securities which have the nature of the Securities set forth in Article 2 (1)(xv) of the Act, those for which the term between the day of issuance and the day of redemption is shorter than one year, or those specified by a Cabinet Office Ordinance as being equivalent to the short-term corporate bonds set forth in Article 66 (i) of the Act on Transfer of Corporate Bonds, etc., the Securities set forth in paragraph (1)(i) of this Order, or the provisions of Article 2 (1)(iv) or (vii) of the Act.

- (4) Among the Securities set forth in Article 2 (1)(xxi) of the Act, those specified by a Cabinet Order, referred to in Article 33 (2)(i) of the Act, are, among the Securities set forth in Article 1 (i), those for which the term between the day of issuance and the day of redemption is shorter than one year.

(Securities Excluded as a Subject of Private Placement by a Financial Institution)

Article 15-18 The Securities specified by a Cabinet Order, referred to in Article 33 (2)(iv)(a) of the Act, are the Securities set forth in Article 2 (1)(xix) of the Act (including the Securities set forth in Article 2 (1)(xix) of the Act which indicate the Options pertaining to such Securities) which indicate the Options pertaining to the following Securities:

- (i) share certificates (including Preferred Equity Securities), share option certificates, corporate bond certificates with share options, and any other Securities specified by a Cabinet Office Ordinance as being equivalent thereto;
- (ii) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities set forth in the preceding item; and
- (iii) the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Securities prescribed in the preceding two items.

(Cases where a Transaction is Conducted with a Large Number of Persons)

Article 15-19 The cases specified by a Cabinet Order, referred to in Article 33 (2)(v) of the Act, are cases where the transaction set forth in sub-item(b) of that item is conducted with not less than 50 persons as the other parties.

(Subject Transaction of Brokerage for the Clearing of Securities, etc. by a Financial Institution)

Article 15-20 The other transactions specified by a Cabinet Order, referred to in Article 33 (2)(vi) of the Act, are as follows:

- (i) the lending and borrowing of money necessary for the settlement of Brokerage for the Clearing of Securities, etc. (limited to those related to a Margin Transaction, or the sale and purchase of Securities or Securities-

- Related Market Transaction of Derivatives made on a Financial Services Provider's own account; the same applies in the following item) (limited to the lending and borrowing of money pertaining to the loan made by a Securities Finance Company);
- (ii) the lending and borrowing of Securities (in cases where persons other than a Securities Finance Company lend the Securities necessary for the settlement of Brokerage for the Clearing of Securities, etc. by utilizing the clearing systems of a Financial Instruments Exchange Market or Over-the-Counter Securities Market, it is limited to the loan pertaining to the Brokerage for the Clearing of Securities, etc. made in neither a Financial Instruments Exchange Market nor an Over-the-Counter Securities Market);
  - (iii) the delivery or receipt of collateral pertaining to the transactions set forth in the preceding two items; and
  - (iv) in addition to what is listed in the preceding three items, delivery or receipt of Securities or money made for the performance of the obligations arisen from the sale and purchase of Securities, Transaction of Securities-Related Derivatives, or the transactions set forth in the preceding three items.

(Persons Engaged in Specified Financial Instruments Transaction Services)

Article 15-21 (1) When the person engaged in Specified Financial Instruments Transaction Services as referred to in Article 33-8 (2) of the Act performs such business, he/she must clearly indicate that he/she is the person who performs the duties on behalf of the Registered Financial Institution related to such business.

- (2) The persons specified by a Cabinet Order, referred to in Article 33-8 (2)(i) of the Act, are the following persons:
- (i) a Life Insurance Solicitor (meaning a life insurance solicitor as defined in Article 2 (19) of the Insurance Business Act and excluding the officers and employees of a Life Insurance Company defined in paragraph (3) of that Article or a Foreign Life Insurance Company as prescribed in paragraph (8) of that Article) who is an individual;
  - (ii) an officer(s) who holds the authority of the representation of a Life Insurance Solicitor (meaning a life insurance solicitor as prescribed in Article 2 (19) of the Insurance Business Act) who is a juridical person;
  - (iii) a Non-Life Insurance Agent (meaning a non-life insurance agent as prescribed in Article 2 (21) of the Insurance Business Act; hereinafter the same applies in this paragraph) who is an individual;
  - (iv) among the employees of the Non-Life Insurance Agent who is an individual, those who have been notified under Article 302 of the Insurance Business Act;

- (v) among the officers or employees of a Non-Life Insurance Agent who is a juridical person, those who have been notified under Article 302 of the Insurance Business Act; and
- (vi) officers who hold the authority of representation of a Non-Life Insurance Agent who is a juridical person.

(Provision of Matters through Information and Communications Technology)

Article 15-22 (1) When a Financial Services Provider, etc. intends to provide the matters set forth in Article 34-2 (4) of the Act pursuant to that paragraph (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 34-3 (12) (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 34-4 (6) of the Act), Article 34-4 (3), Article 37-3 (2), Article 37-4 (2), Article 37-5 (2), Article 40-2 (6), Article 40-5 (3), and Article 42-7 (2) of the Act; hereinafter the same applies in this Article), he/she must, pursuant to the provisions of a Cabinet Office Ordinance, indicate in advance the type and details of the means prescribed in Article 34-2 (4) of the Act which is used (hereinafter referred to as "Electromagnetic Means" in this Article), to the other party to whom the matters are provided and obtain consent therefrom in writing or by Electromagnetic Means.

(2) When the other party states to the effect that he/she must not receive the provision of such matters by Electromagnetic Means, either in writing or by Electromagnetic Means, the Financial Services Provider, etc. who has previously obtained consent under the preceding paragraph must not provide the matters set forth in Article 34-2 (4) of the Act to such other party by Electromagnetic Means; provided, however, that this does not apply to cases where such other party has given their consent again under the preceding paragraph.

(Acquisition of Consent by Utilizing Information and Communications Technology)

Article 15-23 (1) When a Financial Services Provider, etc. intends to obtain consent by the means specified by a Cabinet Office Ordinance as prescribed in Article 34-2 (12) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 34-3 (3) (including the cases where it is applied mutatis mutandis pursuant to Article 34-4 (6) of the Act) and Article 43-4 (2) of the Act; hereinafter the same applies in this Article) (hereinafter referred to as "Electromagnetic Means" in this Article) in lieu of the written consent under Article 34-2 (11) of the Act pursuant to Article 34-2 (12) of the Act, he/she must, pursuant to the provisions of a Cabinet Office Ordinance, indicate in advance the type and details of the Electromagnetic Means to be used to the other party from whom the Financial Services Provider, etc. intends to obtain consent and

obtain consent therefrom in writing or by Electromagnetic Means.

- (2) When the other party states to the effect that he/she must not give consent by Electromagnetic Means, either in writing or by Electromagnetic Means, the Financial Services Provider who has previously obtained consent under the preceding paragraph must not acquire consent under Article 34-2 (12) of the Act from such other party by Electromagnetic Means; provided, however, that this does not apply to cases where the other party has given their consent again pursuant to the preceding paragraph.

(Technical Replacement of Terms in Cases where the Subject Contract is a Continuous Contract)

Article 15-24 (1) With regard to the application of the provisions of Article 34-3 (4) of the Act in cases where the Subject Contract set forth in Article 34-3 (4)(ii) of the Act is an Investment Advisory Contract (meaning an Investment Advisory Contract as prescribed in Article 2 (8)(xi) of the Act; the same applies hereinafter) or Discretionary Investment Contract, the phrase "the Applicant is deemed to be a Professional Investor for the purpose of application of this Act (excluding this Subsection)" in Article 34-3 (4) of the Act is deemed to be replaced with "the Applicant is deemed to be a Professional Investor for the purpose of application of this Act (excluding this Subsection and Article 45 (limited to the part pertaining to item (iii) and item (iv))), and the Applicant is deemed to be a Professional Investor only during the period up to the Expiration Date (in cases where the Financial Services Provider, etc. has given consent under paragraph (2) and the Applicant has given written consent under that paragraph for the Request for Renewal prescribed in paragraph (7) which the Applicant has made prior to the Expiration Date, the Expiration Date related to such Request for Renewal) for the purpose of the application of Article 45 (limited to the part pertaining to item (iii) and item (iv))."

- (2) With regard to the application of the provisions of Article 34-3 (4) of the Act in cases where the Subject Contract set forth in Article 34-3 (4)(ii) of the Act as applied mutatis mutandis pursuant to Article 34-4 (6) of the Act is an Investment Advisory Contract or Discretionary Investment Contract, the phrase "the Applicant is deemed to be a Professional Investor for the purpose of application of this Act (excluding this Subsection)" in Article 34-4 (4) of the Act is deemed to be replaced with "the Applicant is deemed to be a Professional Investor for the purpose of application of this Act (excluding this Subsection and Article 45 (limited to the part pertaining to item (iii) and item (iv))), and the Applicant is deemed to be a Professional Investor only during the period up to the Expiration Date (in cases where the Financial Services Provider, etc. has delivered the documents or made confirmation under paragraph (2) of the following Article and has given consent under paragraph (2) as applied mutatis

mutandis pursuant to paragraph (6) of the following Article, and the Applicant has given written consent under paragraph (2) with regard to the Request for Renewal prescribed in paragraph (7) which the Applicant has made prior to the Expiration Date, the Expiration Date related to such Request for Renewal) for the purpose of the application of Article 45 (limited to the part pertaining to item (iii) and item (iv))."

(Assets Excluded from Specified Assets Subject to Investment)

Article 15-25 The assets specified by a Cabinet Order, referred to in Article 35 (1)(xv)(a) of the Act, are as follows:

- (i) Building Lots (meaning the building lots set forth in Article 2 (i) of the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952)) and buildings;
- (ii) the commodities prescribed in Article 2 (1) of the Commodity Futures Act; and
- (iii) the rights pertaining to the transactions of commodities investment, etc. set forth in Article 3 (x) of the Order for the Enforcement of the Act on Investment Trusts and Investment Corporations.

(Goods Which Are the Subjects of Investment Constituting a Notification Business)

Article 15-26 The goods specified by a Cabinet Order, referred to in Article 35 (2)(v)-2 of the Act, are the commodities prescribed in Article 2 (1) of the Commodity Futures Act.

(Important Matters that May Have an Impact on Customers' Judgment)

Article 16 (1) The matters specified by a Cabinet Order, referred to in Article 37 (1)(iii) of the Act, are as follows:

- (i) matters related to fees, remuneration, or any other consideration payable by the customer with regard to a Financial Instruments Transaction Contract (meaning a Financial Instruments Transaction Contract as defined in Article 34 of the Act ; the same applies hereinafter) which are specified by a Cabinet Office Ordinance;
- (ii) in cases where there is customer margin or some other security deposit or any other thing specified by a Cabinet Office Ordinance payable by the customer with regard to the Financial Instruments Transaction Contract, the amount thereof or the calculation method therefor;
- (iii) in cases where the Amount (meaning the amount obtained by multiplying the number or volume of the transactions to the amount of consideration offered for the transactions or the Agreed Figure (meaning the Agreed Figure prescribed in Article 2 (21)(ii) of the Act; the same applies hereinafter);

hereinafter the same applies in this item and Article 18 (1)(iii)) of Derivatives Transactions (in the case of the transactions set forth in Article 2 (21)(iii) of the Act, they are the transactions listed in sub-item (a) and sub-item (b) of that item which are closed by the exercise of the rights under that item, in the case of the transactions set forth in Article 2 (22)(iii) of the Act, they are the transactions listed in sub-item (a) and sub-item (b) of that item which are closed by the exercise of the rights under that item, and in the case of the transactions set forth in Article 2 (22)(iv) of the Act, they are the transactions wherein money is paid or received as prescribed in that item and which are closed by the exercise of the rights under that item), Margin Transactions, and any other transaction specified by a Cabinet Office Ordinance conducted by a customer (hereinafter collectively referred to as the "Derivatives Transaction, etc." in this item and Article 18 (1)(iii)) could exceed the amount of the customer margin or other security deposit, or any other amount specified by a Cabinet Office Ordinance payable by the customer with regard to the Derivatives Transaction, etc. (hereinafter collectively referred to as the "Amount of Security Deposit, etc." in this Article and Article 18), the following matters:

- (a) to the effect that the Amount of the Derivatives Transaction, etc. may exceed the Amount of Security Deposit, etc.; and
- (b) the ratio of the Amount of the Derivatives Transaction, etc. to the Amount of Security Deposit, etc. (in cases where such ratio cannot be calculated, to that effect and the reason therefor);

(iv) in cases where there are risks that a loss could be incurred due to fluctuations in money rates, the value of currencies, quotations on the Financial Instruments Market, and other indicators as a direct cause with regard to the Acts of Financial Instruments Transaction (meaning the Acts of Financial Instruments Transaction prescribed in Article 34 of the Act; the same applies hereinafter) conducted by customers, the following matters:

- (a) the indicator(s); and
- (b) a statement to the effect that a loss may be incurred due to fluctuations in such indicator(s) and the reasons therefore;

(v) in cases where there is a risk that the amount of loss referred to in the preceding item could exceed the Amount of Security Deposit, etc. (hereinafter referred to as the "Risk of Loss in Excess of Principal" in this item), the following matters:

- (a) among the indicators under the preceding item, those which are the direct cause for the Risk of Loss in Excess of Principal; and
- (b) a statement of a Risk of Loss in Excess of Principal due to fluctuations in the indicator(s) set forth in sub-item (a) and the reason therefor;

(vi) in cases where there is a difference between the sale price and purchase

price of the Financial Instruments indicated by the Financial Services Provider, etc. with regard to the Over-the-Counter Derivatives Transactions (in cases of the transactions listed in Article 2 (22)(ii) to (vi) inclusive of the Act, the matters specified by a Cabinet Office Ordinance as being equivalent to the sale price and purchase price), a statement to that effect; and (vii) the matters specified by a Cabinet Office Ordinance as being equivalent to the matters set forth in the preceding items.

(2) Notwithstanding the provisions of the preceding paragraph, the matters specified by a Cabinet Order, referred to in Article 37 (1)(iii) of the Act, in cases where the acts set forth in Article 37 (1) of the Act are to be carried out by way of broadcasting, using the broadcast equipment of a Private Broadcaster or any other means specified by a Cabinet Office Ordinance as being equivalent thereto, are as follows:

- (i) in cases where there is a risk that a loss could be incurred due to fluctuations in money rates, the value of currencies, quotations of the Financial Instruments Market or any other indicators as a direct cause with regard to the Acts of Financial Instruments Transaction conducted by the customers, the statement of such risk (in cases where there is a risk that the amount of the loss may exceed the Amount of Security Deposit, etc., the statement of such risks is included); and
- (ii) the matters specified by a Cabinet Office Ordinance as being equivalent to the matters set forth in the preceding item.

(Scope of Specified Financial Services Provider, etc.)

Article 15-27 The persons specified by a Cabinet Order, referred to in Article 36 (3) of the Act, are the following persons:

- (i) Financial Services Provider who engages in the Securities Services (meaning Securities Services as prescribed in Article 28 (8) of the Act; the same applies hereinafter) (limited to persons registered under Article 29 of the Act for engaging in Type I Financial Instruments Business); and
- (ii) Registered Financial Institution.

(Scope of Parent Financial Institution, etc. and Subsidiary Financial Institution, etc.)

Article 15-28 (1) The persons specified by a Cabinet Order, referred to in Article 36 (4) of the Act, are the persons set forth in the items of Article 15-16 (1).

(2) Persons engaged in financial business specified by a Cabinet Order, referred to in Article 36 (4) and (5), are the following persons.

- (i) Persons set forth in the items of Article 1-9
- (ii) Persons engaged in the following business in a foreign state in compliance with laws and regulations of the foreign state (excluding Financial Services

Providers, banks, Cooperative Financial Institutions and persons specified in the preceding item)

(a) Financial Instruments Business

(b) Banking business prescribed in Article 2 (2) of the Banking Act (Act No. 59 of 1981)

(c) Insurance business prescribed in Article 2 (1) of the Insurance Business Act

(3) The persons specified by a Cabinet Order, referred to in Article 36 (5) of the Act, are the persons set forth in the items of Article 15-16 (2).

(Solicitation Requiring that the Prime Minister Receive Notification of the Contents of the Documents)

Article 16-2 The solicitation specified by a Cabinet Order, referred to in Article 37-3 (3) of the Act, is solicitation in response to which not less than 500 persons conclude the Contracts for Financial Instruments Transactions related to such solicitation.

(Contract, etc. which May be Cancelled by the Customer)

Article 16-3 (1) The Financial Instruments Transaction Contract specified by a Cabinet Order, referred to in Article 37-6 (1) of the Act, is an Investment Advisory Contract.

(2) The number of days specified by a Cabinet Order, referred to in Article 37-6 (1) of the Act, is ten days.

(Contract Prohibiting Cold Calling)

Article 16-4 (1) The Financial Instruments Transaction Contract specified by a Cabinet Order, referred to in Article 38 (iv) of the Act, is the following contracts:

(i) a contract wherein the following transactions from among the Over-the-Counter Derivatives Transactions are carried out with customers or a contract wherein an intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service for such transactions is performed on behalf of the customer:

(a) a transaction wherein the parties to the sale and purchase promise to deliver or receive Financial Instruments (limited to those listed in Article 2 (24)(ii) or (iii) of the Act; hereinafter the same applies in this item) or the consideration therefor at a fixed time in the future, and, when the resale or repurchase of the underlying Financial Instruments or the act of cancellation of the sale and purchase contract by the parties thereof has been carried out, the settlement of such a transaction may be made by paying or receiving the difference;



- (b) a transaction wherein the parties promise to pay or receive the amount of money calculated based on the difference between a figure upon which the parties have agreed in advance to use as the Financial Indicator (limited to the prices of the Financial Instruments or the Interest Rates, etc. (meaning the Interest Rate, etc. prescribed in Article 2 (21)(iv) of the Act; the same applies hereinafter) of the Financial Instruments (excluding those listed in Article 2 (24)(iii) of the Act) or the figures calculated based thereon; hereinafter the same applies in sub-item (b)) and the actual figure of the Financial Indicator at a fixed time in the future, or any other similar transactions;
- (c) a transaction wherein the parties thereto promise that one of the parties grants the other party an option to effect a transaction listed in the following sub-items between the parties only by unilateral manifestation of said other party's intention, and said other party pays consideration for such option, or any other similar transactions:
  1. sales and purchases of Financial Instruments (excluding the transactions set forth in sub-item (a)); and
  2. the transactions set forth in sub-item (a) or (b).
- (ii) a contract wherein an Over-the-Counter Derivatives Transaction is carried out with individual customers or an intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service for Over-the-Counter Derivatives Transaction is performed on behalf of individual customers (excluding those falling under the contracts set forth in the preceding item).
- (2) The Financial Instruments Transaction Contract specified by a Cabinet Order, referred to in Article 38 (v) and (vi) of the Act, is the contracts set forth in the items of the preceding paragraph or the following contracts:
  - (i) a contract wherein an intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service for the following transactions from among the Market Transaction of Derivatives is performed on behalf of customers, or wherein an intermediary, brokerage, or agency service for the entrustment of such transactions is performed:
    - (a) a transaction wherein the parties to the sale and purchase promise to deliver or receive Financial Instruments (limited to those listed in Article 2 (24)(ii) or (iii) of the Act or those listed in Article 2 (24)(v) of the Act (limited to those pertaining to those listed in Article 2 (24)(ii) of the Act); hereinafter the same applies in this item) or the consideration therefor at a fixed time in the future, and, when the resale or repurchase of the underlying Financial Instruments or other acts specified by a Cabinet Order is carried out, the settlement thereof may be made by paying or receiving the difference;

- (b) a transaction wherein the parties promise to pay or receive the amount of money calculated based on the difference between a figure upon which the parties have agreed in advance to use as the Financial Indicator (limited to the prices of the Financial Instruments or the Interest Rates, etc. of the Financial Instruments (excluding those listed in Article 2 (24)(iii) of the Act) or the figures calculated based thereon; hereinafter the same applies in this sub-item (b)) and the actual figure of the Financial Indicator at a fixed time in the future, or any other similar transactions;
- (c) a transaction wherein the parties thereto promise that one of the parties grants the other party an option to effect a transaction listed in the following sub-items between the parties only by unilateral manifestation of said other party's intention, and said other party pays consideration for such option, or any other similar transactions:
  1. sales and purchases of Financial Instruments (excluding the transaction set forth in sub-item (a)); and
  2. the transactions listed in sub-item (a) or sub-item (b) (including the transactions equivalent to the transaction listed in sub-item (b) and which are specified by a Financial Instruments Exchange);
- (ii) a contract wherein an intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service for transactions similar to those listed in sub-item (a), sub-item (b) and sub-item (c) of the preceding item from among the Foreign Market Transactions of Derivatives is performed on behalf of customers or wherein an intermediary, brokerage, or agency service for entrustment of such transactions is performed;

(Exemptions to the Prohibition on Compensation for Loss, etc.)

Article 16-5 The transactions specified by a Cabinet Order, referred to in Article 39 (1)(i) of the Act, are , among the sale and purchase on condition of repurchase related to the Securities set forth in Article 2 (1)(i) to (v) inclusive and (xv) of the Act (excluding corporate bond certificates with share options; hereinafter the same applies in this Article), the Securities set forth in Article 2 (1) (xvii) of the Act which have the nature of the Securities listed in Article 2 (1)(i) to (v) inclusive and (xv) of the Act, and the Securities listed in Article 1 (i) and which are, among those where the repurchase price is set in advance (hereinafter referred to as "Sale and Purchase of Bonds, etc. on Condition of Repurchase" in this Article), those carried out by a Financial Services Provider, etc. solely for the fund procurement thereof (including those carried out for procuring funds which becomes short by becoming a counterparty to another Sale and Purchase of Bonds, etc. on Condition of Repurchase)

(Exemptions, etc. on the Best Execution Policy, etc.)

Article 16-6 (1) The transactions specified by a Cabinet Order, referred to in Article 40-2 (1) of the Act, are as follows:

(i) sale and purchase of Securities (excluding those listed in the following sub-items):

(a) sale and purchase of Listed Share Certificates, etc. (meaning the share certificates, corporate bond certificates with share options and any other Securities specified by a Cabinet Office Ordinance which are listed on a Financial Instrument Exchange; the same applies in paragraph (3))

(excluding sale and purchase that falls under the category of a Derivatives Transaction; hereinafter the same applies in this item and paragraph (3));

(b) sale and purchase of Over-the-Counter Traded Securities; and

(c) sale and purchase of Tradable Securities (meaning the Tradable Securities prescribed in Article 67-18 (iv) of the Act; the same applies hereinafter); and

(ii) Derivatives Transactions.

(2) The Best Execution Policy, etc. under Article 40-2 (1) of the Act must be established by stating the method for executing orders under the best terms and conditions for each issue for the Transactions of Securities, etc. defined in that paragraph and the reason for choosing such method.

(3) The transactions specified by a Cabinet Order, referred to in Article 40-2 (4) of the Act, are the sale and purchase of Listed Share Certificates, etc. and Over-the-Counter Traded Securities.

(Things Similar to Money)

Article 16-7 Those specified by a Cabinet Order as being similar to money, referred to in Article 40-3 of the Act, are those listed in the items of Article 1-3.

(Acts which Are Subject to the Obligation of Notification Related to Securities for Professional Investors)

Article 16-7-2 The acts specified by a Cabinet Order, referred to in Article 40-5 (1) of the Act, are the following acts:

(i) sales (excluding those listed in the following sub-items):

(a) sales made in a Financial Instruments Exchange Market, Over-the-Counter Securities Market, or Foreign Financial Instruments Market;

(b) sales of Share Certificates, etc. (meaning the Share Certificates, etc. defined in Article 27-2 (1) of the Act) pertaining to the Tender Offer prescribed in Article 27-2 (6) of the Act;

(c) sales of Listed Share Certificates, etc. (meaning the Listed Share Certificates, etc. defined in Article 24-6 (1) of the Act) pertaining to the Tender Offer prescribed in Article 27-2 (6) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 27-22-2 (2) of the

Act;

- (d) sales conducted through sale and purchase transactions of Securities which are closed when the rights acquired or granted in the Transactions of Securities-Related Derivatives (meaning Transactions of Securities-Related Derivatives as prescribed in Article 28 (8)(vi) of the Act and limited to the transactions set forth in Article 28 (8)(iii)(c) of the Act (limited to a transaction pertaining to that set forth in Article 28 (8)(iii)(c)1. of the Act) or Article 28 (8)(iv)(c) of the Act (limited to a transaction related to the transaction set forth in Article 28 (8)(iv)(c)1. of the Act)) are exercised (such sale and purchase transaction is referred to as the "Specified Sale and Purchase Transaction" in the following item);
- (e) sales related to the sale and purchase of Securities set forth in Article 2 (8)(x) of the Act; and
- (f) in addition to those listed in sub-item (a) to sub-item (e) inclusive, sales specified by a Cabinet Office Ordinance as those which would not compromise the protection of investors;
- (ii) the conclusion of a contract wherein an intermediary, brokerage, or agency service (excluding those listed in the following sub-items) for purchases (excluding purchases conducted through Specified Sale and Purchase Transactions; hereinafter the same applies in this item) is performed:
  - (a) an intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service for purchases made in a Financial Instruments Exchange Market, Over-the-Counter Securities Market, or Foreign Financial Instruments Market;
  - (b) the acts listed in Article 2 (8)(x) of the Act;
  - (c) a Brokerage for the Clearing of Securities, etc.; and
  - (d) in addition to what is listed in sub-item (a) to sub-item (c) inclusive, any acts specified by a Cabinet Office Ordinance as those which would not compromise the protection of investors.

(Exemptions to the Prohibition on Purchase and Sale, etc. of Securities)

Article 16-8 The cases specified by a Cabinet Order, referred to in the proviso to Article 41-3 of the Act, are the following cases:

- (i) cases where the acts are carried out as a Type II Financial Instruments Business;
- (ii) cases where the acts are carried out as a Registered Financial Institution Business (meaning the Registered Financial Institution Business set forth in Article 33-5 (1)(iii) of the Act);
- (iii) cases where the Financial Services Provider who is a Financial Instruments Intermediary carries out the acts as a Financial Instruments Intermediation;

- (iv) cases where a Registered Financial Institution which is a Financial Institution engaged in Trust Business (meaning a Financial Institution authorized under Article 1 (1) of the Act on Concurrent Operation of Trust Business by a Financial Institution (Act No. 43 of 1943); the same applies hereinafter) carries out the acts as a Trust Business (meaning a trust business set forth in that paragraph; the same applies hereinafter); and
- (v) cases specified by a Cabinet Office Ordinance as being equivalent to the cases set forth in the preceding items.

(Exemptions to the Prohibition on Receiving, etc. Deposits of Money or Securities)

Article 16-9 The cases specified by a Cabinet Order, referred to in Article 41-4 and Article 42-5 of the Act, are the following cases:

- (i) cases where a Registered Financial Institution which is a Financial Institution engaged in Trust Business carries out the acts as a Trust Business;
- (ii) cases where there is acceptance of deposits, savings, or Installment Savings, etc. prescribed in Article 2 (4) of the Banking Act; and
- (iii) cases specified by a Cabinet Office Ordinance as being equivalent to the cases set forth in the preceding two items.

(Scope of Persons Having a Close Relationship with a Financial Services Provider, etc.)

Article 16-10 The persons specified by a Cabinet Order, referred to in Article 41-4 and Article 42-5 of the Act, are persons other than a Financial Services Provider, etc. (limited to those engaged in Securities, etc. Management (meaning the Securities, etc. Management defined in Article 28 (5) of the Act; the same applies in Article 18-2)), Bank or any other person specified by a Cabinet Office Ordinance who are any of the following persons:

- (i) a relative(s) (limited to the spouse thereof and the relatives by blood or affinity within the third degree of kinship) of the Financial Services Provider, etc. (limited to one who is an individual);
- (ii) Officers (meaning the Officers as set forth in Article 29-2 (1)(iii) of the Act and in cases where the Officer is a juridical person, the members to perform the duties thereof are included; the same applies in Article 18-2 (ii)) or an employee of the Financial Services Provider, etc. (limited to one who is a juridical person; hereinafter the same applies in this Article);
- (iii) a Parent Corporation, etc. (meaning a Parent Corporation, etc. as defined in Article 31-4 (3) of the Act; the same applies hereinafter) or Subsidiary Corporation, etc. (meaning a Subsidiary Corporation, etc. as defined in Article 31-4 (4) of the Act; the same applies hereinafter) of the Financial

Services Provider, etc.;

- (iv) a Specified Individual Shareholder of the Financial Services Provider, etc. (excluding those set forth in the item (ii)); and
- (v) the persons specified by a Cabinet Office Ordinance as being equivalent to the persons set forth in the preceding items.

(Exemptions to the Prohibition on Loans, etc. of Money or Securities Concerning Investment Advisory Services)

Article 16-11 The cases specified by a Cabinet Order, referred to in the proviso to Article 41-5 of the Act, are the following cases:

- (i) cases where a Financial Services Provider (limited to one engaged in a Type I Financial Instruments Business) conducts the following acts:
  - (a) loaning money or Securities to customers as a business set forth in Article 35 (1) of the Act (excluding those incidental to a margin transaction; the same applies in sub-item (c) of this item and sub-item (b) of the following item);
  - (b) an intermediary or agency service for loans of money to customers which are made by another Financial Services Provider incidentally with a margin transaction;
  - (c) an intermediary or agency service for loans of money or Securities to customers which are made by another Financial Services Provider as a business set forth in Article 35 (1) of the Act;
- (ii) cases where the Financial Services Provider who is a Financial Instruments Intermediary carries out the following acts:
  - (a) an intermediary service for loans of money or Securities to customers which are made by an Entrusting Financial Services Provider, etc. (meaning an Entrusting Financial Services Provider, etc. as defined in Article 66-2 (1)(iv) of the Act; the same applies hereinafter) incidentally with a margin transaction;
  - (b) an intermediary service for loans of money or Securities to customers which are made by an Entrusting Financial Services Provider, etc. as a business set forth in Article 35 (1) of the Act;
- (iii) cases where a Registered Financial Institution which is a Financial Institution engaged in Trust Business carries out the following acts:
  - (a) loaning money or Securities to customers; and
  - (b) an intermediary or agency service for loans of money or Securities to customers, performed by other Financial Institutions (limited to Banks, Cooperative Financial Institutions, the Shoko Chukin Bank Limited, Insurance Companies or securities finance companies); and
- (iv) cases specified by a Cabinet Office Ordinance as being equivalent to the cases set forth in the preceding three items.

(Persons who may Entrust the Authority for Investment)

Article 16-12 The persons specified by a Cabinet Order, referred to in Article 42-3 (1) of the Act, are the following persons:

- (i) other Financial Services Providers, etc. (limited to those engaged in an Investment Management); and
- (ii) a juridical person established in accordance with the laws and regulations of a foreign state who engages in an Investment Management in a foreign state (excluding those who have obtained the registration under Article 29 of the Act).

(Exemptions to the Prohibition on Loans, etc. of Money or Securities With Regard to an Investment Management)

Article 16-13 The cases specified by a Cabinet Order, referred to in the proviso to Article 42-6 of the Act, are the following cases:

- (i) cases where a Financial Services Provider provides intermediary or agency service for loans of money or Securities to customers which are made by another Financial Services Provider incidentally with a margin transaction;
- (ii) cases where a Financial Services Provider (limited to one engaged in a Type I Financial Instruments Business) carries out the following acts:
  - (a) the loaning of money or Securities to customers as a business set forth in Article 35 (1) of the Act (excluding those incidental to a margin transaction; the same applies in sub-item (b) of this item and sub-item (b) of the following item);
  - (b) an intermediary or agency service for loans of money or Securities to customers which are made by another Financial Services Provider as a business set forth in Article 35 (1) of the Act;
- (iii) cases where a Financial Services Provider who is a Financial Instruments Intermediary carries out the following acts (excluding the cases set forth in item (i)):
  - (a) an intermediary or agency service for loans of money or Securities to customers which are made by an Entrusting Financial Services Provider, etc. incidentally with a margin transaction;
  - (b) an intermediary service for loans of money or Securities to customers which are made by an Entrusting Financial Services Provider, etc. as a business set forth in Article 35 (1) of the Act;
- (iv) cases where a Registered Financial Institution which is a Financial Institution engaged in Trust Business carries out the following acts:
  - (a) loaning money or Securities to customers;
  - (b) an intermediary or agency service for loans of money or Securities to customers which are made by a Financial Services Provider incidentally

- with a margin transaction; and
- (c) an intermediary or agency service for loan of money or Securities to customers which are made by other Financial Institutions (limited to Banks, Cooperative Financial Institutions, the Shoko Chukin Bank Limited, Insurance Companies, or securities finance companies); and
- (v) cases specified by a Cabinet Office Ordinance as being equivalent to the cases set forth in the preceding items.

(Number of Rights Holders Entitled to Investment Property for Which the Submission of an Investment Report May Be Omitted)

Article 16-14 The number specified by a Cabinet Order, referred to in the proviso to Article 42-7 (3) of the Act, is 499.

(Securities-Related Transactions Excluded from Separate Management)

Article 16-15 The transactions specified by a Cabinet Order, referred to in Article 43-2 (1)(ii) of the Act, are transactions falling under the category of transactions designated by the Commissioner of the Financial Services Agency as being similar to Over-the-Counter Derivatives Transactions.

(Order for Public Notice of Business Reports)

Article 16-16 The order under Article 46-3 (3) and Article 48-2 (3) of the Act shall be given by providing to the effect that public notice under these provisions is to be published in a daily newspaper that publishes matters on current affairs.

(Period Until the Commencement of Public Inspection of Explanatory Documents)

Article 16-17 The period specified by a Cabinet Order, referred to in the provisions of Article 46-4 of the Act (including the cases where it is applied by replacing certain terms pursuant to Article 49-2 (2) of the Act) and Article 47-3 of the Act, is four months; provided, however, that in cases where a Financial Services Provider who is a foreign juridical person or an individual domiciled in a foreign state is found unable to keep its Explanatory Documents (meaning the Explanatory Documents set forth in Article 46-4 of the Act (including the cases where it is applied by replacing certain terms pursuant to Article 49-2 (2) of the Act) or Article 47-3 of the Act) and provide them for public inspection from the day on which four months have elapsed from the end of its business year (in cases where it is applied by replacing certain terms pursuant to Article 49-2 (2) of the Act, the period set forth in Article 46-4 of the Act as replaced pursuant to Article 49-2 (2) of the Act) due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the



Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Special Provisions for the Deadline for Submission of Business Reports by a Foreign Juridical Person, etc.)

Article 16-18 The period specified by a Cabinet Order, referred to in Article 46-3 (1) of the Act as applied by replacing certain terms pursuant to Article 49-2 (1) of the Act or in the provisions of Article 47-2 and Article 48-2 (1) of the Act as applied by replacing certain terms pursuant to Article 49-2 (4) of the Act, is three months; provided, however, that in cases where a Financial Services Provider who is a foreign juridical person or an individual domiciled in a foreign state or a Registered Financial Institution which is a foreign juridical person is found unable to submit the Business Reports within the three months after the end of its business year (in cases where it is applied by replacing certain terms pursuant to Article 49-2 (1) of the Act, the period set forth in Article 46-3 (1) of the Act as replaced pursuant to Article 49-2 (1) of the Act) due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Deadline for Submission of Other Documents, etc.)

Article 16-19 The period specified by a Cabinet Order, referred to in Article 49-3 (1) of the Act, is three months; provided, however, that in cases where a Financial Services Provider set forth in Article 49-3 (1) of the Act is found unable to submit the documents referred to in that paragraph within three months after the end of its business year due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Assets to be Retained in Japan)

Article 16-20 Within the scope of liability belonging to the accounts of All Business Offices or Offices, that specified by a Cabinet Order, referred to in Article 49-5 of the Act, is , within said scope of liability, that other than the liability to the head office of the Financial Services Provider set forth in that Article or any other Non-Residents.

(Replacement of Terms of the Provisions of Companies Act Applied Mutatis Mutandis to Cases where a Financial Services Provider, etc. Gives Public Notice of the Abolition, etc. of a Financial Instruments Business, etc. by Electronic Public Notice)

Article 17 With regard to the case where giving the public notice under Article 50-2 (6) of the Act by way of Electronic Public Notice (meaning the Electronic Public Notice prescribed in Article 2 (xxxiv) of the Companies Act; the same applies hereinafter), the technical replacement of terms under Article 50-2 (9) and (10) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 50-2 (9) of the Act, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original Terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Assets for which Retention in Japan May Be Ordered)

Article 17-2-1 The portion of the assets specified by a Cabinet Order, referred to in Article 56-3 of the Act, is the amount of the stated capital equivalent to the amount of liability calculated pursuant to the provisions of a Cabinet Office Ordinance.

(Base Amount of Total Assets requiring Notification pertaining to Special Financial Services Provider)

Article 17-2-2 The amount specified by a Cabinet Order, referred to in Article 57-2 (1) of the Act, is 1 trillion yen.

(Deadline for Submission of Documents Related to Parent Company of Special Financial Services Provider)

Article 17-2-3 (1) The period specified by a Cabinet Order, referred to in Article 57-2 (2) of the Act, is one month (three months in the case of Quarterly Report and any other documents set forth in item (ii) of said paragraph that are specified by Cabinet Office Ordinance as documents that are difficult to submit within said period); provided, however, that in cases where the Parent Company (meaning the Parent Company prescribed in paragraph (8) of said Article; hereinafter the same applies in this Chapter) of a Special Financial Services Provider (meaning Special Financial Services Provider prescribed in said paragraph; the same applies hereinafter) is a foreign company, when the Special Financial Services Provider is found unable to submit said documents within three months after the Notification Date (meaning the Notification Date

prescribed in paragraph (2) of said Article; the same applies in the following paragraph) due to laws and regulations of the nation of the Parent Company, the practice thereof, or any other inevitable grounds, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(2) The period specified by a Cabinet Order, referred to in Article 57-2 (3) of the Act, is one month (three months in the case of Quarterly Report and any other documents set forth in item (ii) of paragraph (2) of said Article that are specified by Cabinet Office Ordinance as documents that are difficult to submit within said period); provided, however, that in cases where the Parent Company of a Special Financial Services Provider is a foreign company, when the Special Financial Services Provider is found unable to submit said documents within three months after the date on which the Parent Company became its Parent Company on or after the Notification Date due to laws and regulations of the nation of the Parent Company, the practice thereof, or any other inevitable grounds, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(3) The period specified by a Cabinet Order, referred to in Article 57-2 (5) of the Act, is e one month (three months in the case of Quarterly Report and any other documents that are specified by Cabinet Office Ordinance as documents that are difficult to submit within said period); provided, however, that in cases where the Parent Company of a Special Financial Services Provider is a foreign company, when the Special Financial Services Provider is found unable to submit said documents within three months after the end of the quarter (meaning the quarter prescribed in said paragraph; the same applies to the proviso to Article 17-2-11 (3)) due to laws and regulations of the nation of the Parent Company, the practice thereof, or any other inevitable grounds, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Scope of Subsidiary Corporation, etc. of Special Financial Services Provider)  
Article 17-2-4 Persons who satisfy the requirements specified by a Cabinet Order, referred to in Article 57-2 (9) of the Act, are the persons listed in the items of Article 15-16-2 (1).

(Transitional Period, etc. Related to Submission of Business Reports of Special Financial Services Provider)

Article 17-2-5 (1) The period specified by a Cabinet Order, referred to in Article 57-3 (1) of the Act, is one month.

(2) The order under the provision of Article 57-3 (3) of the Act shall be given by

providing to the effect that public notice under said provision is to be published in a daily newspaper that publishes matters on current affairs.

(Transitional Period Related to Preparation and Public Inspection of Explanatory Documents of Special Financial Services Provider)

- Article 17-2-6 (1) The period specified by a Cabinet Order from the Notification Date prescribed in Article 57-4 of the Act is one month.
- (2) The period specified by a Cabinet Order from the end of each business year prescribed in Article 57-4 of the Act four months.

(Transitional Period Related to Notification, etc. of Documents Describing Status of Soundness in Management of Special Financial Services Provider)

- Article 17-2-7 (1) The period specified by a Cabinet Order, referred to in Article 57-5 (2) of the Act, is one month.
- (2) The period specified by a Cabinet Order from the Notification Date, referred to in Article 57-5 (3) of the Act, is one month.
- (3) The period specified by a Cabinet Order from the end of the quarter, referred to in Article 57-5 (3) of the Act, is two months.

(Deadline for Submission of Documents by Designated Parent Company)

- Article 17-2-8 The period specified by a Cabinet Order, referred to in Article 57-13 (1) of the Act, is one month.

(Transitional Period, etc. Related to Submission of Business Reports of Ultimate Designated Parent Company)

- Article 17-2-9 (1) The period specified by a Cabinet Order, referred to in Article 57-15 (1) of the Act, is one month.
- (2) The order under the provision of Article 57-15 (3) of the Act shall be given by providing to the effect that public notice under said provision is to be published in a daily newspaper that publishes matters on current affairs.

(Transitional Period Related to Preparation and Public Inspection of Explanatory Documents of Ultimate Designated Parent Company)

- Article 17-2-10 (1) The period specified by a Cabinet Order from the day on which the company became an Ultimate Designated Parent Company prescribed in Article 57-16 of the Act is one month.
- (2) The period specified by a Cabinet Order from the end of each business year prescribed in Article 57-16 of the Act is four months; provided, however, that in cases where an Ultimate Designated Parent Company (meaning Ultimate Designated Parent Company prescribed in Article 57-12 (3) of the Act; hereinafter the same applies in paragraph (3) of the following Article and

Article 17-2-12 (2)) that is a foreign company is found unable to keep the Explanatory Documents set forth in Article 57-16 of the Act and provide them for public inspection from the day on which four months have elapsed from the end of its business year due to its nation's laws and regulations, the practice thereof, or any other inevitable grounds, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Transitional Period Related to Notification, etc. of Documents Describing Status of Soundness in Management of Ultimate Designated Parent Company)

Article 17-2-11 (1) The period specified by a Cabinet Order, referred to in Article 57-17 (2) of the Act, is one month.

(2) The period specified by a Cabinet Order from the day on which the company became an Ultimate Designated Parent Company prescribed in Article 57-17 (3) of the Act is one month.

(3) The period specified by a Cabinet Order from the end of the quarter, referred to in Article 57-17 (3) of the Act, is two months; provided, however, that in cases where an Ultimate Designated Parent Company that is a foreign company is found unable to keep the documents set forth in said paragraph and provide them for public inspection from the day on which two months have elapsed from the end of the quarter due to its nation's laws and regulations, the practice thereof, or any other inevitable grounds, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Technical Replacement of Terms, etc. for Application of Provisions of the Act to a Foreign Company)

Article 17-2-12 (1) In cases where the Parent Company of a Special Financial Services Provider is a foreign company, the technical replacement of terms pertaining to the provision of Article 57-27 of the Act is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original Terms	Terms to replace the original terms
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Article 57-13, paragraph (2), item (ii)	its articles of incorporation, its certificate of registered information	its articles of incorporation and its certificate of registered information (including the documents equivalent thereto) and its certificate of registered information of the principal office in Japan
Article 57-18, paragraph (1), item (ii)	it files a petition to commence bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings; or	it files a petition to commence bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or liquidation in Japan, or a petition to commence the same kind of proceedings in the State where its head office or principal office is located in accordance with the laws and regulations of said State
Article 57-18, paragraph (2), item (ii)	the officer that represented the Designated Parent Company	an officer of the Designated Parent Company
Article 57-18, paragraph (2), item (iii)	it dissolves as an order to commence bankruptcy proceedings	an order to commencement bankruptcy proceedings is made against it or proceedings of the same kind as bankruptcy proceedings in a state where its head office or principal office is located under the laws and regulations in said State has commenced
	the bankruptcy trustee	the bankruptcy trustee or a person equivalent to a bankruptcy trustee in said State

Article 57-18, paragraph (2), item (iv)	the liquidator	the liquidator or a person equivalent to the liquidator in a state where its head office or principal office is located
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(2) With regard to the application of the provision of Article 57-15 (1) of the Act to cases where the Ultimate Designated Parent Company is a foreign company, the term "within three months" in that paragraph is deemed to be replaced with "within three months (within the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance in cases where the Ultimate Designated Parent Company is found unable to submit its Business Reports within three months after the end of its business year due to its nation's laws and regulations, the practice thereof, or any other inevitable grounds)".

(Cases where Acts Related to Securities Services May Be Conducted with a Person in Japan)

Article 17-3 The cases specified by a Cabinet Order, referred to in the proviso to Article 58-2 of the Act, are the following cases (excluding the cases where, with regard to Securities for Professional Investors, the acts listed in Article 2 (8)(i) to (iv) inclusive or (x) of the Act are to be carried out with General Investors (meaning General Investors as defined in Article 40-4 of the Act; hereinafter the same applies in this Article) (excluding a Case Where Disclosure Has Been Made with regard to the Securities for Professional Investors, a case where an intermediary service for a sale on behalf of the General Investors not based on a solicitation for General Investors is made, or any other cases specified by a Cabinet Office Ordinance as being less likely to result in insufficient protection of investors)):

- (i) cases where a Foreign Securities Services Provider carries out the following acts from a foreign state:
  - (a) the acts listed in the items of Article 28 (8) of the Act carried out with the government or the Bank of Japan;
  - (b) acts listed in the items of Article 28 (8) of the Act carried out with, among the Financial Institutions (meaning banks, Cooperative Financial Institutions, and financial institutions listed in the items of Article 1-9; hereinafter the same applies in this Article), those specified by a Cabinet Office Ordinance, or a Trust Company (meaning persons who have obtained the license under Article 3 or Article 53 (1) of the Trust Business Act (Act No. 154 of 2004)), and which are related to the sale and purchase of Securities or Transactions of Securities-Related Derivatives conducted

- by such persons for the purpose of investment or on the account of a person who has created a trust under a trust contract;
- (c) the acts listed in the items of Article 28 (8) of the Act carried out with, among Financial Services Providers, those engaged in an Investment Management and which are related to the Investment Management conducted thereby;
  - (d) the acts listed in the items of Article 28 (8) of the Act carried out with, among Financial Institutions, those specified by a Cabinet Office Ordinance, which are acts specified in Article 33 (2)(i) to (v) inclusive of the Act as relating to the Securities or transactions set forth in these items;
  - (e) among the acts listed in the items of Article 28 (8) of the Act carried out with, among Financial Institutions, those specified by a Cabinet Office Ordinance, wherein the Financial Institutions carry out the sale and purchase of Securities, or the acts listed in Article 28 (8)(iii) or (v) of the Act on a customer's account on receiving his/her written orders (excluding acts carried out based on the solicitation to a customer concerning said orders and acts carried out on receiving orders from the customer concerning said Financial Institutions' Investment Advisory Services), the acts which are related to those specified by a Cabinet Office Ordinance;
  - (f) the acts listed in the items of Article 28 (8) of the Act carried out with a Long-Term Credit Bank (meaning those who have obtained a license from the Prime Minister pursuant to Article 4 (1) of the Long-Term Credit Bank Act (Act No. 187 of 1952)), an ordinary bank as set forth in Article 8 (1) of the Act on Financial Institutions' Merger and Conversion (Act No. 86 of 1968) (including the cases where it is applied mutatis mutandis pursuant to Article 55 (4) of that Act; hereinafter the same applies in this item) which has been authorized under Article 8 (1) of that Act (including an ordinary bank as set forth in Article 17-2 (1) of the Act on Financial Institutions' Merger and Conversion prior to the revision under Article 168 of the Supplementary Provisions of the Act on Development, etc. of Relevant Acts for Financial System Reform (Act No. 107 of 1998) which remains effective pursuant to the provisions of Article 169 of the Supplementary Provisions of that Act (hereinafter referred to as the "Merger and Conversion Act Prior to the Revision in 1998" in this item) (including the cases where Article 17-2 (1) of the Merger and Conversion Act Prior to the Revision in 1998 is applied mutatis mutandis pursuant to Article 24 (1) of that Act; hereinafter the same applies in this item), which has been authorized under Article 17-2 (1) of that Act, and in cases where a merger or conversion is to be effected where a written merger agreement or written conversion agreement has been prepared pursuant to the



- provisions of the Act on a Financial Institutions' Merger and Conversion prior to the revision under Article 199 of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Companies Act (Act No. 87 of 2005; hereinafter referred to as the "Preparation Act for the Companies Act" in this item) which are to remain applicable pursuant to the provisions of Article 200 (1) of the Preparation Act for the Companies Act (hereinafter referred to as the "Merger and Conversion Act Prior to the Revision in 2005" in this item) (including the cases where Article 17-2 (1) of that Act is applied mutatis mutandis pursuant to Article 24 (1) of that Act; hereinafter the same applies in this item), an ordinary bank authorized under Article 17-2 (1) of that Act) or a Trust Company, etc. (meaning a Trust Company, etc. as prescribed in Article 3 (1) of the Trust Loan Act (Act No. 195 of 1952)), which are related to the long-term credit bank bonds issued under Article 8 or Article 9 of the Long-Term Credit Bank Act, the specified corporate bonds issued pursuant to Article 8 of the Act on Financial Institutions' Merger and Conversion, or the beneficiary certificates prescribed in Article 2 (2) of the Trust Loan Act respectively;
- (ii) cases where a Foreign Securities Services Provider carries out the following acts from a foreign state without making solicitation for the acts listed in the items of Article 28 (8) of the Act (excluding the cases which fall under the preceding item):
- (a) with the order from a person in Japan, among the acts listed in Article 28 (8)(i) to (iii) inclusive or (v) of the Act or the acts set forth in item (vi) of that paragraph (excluding the intermediary, brokerage, or agency service set forth in item (iv) of that paragraph), carried out with said person as the counterparty, those specified by a Cabinet Office Ordinance, or the acts listed in Article 28 (8)(iv) of the Act or the acts set forth in item (vi) of that paragraph (excluding the intermediary, brokerage, and agency service set forth in item (iv) of that paragraph) carried out with said person (limited to one who falls under either of sub-item (a) of sub-item (b) of Article 1-8-6 (1)(ii)) as the counterparty;
- (b) through the agency or intermediary service performed by a Financial Services Provider engaged in Securities Services (limited to one who has obtained the registration under Article 29 of the Act to conduct a Type I Financial Instruments Business), sale and purchase of Securities or among the acts listed in Article 28 (8)(iii) or (v) of the Act, those specified by a Cabinet Office Ordinance which are carried out with a person in Japan as the counterparty thereto, or the acts listed in Article 28 (8)(iv) of the Act carried out with a person in Japan (limited to those who fall under either of sub-item (a) or sub-item (b) of Article 1-8-6 (1)) as the counterparty;
- (iii) cases where a Foreign Securities Services Provider, pursuant to the

provisions of a Cabinet Office Ordinance, holds a discussion solely for fixing the contents of the Underwriting Contract (meaning a contract concluded through public offering, private placement, or secondary distribution of Securities or Offer to Sell, etc. Only for Professional Investors wherein the Foreign Securities Services Provider acquires the Securities in whole or in part from the issuer or holder of the Securities (excluding Financial Services Provider and Registered Financial Institution; hereinafter the same applies in this item) for the purpose of having the Securities acquired by other persons, or in cases where there are no other such persons to acquire the Securities in whole or in part, the Foreign Securities Services Provider acquires the remaining part of the Securities from the issuer or holder; the same applies in the following Article), among its business of underwriting of Securities, with the issuer or holder of the Securities related to the Underwriting Contract in Japan (excluding the cases where the secondary distribution of Securities, Offer to Sell, etc. Only for Professional Investors, or the dealing in Public Offering, Private Placement, or Secondary Distribution of the Securities or dealing in Offer to Sell, etc. Only for Professional Investors is made in Japan).

(Among the Underwritings, Acts Requiring Permission)

Article 17-4 The acts specified by a Cabinet Order, referred to in Article 59 (1) of the Act, are, in cases where the Foreign Securities Services Provider does not hold a discussion for fixing the contents of a Underwriting Contract with the issuer or holder of the Securities related to the Underwriting Contract, and does not conduct the secondary distribution of the Securities, Offer to Sell, etc. Only for Professional Investors or the dealing in Public Offering, Private Placement, or Secondary Distribution of the Securities or the dealing in Offer to Sell, etc. Only for Professional Investors in Japan, the participation in such a Underwriting Contract.

(Calculation of the Amount of Stated Capital or the Total Amount of Investment)

Article 17-5 The amount of stated capital or the total amount of investment set forth in Article 59-2 (2) and Article 60-2 (2) of the Act shall be calculated by adding up the total issue value of the Issued Shares (excluding the amount, from among its issue value, which shall not be recorded as the amount of stated capital) and the amount recorded as the amount of stated capital by reducing the amount of reserve funds without issuing shares (including the amount equivalent to such amounts).

(Years of Experience in the Underwriting)

Article 17-6 (1) The period specified by a Cabinet Order, referred to in Article 59-3 (i) of the Act, is three years.

(2) The period in the preceding paragraph shall be calculated by deeming the period wherein the following persons have been performing the same type of business as an Underwriting (meaning an Underwriting as set forth in Article 59 (1) of the Act; hereinafter the same applies in this Article) in a foreign state to be the period wherein the applicant for permission has performed the same type of business as an Underwriting:

- (i) a person merged or consolidated with or into the applicant for permission;
- (ii) a person who has had the applicant for permission assume business pertaining to operations of the same type as an Underwriting in whole or in part through a split;
- (iii) a person who has transferred business pertaining to operations of the same type as an Underwriting in whole or in part to the applicant for permission;
- (iv) a person who holds all the Issued Shares or equity in investment of the applicant for permission; and
- (v) any other person specified by a Cabinet Office Ordinance as being equivalent to the persons listed in the preceding items.

(Minimum Amount of Stated Capital for Underwriting)

Article 17-7 (1) The amount specified by a Cabinet Order, referred to in Article 59-3 (ii) of the Act, is 500 million yen.

(2) In cases where the amount of stated capital or the total amount of investment set forth in Article 59-3 (ii) of the Act is to be converted into Japanese currency, such conversion shall be made by using the Exchange Rate at the time of the application for permission.

(Years of Experience for On-Exchange Transaction Services)

Article 17-8 (1) The period specified by a Cabinet Order, referred to in Article 60-3 (1)(i)(c) of the Act, is three years.

(2) The cases specified by a Cabinet Order, referred to in Article 60-3 (1)(i)(c) of the Act, are, in the case where the period is calculated by deeming the period in which the following persons have performed the same type of operations as On-Exchange Transaction Services (meaning On-Exchange Transaction Services as defined in Article 60 (1) of the Act; hereinafter the same applies in this Article) to be the period in which the applicant for permission has performed the same type of operations as the On-Exchange Transaction Services, the cases where such a period is three continuous years or more:

- (i) a person found to have reorganized into an applicant for permission who is a juridical person of the same type as a company with board of directors or a company merged with or consolidated into the applicant for permission;

- (ii) a person who has had the applicant for permission assume business pertaining to operations of the same type as On-Exchange Transaction Services in whole or in part through a split;
- (iii) a person who has transferred business pertaining to operations of the same type as the On-Exchange Transaction Services in whole or in part to the applicant for permission; and
- (iv) a person who holds all the Issued Shares of the applicant for permission.

(Minimum Amount of Stated Capital For On-Exchange Transaction Services)

Article 17-9 (1) The amount specified by a Cabinet Order, referred to in Article 60-3 (1)(i)(e) of the Act, is 50 million yen.

- (2) In cases where the amount of stated capital referred to in Article 60-3 (1)(i)(e) of the Act is to be converted into Japanese currency, such conversion shall be made by using the Exchange Rate at the time of the application for permission.

(Deadline for Submission of Business Reports Related to On-Exchange Transaction Services)

Article 17-10 (1) The period specified by a Cabinet Order, referred to in Article 46-3 (1) of the Act as applied mutatis mutandis by replacing certain terms pursuant to Article 60-6 of the Act, is three months; provided, however, that in cases where the Authorized Operator for On-Exchange Transactions is found unable to submit the business reports within three months after the end of its business year due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

- (2) The order under Article 46-3 (3) of the Act as applied mutatis mutandis pursuant to Article 60-6 of the Act shall be given by providing to the effect that public notice under these provisions is to be published in a daily newspaper that publishes matters on current affairs.

- (3) The period specified by a Cabinet Order, referred to in Article 49-3 (1) of the Act as applied mutatis mutandis pursuant to Article 60-6 of the Act, is three months; provided, however, that in cases where the Authorized Operator for On-Exchange Transactions is found unable to submit the documents set forth in Article 49-3 (1) of the Act within three months after the end of its business year due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Persons Who May Be a Counterparty of the Persons Engaged in Investment Advisory Services or Investment Management in a Foreign State)

Article 17-11 (1) The persons specified by a Cabinet Order, referred to in Article

61 (1) and (3) of the Act, are Registered Financial Institutions which are engaged in Investment Managements.

- (2) The persons specified by a Cabinet Order, referred to in Article 61 (2) of the Act, are Financial Services Providers who are engaged in Investment Managements (excluding a business under a Discretionary Investment Contract that performs the acts set forth in Article 2 (8)(xii) of the Act) and the person prescribed in the preceding paragraph.

(Specially Permitted Business for Qualified Institutional Investors, etc.)

Article 17-12 (1) The persons other than a Qualified Institutional Investor specified by a Cabinet Order, referred to in Article 63 (1)(i) of the Act, are persons other than a Qualified Institutional Investor.

- (2) The number specified by a Cabinet Order, referred to in Article 63 (1)(i) of the Act, is 49.

- (3) The Private Placement specified by a Cabinet Order as being unlikely to cause persons other than a Qualified Institutional Investor acquire the rights, referred to in Article 63 (1)(i) of the Act, is that which satisfies the requirements specified in the following items according to the category of cases set forth in the respective items:

(i) cases where the person who acquires the rights in response to a Solicitation of Offers to Acquire of the rights is a Qualified Institutional Investor (limited to a person who does not fall under any of sub-item (a) to sub-item (c) inclusive of Article 63 (1)(i) of the Act; hereinafter the same applies in this item): a restriction prohibiting the transfer of rights other than transfer to a Qualified Institutional Investor is imposed under the contract for the rights or by other juristic acts;

(ii) cases where the person who acquires the rights in response to a Solicitation of Offers to Acquire of the rights is, among the Qualified Institutional Investors, etc. (meaning a Qualified Institutional Investor, etc. as defined in Article 63 (1)(i) of the Act), a person who is not a Qualified Institutional Investor (limited to a person who does not fall under any of Article 63 (1)(i)(a) to (c) inclusive of the Act; such person is referred to as the "General Investor" in sub-item (b)): all of the following requirements:

(a) a restriction prohibiting the person who has acquired or purchased the rights to transfer the rights, other than a collective transfer to another single person, is imposed under the contract of the rights or by other juristic acts; and

(b) in cases where other rights specified by a Cabinet Office Ordinance as being of the same type as the respective rights (such other rights is referred to as the "Newly Issued Rights of the Same Type" in this sub-item (b)) have been issued as Securities within six months prior to the day on

which the respective rights are to be issued as Securities, the total number of General Investors who acquire the respective rights in response to the Solicitation of Offers to Acquire of the rights and the General Investors who have acquired the Newly Issued Rights of the Same Type which have been issued within six months prior to the day on which the respective rights are to be issued as Securities in response to the Solicitation of Offers to Acquire thereof, is 49 or less.

(4) What is specified by a Cabinet Order as being similar to money, referred to in Article 63 (1)(ii) of the Act, is those listed in the items of Article 1-3.

(Employee of a Notifier of Specially Permitted Services)

Article 17-13 The employees specified by a Cabinet Order, referred to in Article 63 (2)(iv) of the Act, are an employee of a person who intends to make the notification for the Specially Permitted Business for Qualified Institutional Investors, etc. (meaning a Specially Permitted Business for Qualified Institutional Investors, etc. as prescribed in Article 63 (2) of the Act; hereinafter the same applies in this Article) and who falls under any of the following persons:

- (i) a person who supervises the function of providing guidance to ensure that Laws and Regulations, etc. are observed with regard to a Specially Permitted Business for Qualified Institutional Investors, etc., or any other persons specified by a Cabinet Office Ordinance as being equivalent thereto; or
- (ii) a person who supervises the department conducting investments with regard to a Specially Permitted Business for Qualified Institutional Investors, etc. and any other person specified by a Cabinet Office Ordinance as being equivalent thereto.

(Acts which Require Registration as a Sales Representative)

Article 17-14 The acts specified by a Cabinet Order, referred to in Article 64 (1)(iii) of the Act, are the following acts (excluding those related to the Securities set forth in Article 64 (1)(i) of the Act):

- (i) a Market Transaction of Derivatives, Foreign Market Transaction of Derivatives, or the intermediary, brokerage, or agency service for such transactions;
- (ii) an intermediary, brokerage, or agency service for the entrustment of a Market Transactions of Derivatives or Foreign Market Transactions of Derivatives;
- (iii) a solicitation for application of a Market Transaction of Derivatives, Foreign Market Transaction of Derivatives, or the intermediary, brokerage or agency service for such transactions; and
- (iv) a solicitation for the entrustment of a Market Transaction of Derivatives or

Foreign Market Transaction of Derivatives.

(Registration Fee)

Article 17-15 (1) The registration fee under the provisions of Article 64-8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 66-25 of the Act) is the amount specified by a Cabinet Office Ordinance, taking into consideration the actual costs, within three thousand yen for one Sales Representative (meaning a Sales Representative as defined in Article 64 (1) of the Act; the same applies hereinafter).

(2) The fee referred to in the preceding paragraph may be paid, in cases where it is paid to the State, by affixing revenue stamps in an amount equivalent to such fees to the written application for registration; provided, however, that in cases where the application for registration under Article 64 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 66-25 of the Act) is made by using the electronic data processing system prescribed in Article 3 (1) of the Act on Utilization of Information and Communications Technology in Administrative Procedure, etc. (Act No. 151 of 2002) pursuant to Article 3 (1) of that Act, such a fee may be paid in cash pursuant to the provisions of a Cabinet Office Ordinance.

(Technical Replacement of Terms in Applying the Provisions of the Act to a Foreign Juridical Person, etc.)

Article 17-16 With regard to the cases where the Financial Services Provider, etc. is a foreign juridical person or an individual domiciled in a foreign state, the technical replacement of terms under Article 65-2 of the Act in applying the provisions of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 29-2, paragraph (2), item (iii)	the articles of incorporation, certificate of registered information,	the articles of incorporation, certificate of registered information (including documents equivalent thereto), certificate of registered information of the principal business office or office in Japan

Article 31-2, paragraph (1)	the deposit office nearest to its principal business office or office.	the deposit office nearest to its principal business office or office in Japan (with regard to a Financial Services Provider who does not have a business office or office in Japan, the Tokyo Legal Affairs Bureau)
Article 31-4, paragraphs (1) and (2)	a director or executive officer	a representative, a director or executive officer, or a person equivalent thereto (limited to a person engaged in Financial Instruments Business) in Japan
Article 33-3, paragraph (1), item (v)	its head office, and other business offices or offices	its head office and the principal business office or offices and any other business offices or offices in Japan
Article 33-3, paragraph (2), item (iv)	articles of incorporation, certificate of registered information,	articles of incorporation, certificate of registered information (including those equivalent thereto), and the certificate of registered information of the principal business office or office in Japan
Article 36-2, paragraph (1)	business offices or other offices	business offices or other offices established in Japan to carry out Financial Instruments Business or Registered Financial Institution Business
Article 42-2, item (i)	director or executive officer thereof	a representative, a director or executive officer, or persons equivalent thereto in Japan
Article 46-4	all of its business offices or offices	all of its business offices or offices established in Japan to carry out Financial Instruments Business (hereinafter referred to as "Any of Its Business Offices or Offices" in this Subsection and in Article 47-3)
Article 46-5, paragraph (1)	the purchases and sales and other transactions of Securities or the Derivative Transactions, etc.	the purchases and sales and other transactions of Securities, or Derivative Transactions, etc. conducted at Any of Its Business Offices or Offices



	set up the financial instruments transaction liability reserve	set up the financial instruments transaction liability reserve at its principal business office or office in Japan
Article 46-5, paragraph (2)	the sales and purchase or other transactions of Securities or the Derivative Transactions, etc.	sales and purchases or other transactions of Securities, or the Derivative Transactions, etc. conducted at All of Its Business Offices or Offices
Article 48-3, paragraph (1)	a purchase and sale, or other transactions of Securities or Derivative Transactions, etc.	a purchase and sale, or other transaction of Securities, or Derivatives Transactions, etc. conducted at Any of its Business offices or Offices established in Japan to perform its Registered Financial Institution Business (hereinafter referred to as "Any of Its Business Offices or Offices" in the following paragraph)
	lay aside financial instruments transaction liability reserves	lay aside financial instruments transaction liability reserves at its principal business office or office in Japan
Article 48-3, paragraph (2)	a purchase and sale or other transaction of Securities or Derivative Transactions, etc.	a purchase and sale or other transaction of Securities, or the Derivatives Transactions, etc. conducted at Any of Its Business Offices or Offices
Article 50, paragraph (1), item (i)	it suspends its business (limited to Financial Instruments Business or services of a registered financial institution (hereinafter referred to as "Financial Transaction Business, etc." in this Section) or resumes business	it suspends its business (limited to Financial Instruments Business or services of a registered financial institution (hereinafter referred to as "Financial Transaction Business, etc." in this Section) or resumes business, or a person engaged in a Type I Financial Instruments Business, suspends or resumes the business of the same type as a Financial Instruments Business at its head office

	if it suspends or resumes business subject to said authorization	if it suspends or resumes the business of the same type as those subject to said authorization at its head office, or it suspends or resumes the business subject to said authorization at any of its business offices or offices in Japan
Article 50, paragraph (1)(ii)	business that was under the authorization set forth in Article 30(1)	business of the same type as those that were under authorization set forth in Article 30(1) at its head office or closes the business that was under said authorization at any of its business offices or offices in Japan.
Article 50, paragraph (1), item (iii)	succeeds to all or part of the other corporation's business (limited to those in the Financial Instruments Business, etc.; hereinafter the same applies in this item and the following Article) in the company split	succeeds to all or part of the other corporation's business (limited to those in Financial Instruments Business, etc.; hereinafter the same applies in this item and the following Article) in the company split (with regard to a person engaged in a Type I Financial Instruments Business, including the case where such person has had a part of its business of the same type as a Financial Instruments Business in a foreign state succeeded)
	acquires all or part of the other corporation's business	acquired all or part of the other corporation's business (with regard to a person engaged in a Type I Financial Instruments Business, including the case where such person has transferred part of its business of the same type as a Financial Instruments Business in a foreign state)

Article 50, paragraph (1), item (vii)	it files a petition to commence bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings	it files a petition to commence bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or liquidation in Japan, or files a petition to commence the same kind of proceedings in a State where its head office is located in accordance with the laws and regulations of said State
Article 50-2, paragraph (1), item (ii)	the Financial Services Provider, etc. discontinues Financial Instruments Business, etc.: that corporation or individual	the Financial Services Provider, etc. discontinues a Financial Instruments Business, etc. (with regard to a person engaged in a Type I Financial Instruments Business, including the case where it discontinues a business of the same type as a Financial Instruments Business in a Foreign State)
Article 50-2, paragraph (1), item (iii)	an Officer that represented the corporation	an officer of a corporation
Article 50-2, paragraph (1), item (iv)	is dissolved due to an order to commence of bankruptcy proceedings	is ordered to commence bankruptcy proceedings, or has commenced the same kind of proceedings as bankruptcy proceedings in a state where its head office is located based on the laws and regulations of said state
	the bankruptcy trustee	the bankruptcy trustee or the person equivalent to a bankruptcy trustee in said state
Article 50-2, paragraph (1), item (v)	is dissolved for reasons other than a merger or an order to commence bankruptcy proceedings	is dissolved for reasons other than a merger or an order to commence bankruptcy proceedings (with regard to a person engaged in a Type I Financial Instruments Business, including the case where such person has commenced the liquidation of the business offices or offices in Japan)

	the liquidator	the liquidator or the person equivalent to a liquidator in the state where its head office is located
Article 50-2, paragraph (1), item (vi)	that corporation has whole or part of its business succeeded to in a company split	that corporation has whole or part of its business succeeded to in a company split (with regard to a person engaged in a Type I Financial Instruments Business, including the cases where such person has the whole of its business of the same type as a Financial Instruments Business succeeded to in a foreign state)
Article 50-2, paragraph (1), item (vii)	th Financial Servicees Provider, etc. transfers whole or part of its business	the Financial Services Provider, etc. transfers whole or part of its business (with regard to a person engaged in a Type I Financial Instruments Business, including the case where such person transferrs the whole of its business of the same type as a Financial Instruments Business in a foreign state)
Article 50-2, paragraph (2)	has its whole business succeeded to	has a part of its business succeeded to
	this is only if a Financial Services Provider, etc. transfers whole of its business	excluding the case where a Financial Services Provider, etc. transfers a part of its business
Article 50-2, paragraph (6)	discontinue Financial Instruments Business, etc. (excluding Investment Advisory and Agency Business; the same shall apply in paragraph (8) and Article 56(1))	discontinue a Financial Instruments Business, etc. (excluding an Investment Advisory and Agency Business; the same shall apply in paragraph (8) and Article 56(1)) (with regard to a person engaged in a Type I Financial Instruments Business, including the discontinuation of a business of the same type as a Financial Instruments Business in a foreign state)

	have all or part of its business succeeded to in a company split	have its business succeeded to in whole or in part in a company split (with regard to a person engaged in a Type I Financial Instruments Business, including the succession of its whole business of the same type as a Financial Instruments Business in a foreign state)
	transfer all or part of its business	transfer all or a part of its business (with regard to a person engaged in a Type I Financial Instruments Business, including the transfer of all of its business of the same type as a Financial Instruments Business in a foreign state)
	all of its business offices or offices	all of its business offices or offices established in Japan to carry out Financial Instruments Business
Article 50-2, paragraph (8)	succession of whole or part of its business upon merger or company split	succession of its business in whole or in part upon merger or company split (with regard to a person engaged in a Type I Financial Instruments Business, including the succession to the whole of his/her business of the same type as a Financial Instruments Business in a foreign state)
	transfer of whole or part of business	transfer of business in whole or in part (with regard to a person engaged in a Type I Financial Instruments Business, including the transfer of the whole of his/her business of the same type as a Financial Instruments Business in a foreign state)

Article 56, paragraph (1)	dissolves	dissolves (with regard to a person engaged in a Type I Financial Instruments Business, including the commencement of liquidation of the business offices or offices in Japan)
	discontinues	discontinues (with regard to a person engaged in a Type I Financial Instruments Business, including the discontinuation of business of the same type as a Financial Instruments Business in a foreign state)
Article 64, paragraph (3), item (ii)	its representative	its representative in Japan

#### Chapter IV-2 Financial Instruments Intermediaries

(Important Matters which May Have an Impact on Customers' Judgment)

Article 18 (1) The matters specified by a Cabinet Order, referred to in Article 66-10 (1)(iii) of the Act, are as follows:

- (i) matters related to fees, remuneration, or any other consideration payable by the customer with regard to the Financial Instruments Transaction Contract pertaining to Intermediation for Financial Instruments (meaning the acts listed in the items of Article 2 (11) of the Act; the same applies hereinafter) which are specified by a Cabinet Office Ordinance;
- (ii) in cases where there is customer margin or some other security deposit or any other thing specified by a Cabinet Office Ordinance payable by the customer regarding the Financial Instruments Transaction Contract pertaining to the Intermediation for Financial Instruments, the amount thereof or the method of calculation therefor;
- (iii) in cases where the Amount of Derivatives Transaction, etc. conducted by a customer may exceed the Amount of Security Deposit, etc., the following matters:
  - (a) to the effect that the Amount of the Derivatives Transaction, etc. may exceed the Amount of Security Deposit, etc.; and
  - (b) the ratio of the Amount of the Derivatives Transaction, etc. to the Amount of Security Deposit, etc. (in cases where such ratio cannot be calculated, to that effect and the reason therefor);
- (iv) in cases where there is a risk that a loss could be incurred due to

fluctuations in money rates, the value of currencies, quotations on the Financial Instruments Market, and other indicators as the direct cause with regard to the Acts of Financial Instruments Transaction conducted by the customer, the following matters:

- (a) the indicator(s); and
  - (b) a statement to the effect that a loss may be incurred due to fluctuations in the indicator(s) and the reasons therefor;
- (v) in cases where there is a risk that the amount of loss referred to in the preceding item could exceed the Amount of Security Deposit, etc. (hereinafter referred to as "Risk of Loss in Excess of Principal" in this item), the following matters:
- (a) among the indicators set forth in the preceding item, those which are the direct cause for the Risk of Loss in Excess of Principal; and
  - (b) a statement of a Risk of Loss in Excess of Principal due to fluctuations in the indicator(s) set forth in sub-item (a) and the reason therefor; and
- (vi) the matters specified by a Cabinet Office Ordinance as being equivalent to the matters set forth in the preceding item.
- (2) Notwithstanding the provisions of the preceding paragraph, the matters specified by a Cabinet Order, referred to in Article 66-10 (1)(iii) of the Act in cases where the acts set forth in Article 66-10 (1) of the Act are to be carried out by way of broadcasting, using the broadcast equipment of a Private Broadcaster or by any other means specified by a Cabinet Office Ordinance as being equivalent thereto, are as follows:
- (i) in cases where there is a risk that a loss could be incurred due to fluctuations in money rates, the value of currencies, quotations in a Financial Instruments Market, or any other indicator as a direct cause with regard to the Acts of Financial Instruments Transactions conducted by customers, the statement of such risk (in cases where there is a risk that the amount of the loss may exceed the Amount of Security Deposit, etc., the statement of such risk is included); and
  - (ii) the matters specified by a Cabinet Office Ordinance as being equivalent to the matters set forth in the preceding item.

(Scope of Persons Having a Close Relationship with a Financial Instruments Intermediary)

Article 18-2 The persons specified by a Cabinet Order, referred to in Article 66-13 of the Act, are persons other than a Financial Services Provider (limited to those engaged in Securities, etc. Management), Bank, or any other person specified by a Cabinet Office Ordinance who are any of the following persons:

- (i) a relative(s) (limited to the spouse thereof and a relative(s) by blood or affinity within the third degree of kinship) of the Financial Instruments

- Intermediary (limited to one who is an individual)
- (ii) an Officer or employee of the Financial Instruments Intermediary (limited to one who is a juridical person; hereinafter the same applies in this Article);
  - (iii) the Parent Corporation, etc. or Subsidiary Corporation, etc. of the Financial Instruments Intermediary;
  - (iv) Specified Individual Shareholders of all shareholders, etc. of the Financial Instruments Intermediary (excluding those set forth in item (ii)); and
  - (v) the persons specified by a Cabinet Office Ordinance as being equivalent to the persons set forth in the preceding items.

(Replacement of Terms Concerning Financial Instruments Intermediaries)

Article 18-3 With regard to a Financial Instruments Intermediary or its customers referred to in Article 66-15 of the Act, the registration under Article 66 of the Act or the Financial Instruments Intermediary referred to in Article 66-23 of the Act or the Financial Instruments Intermediary referred to in Article 66-25 of the Act, the technical replacement of terms under the provisions of Article 66-15, Article 66-23, and Article 66-25 of the Act in applying the provisions of the Act mutatis mutandis is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 38-2	Investment Advisory and Agency Services or Investment Management	Financial Instruments Intermediation (limited to the business to carry out the acts listed in Article 2(11)(iv) of the Act)
	an Investment Advisory Contract, Discretionary Investment Contract or contract specified in Article 2, paragraphe (8), item (xii)(b)	an Investment Advisory Contract or Discretionary Investment Contract



<p>Article 39, paragraph (1) and paragraph (3)</p>	<p>a purchase and sale or other transactions of Securities (excluding purchase and sale with a repurchase requirement and a predetermined repurchase price, and other transactions specified by a Cabinet Order) or Derivative Transactions (hereinafter referred to as a "Purchase and Sale or Other Transaction of Securities, etc." in this Article)</p>	<p>Intermediation for Financial Instruments</p>
	<p>the Securities or Derivative Transactions</p>	<p>the Securities, Market Transactions of Derivatives, or Foreign Market Transactions of Derivatives related to the relevant Intermediation for Financial Instruments</p>
	<p>purchase and sales of Securities or Derivative Transactions</p>	<p>purchase and sale of Securities, Market Transactions of Derivatives, or Foreign Market Transactions of Derivatives</p>
	<p>in connection with a Purchase or Other Transaction of Securities, etc.,</p>	<p>in connection with Intermediation for Financial Instruments</p>
	<p>this Section and the following Section</p>	<p>this Article</p>

Article 40	an act that constitutes a Financial Instruments transaction	Intermediation for Financial Instruments
	a Financial Instruments Transaction Contract	a Financial Instruments Transaction Contract related to the Intermediation for Financial Instruments
Article 57	an Article 29 or Article 33-2 registration, an Article 30, paragraph (1) authorization, or an Article 31(4) registration of a change	an Article 66 resitration
	the applicant for the registration or the Financial Services Provider	the applicant for registration
	the applicant for registration or the Financial Services Provider	said applicant for registration
	the provisions of Article 51, Article 51-2, Article 52, paragraph (1), Article 52-2, paragraph (1), Article 53, Article 54, or Article 56-3	the provisions of Article 66-20, paragraph (1)

	<p>an Article 29 or Article 33-2 registration, an 30(1) or Article 31, paragraph (6) authorization, an Article 31, paragraph (4) registration of a change, an Article 35, paragraph (4) approval, or the approval referred to in paragraph (3) or (4) of the preceding Article</p>	<p>an Article 66 resitration</p>
	<p>to attach conditions pursuant to the provisions of Article 30-2, paragraph (1), or to issue a disposition based on the provisions of Article 51, Article 51-2, Article 52, paragraph (1) or (2), Article 52-2, paragraph (1) or (2), Article 53, Article 54, Article 56-3, or paragraph (2) of the preceding Article</p>	<p>or to issue a disposition based on the provisions of Article 66-20</p>
Article 64	<p>the following acts on its behalf</p>	<p>the following acts on its behalf (excluding the acts set forth in item (ii))</p>
	<p>Article 2, paragraph (8), items (i) to (iii) inclusive, item (v), item (viii), and item (ix)</p>	<p>Article 2, paragraph (11), items (i) to (iii) inclusive</p>
	<p>(b) the following acts:</p>	<p>(b) the following acts (excluding the acts set forth in 2. below)</p>

	<p>the solicitation of offers in connection with a purchase and sale or in connection with intermediation, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency for a purchase and sale</p>	<p>intermediation for sale and purchase</p>
	<p>beyond what is set forth in the preceding two items, acts specified by Cabinet Order</p>	<p>the following acts (excluding the acts set forth in item (i)):</p> <p>(a) intermediation for entrustment of Market Transaction of Derivatives or Foreign Market Transaction of Derivatives; and</p> <p>(b) solicitation for entrustment of Market Transaction of Derivatives or Foreign Market Transaction of Derivatives.</p>
Article 64-3	<p>the items of Article 64, paragraph (1)</p>	<p>the items of Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25 (including the acts listed in Article 64, paragraph (1), item (ii))</p>
Article 64-4	<p>the provisions of Article 64, paragraph (1)</p>	<p>the provisions of Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25</p>

	Article 64, paragraph (3), item (iii)(a) or (b)	Article 64, paragraph (3), item (iii)(a) or (b) as applied mutatis mutandis pursuant to Article 66-25
Article 64-5	the items of Article 64-2, paragraph (1)	the items of Article 64-2, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25
	any act set forth in items of Article 64, paragraph (1) (or in connection with the services of a Registered Financial Institution, if it is a Registered Financial Institution) or services incidental thereto within the Financial Instruments Business	any act set forth in the items of Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25 within Financial Instruments Intermediation (excluding the acts set forth in Article 64, paragraph (1), item (ii))
Article 64-6	the provisions of paragraph (1) of the preceding Article	the provisions of paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to Article 66-25
	is dissolved or discontinues the business of performing acts set forth in the items of Article 64, paragraph (1) (or discontinues the services of a registered financial institution) within Financial Instruments Business	has died, dissolves, or discontinues the business of performing acts set forth in the items of Article 64, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25 within the Financial Instruments Intermediation (excluding the acts set forth in Article 64, paragraph (1), item (ii))

Article 64-7 (excluding paragraph (2))	Article 64, Article 64-2, and the preceding three Articles	the provisions of Article 64, Article 64-2, and the preceding three Articles as applied mutatis mutandis pursuant to Article 66-25
	Article 64-9	Article 64-9 as applied mutatis mutandis pursuant to Article 66-25
	a Financial Services Provider, etc. belonging to that association	a Financial Instruments Intermediary whose the Entrusting Financial Services Provider, etc. (meaning an Entrusting Financial Services Provider, etc. as defined in Article 66-2(1)(iv)) is the member firms of that association
	the preceding two paragraphs	paragraph (1)
	paragraph (1) or (2)	paragraph (1)

<p>makes a registration under Article 64, paragraph (5), makes a change of registration in connection with a notification under Article 64-4, reaches a disposition under Article 64-5(1) (excluding the deletion of a registration), or deletes a registration under the preceding Article</p>	<p>makes a registration under Article 64, paragraph (5) as applied mutatis mutandis pursuant to Article 66-25, makes a change of registration in connection with notification under Article 64-4 as applied mutatis mutandis pursuant to Article 66-25, reaches a disposition under Article 64-5, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25 (excluding the deletion of a registration), or deletes a registration under the preceding Article as applied mutatis mutandis pursuant to Article 66-25</p>
<p>a Financial Services Provider, etc. which belongs to an association that does Registration Work pursuant to the provisions of paragraph (1)</p>	<p>a Financial Instruments Intermediary</p>
<p>Article 64-5, paragraph (1), items (i) to (iii) inclusive</p>	<p>Article 64-5, paragraph (1), items (i) to (iii) inclusive as applied mutatis mutandis pursuant to Article 66-25</p>
<p>the association</p>	<p>an association</p>

Article 64-8	paragraph (1) or (2) of the preceding Article	paragraph (1) of the preceding Article as applied mutatis mutandis pursuant to Article 66-25
Article 64-9	Article 64-7, paragraph (1) or (2)	Article 64-7, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25
	Article 64, paragraph (3)	Article 64, paragraph (3) as applied mutatis mutandis pursuant to Article 66-25
	Article 64-2, paragraph (1)	Article 64-2, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25
	Article 64-7, paragraph (1)	Article 64-7, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25
	Article 64-5, paragraph (1)	Article 64-5, paragraph (1) as applied mutatis mutandis pursuant to Article 66-25

(Provisions Concerning Explanatory Documents)

Article 18-4 The provisions specified by a Cabinet Order, referred to in Article 66-18 of the Act, are the following provisions:

- (i) Article 21 (1) and (2) of the Banking Act as applied mutatis mutandis pursuant to Article 17 of the Long Term Credit Bank Act, Article 89 (1) of the Credit Union Act (Act No, 238 of 1951), Article 6 (1) of the Act on Financial Businesses by Cooperatives (Act No. 183 of 1949), or Article 94 (1) of the Labor Bank Act (Act No, 227 of 1953);
- (ii) Article 81 (1) and (2) of the Agriculture and Forestry Credit Union Act (Act No. 93 of 1938);
- (iii) Article 53 (1) and (2) of the Shoko Chukin Bank Limited Act (Act No. 74 of 2007);
- (iv) Article 54-3 (1) and (2) of the Agricultural Cooperatives Act (Act No. 132 of 1947);
- (v) Article 58-3 (1) and (2) of the Fisheries Cooperative Act (Act No. 242 of



1948); and  
(vi) Article 101 (1) and (2) of the Insurance Business Act.

### **Chapter IV-3 Credit Rating Agencies**

(Deadline for Submission of Business Reports)

Article 18-4-2 The period specified by a Cabinet Order, referred to in Article 66-38 of the Act, is three months; provided, however, that in cases where a foreign juridical person (including a foreign organization without judicial personality for which a representative person or administrator has been designated; hereinafter the same applies in the following Article and Article 18-4-5) is found unable to submit the Business Reports within the three months after the end of its business year due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Period Until the Commencement of Public Inspection of Explanatory Documents)

Article 18-4-3 The period specified by a Cabinet Order, referred to in the provisions of Article 66-39 of the Act, is four months; provided, however, that in cases where a foreign juridical person is found unable to keep its Explanatory Documents (meaning the Explanatory Documents set forth in that Article) and provide them for public inspection from the day on which four months have elapsed from the end of its business year due to its nation's laws and regulations or the practice thereof, such a period is the period approved by the Commissioner of the Financial Services Agency pursuant to the provisions of a Cabinet Office Ordinance.

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Credit Rating Agency Gives Public Notice of the Abolition, etc. of its Credit Rating Services by Electronic Public Notice)

Article 18-4-4 With regard to the case where giving the public notice under Article 66-40 (3) of the Act by way of Electronic Public Notice, the technical replacement of terms under Article 66-40 (5) and (6) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 66-40 (5) and (6) of the Act, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	the provisions of that paragraph

(Technical Replacement of Terms in Applying the Provisions of the Act to a Foreign Juridical Person)

Article 18-4-5 With regard to the cases where the Credit Rating Agency is a foreign juridical person, the technical replacement of terms under Article 66-47 of the Act in applying the provisions of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 66-28, paragraph (2), item (iii)	the articles of incorporation and the certificate of registered information for the company (including documents equivalent to these)	the articles of incorporation and the certificate of registered information for the company (including documents equivalent to these) and the certificate of registered information for the principal business office or office in Japan
Article 66-39	all of its business offices or offices	all of its business offices or offices established in Japan so as to engage in Credit Rating Services
Article 66-40, paragraph (1), item (ii)	the officer that represented the corporation	the officer of the corporation
Article 66-40, paragraph (1), item (iii)	dissolved due to an order to commence bankruptcy proceedings	received an order to commence bankruptcy proceedings or commenced proceedings of the same kind as bankruptcy proceedings in a state where its head office is located under the laws and regulations of said state
	the bankruptcy trustee	the bankruptcy trustee or a person equivalent to bankruptcy trustee in said state

Article 66-40(1)(iv)	is dissolved	is dissolved (including the case where that corporation commences the liquidation of its business office or office in Japan)
	the liquidator	the liquidator or a person equivalent to the liquidator in a state where its head office is located

(Technical Replacement of Terms in Applying the Provisions of the Act to an Organization without Judicial Personality for which a Representative Person or Administrator has been Designated)

Article 18-4-6 With regard to the cases where the Credit Rating Agency is an organization without judicial personality for which a representative person or administrator has been designated, the technical replacement of terms under Article 66-47 of the Act in applying the provisions of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 29-4(1)(ii)(d)	a juridical person who was a Credit Rating Agency	a juridical person who was a Credit Rating Agency (including an organization without judicial personality for which a representative person or administrator has been designated)
	Officer	Officer (with regard to an organization without judicial personality for which a representative person or administrator has been designated, such representative person or administrator shall be included)
Article 29-4(1)(ii)(f)	Officer	Officer (with regard to an organization without judicial personality for which a representative person or administrator has been designated, such representative person or administrator shall be included)

Article 66-40(1)(ii)	merger	an act equivalent to merger
Article 66-40(1)(iii)	dissolved as a result of decision of commencement of bankruptcy proceedings	received a decision of commencement of bankruptcy proceedings
Article 66-40, paragraph (1), item (iv)	merger	a reason equivalent to merger
	is dissolved	takes steps equivalent to dissolution
	the liquidator	a person who was the representative or administrator thereof
Article 66-40, paragraph (3)	merger	reason equivalent to a merger
	to dissolve	to take steps equivalent to dissolution

(Technical Replacement of Terms in Applying the Provisions of the Act to a Foreign Organization without Judicial Personality for which a Representative Person or Administrator has been Designated)

Article 18-4-7 Notwithstanding the provisions of the preceding two Articles, with regard to the cases where the Credit Rating Agency is a foreign organization without judicial personality for which a representative person or administrator has been designated, the technical replacement of terms under Article 66-47 of the Act in applying the provisions of Article 66-40 (1)(iii) and (iv) of the Act is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 66-40, paragraph (1), item (iii)	is dissolved due to an order to commence bankruptcy proceedings	is ordered to commence bankruptcy proceedings or commences proceedings of the same kind as bankruptcy proceedings in a state where its head office is located under the laws and regulations of said state
	the bankruptcy trustee	the bankruptcy trustee or a person equivalent to bankruptcy trustee in said state
Article 66-40, paragraph (1), item (iv)	merger	a reason equivalent to merger
	dissolved	takes steps equivalent to dissolution (including when the corporation commences liquidation of its business office or office in Japan)

	the liquidator	a person who was the representative or administrator (in cases where liquidation of its business office or office in Japan has commenced, the representative in Japan)
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(Technical Replacement of Terms related to Credit Rating Agencies)

Article 18-4-8 With regard to the registration under Article 66-27 of the Act or Credit Rating Agency prescribed in Article 66-48 of the Act, the technical replacement of terms under Article 66-48 of the Act in cases where the provisions of the Act are applied mutatis mutandis is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 57	an Article 29 or Article 33-2 registration, an Article 30, paragraph (1) authorization, or an Article 31, paragraph (4) registration of a change	an Article 66(27) registration
	the applicant for registration or the Financial Services Provider	the applicant for registration
	the applicant for registration or the Financial Services Provider	the applicant for registration
	Article 51, Article 51-2, Article 52, paragraph (1), Article 52-2, paragraph (1), Article 53, Article 54, or Article 56-3	Article 66-41 or Article 66-42, paragraph (1)
	an Article 29 or Article 33-2 registration, an Article 30, paragraph (1) or Article 31, paragraph (6) authorization, an Article 31, paragraph (4) registration of change, an Article 35, paragraph (4) approval, or the approval referred to in paragraph (3) or (4) of the preceding Article	registration under Article 66-27

	<p>attach conditions pursuant to the provisions of Article 30-2, paragraph (1), or to issue a disposition based on the provisions of Article 51, Article 51-2; Article 52, paragraph (1) or (2); Article 52-2, paragraph (1) or (2); Article 53; Article 54; Article 56-3; or paragraph (2) of the preceding Article</p>	<p>issue a disposition based on the provisions of Article 66-41 or Article 66-42, paragraph (1) or (2)</p>
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#### **Chapter IV-4 Financial Instruments Business Associations**

(Application for Recognition as an Authorized Financial Instruments Business Association)

Article 18-4-9 (1) The application for recognition under Article 78 (1) of the Act must be made by submitting a written application containing the following matters to the Commissioner of the Financial Services Agency:

- (i) the name;
  - (ii) the location of the office; and
  - (iii) the names of Officers and members.
- (2) The articles of incorporation and any other documents specified by a Cabinet Office Ordinance must be attached to the written application under the preceding paragraph.

(Application for Certification of Certified Investor Protection Organization)

Article 18-4-10 (1) The application under Article 79-7 (2) of the Act must be made by submitting a written application containing the following matters to the Commissioner of the Financial Services Agency:

- (i) the name;
  - (ii) the location of the principal office;
  - (iii) the name of the representative person or administrator;
  - (iv) the location of the office where the business related to the application for certification is carried out; and
  - (v) the outline of the business pertaining to the application for certification (in cases where the Specific Certified Services are included, the type thereof is included).
- (2) The following documents must be attached to the written application under the preceding paragraph:
- (i) the articles of incorporation, articles of endowment, and any other basic contracts;

- (ii) a document pledging that the person who intends to obtain the certification does not fall under any of the items of Article 79-8 of the Act;
  - (iii) a document containing the method for implementation of the business pertaining to the application for certification;
  - (iv) a document certifying that the applicant has sufficient knowledge and ability to perform the business related to the application for certification appropriately and soundly;
  - (v) the business report, balance sheet, statement on settlement of accounts, and inventory of property for recent business years and any other documents certifying that the applicant has the necessary financial accounting basis (in cases of a Juridical Person (meaning a juridical person as referred to in Article 79-7 (1) of the Act) established during the business year that includes the day of application, the inventory of property at the time of its establishment and any other documents certifying that the Juridical Person has the necessary financial accounting basis);
  - (vi) documents containing the names, addresses, and brief biographical outlines of its officers (with regard to an organization without judicial personality for which the representative person or administrator has been designated, such representative person or administrator is included);
  - (vii) a document containing the name of the Covered Operator (meaning a Covered Operator as prescribed in Article 79-11 (1) of the Act) and documents proving that said Covered Operator is a member of the person who intends to obtain the certification or that said Covered Operator has given consent to be the subject of the business related to the application for certification; and
  - (viii) in cases where the applicant is engaged in business other than that pertaining to the application for certification, documents containing the type and outline of such business (in cases where the applicant is conducting business of complaint resolution or mediation which are specified by a Cabinet Office Ordinance, the documents specified by a Cabinet Office Ordinance as those proving that the execution of such business involves no risk of causing unfairness in the business pertaining to the application for certification is included).
- (3) In cases where Specific Certified Services are included in the business pertaining to the application for certification (limited to the cases where there is a Specified Relevant Minister for said Specific Certified Services), when the Commissioner of the Financial Services Agency intends to grant the certification under Article 79-7 (1) of the Act, he/she must, in advance, hold consultation with the Specified Relevant Minister related to said Specific Certified Services.
- (4) In cases where any changes arise in the matters set forth in Article (1)(i) to

(iv) inclusive or the matters contained in the documents set forth in Article (2)(i) to (iv) inclusive or (vi) to (viii) inclusive, a Certified Investor Protection Organization (meaning a Certified Investor Protection Organization defined in Article 79-10 (1) of the Act; the same applies hereinafter) must submit a written notification containing a statement to that effect (in cases where any changes arise in the matters contained in the document set forth in Article 2 (1)(iii), the reasons therefor is included) to the Commissioner of the Financial Services Agency without delay.

(5) The term "Specific Certified Services" used in paragraph (1)(v) and paragraph (3) means complaint resolution for businesses executing the transactions listed in the middle column of the following table by the persons set forth in the left column and mediation in cases where there are any disputes in such business, and the term "Specified Relevant Minister" referred to in paragraph (3) is the ministers set forth in the right column of said table for each business executing the transactions set forth in the middle column of said table by the persons set forth in the left column of said table.

The Cooperatives set forth in Article 5 of the Agricultural Cooperatives Act who are engaged in the business set forth in Article 10, paragraph (1), item (iii) of that Act and Agents for the Specific Credit Business defined in Article 92-2, paragraph (3) of that Act	Conclusion of a Contract for Specified Savings, etc. prescribed in Article 11-2-4 of the Agricultural Cooperatives Act or the intermediation or brokerage therefor	The Minister of Agriculture, Forestry and Fisheries
The Cooperatives set forth in Article 5 of the Agricultural Cooperatives Act engaged in the business set forth in Article 10, paragraph (1), item (x) of that Act	Conclusion of a Specified Mutual Aid Contract as prescribed in Article 11-10-3 of the Agricultural Cooperatives Act	The Minister of Agriculture, Forestry and Fisheries
The Cooperatives defined in Article 4 of the Consumer Cooperatives Act (Act No. 200 of 1948) engaged in the mutual aid activities prescribed in Article 10, paragraph (2) of that Act	Conclusion of a Specified Mutual Aid Contract as prescribed in Article 12-3, paragraph (1) of the Consumer Cooperatives Act	The Minister of Health, Labour and Welfare



<p>The fishing industry cooperatives engaged in business under Article 11, paragraph (1) of the Fishery Cooperatives Act, the federation of fishing industry cooperatives engaged in business as set forth under Article 87, paragraph (1), item (iv) of that Act, the fishery product processing cooperatives engaged in business under Article 93, paragraph (1), item (ii) of that Act, the federation of fishery product processing cooperatives engaged in business under Article 97, paragraph (1), item (ii) of that Act and the Specific Credit Business Agent set forth in Article 121-2, paragraph (3) of that Act</p>	<p>Conclusion of a Contract for Specified Savings, etc. set forth in Article 11-9 of the Fishery Cooperatives Act or its agency or intermediaion</p>	<p>The Minister of Agriculture, Forestry and Fisheries</p>
<p>The fishing industry cooperatives engaged in business under Article 11, paragraph (1), item (xi) of the Fishery Cooperatives Act, the fishery product processing cooperatives engaged in business under Article 93, paragraph (1), item (vi)-2 of that Act, and the federation of fishery mutual aid cooperatives</p>	<p>Conclusion of a Specified Mutual Aid Contract as set forth in Article 15-7 of the Fishery Cooperatives Act</p>	<p>The Minister of Agriculture, Forestry and Fisheries</p>
<p>A cooperative as defined in Article 3 of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949) and the mutual aid agent prescribed in Article 9-7-5(1) of that Act</p>	<p>Conclusion of a Specified Mutual Aid Contract as prescribed in Article 9-7-5(2) of the Small and Medium-sized Cooperatives Act or the agency or intermediary service therefor</p>	<p>The Minister of Economy, Trade and Industry</p>

<p>The credit cooperatives, etc. defined in Article 2(1) of the Act on Financial Business by Cooperatives and a credit cooperative agent as prescribed in Article 6-3(3) of that Act</p>	<p>Conclusion of Contracts for Specified Deposits, etc. set forth in Article 6-5-2 of the Act on Financial Business by Cooperatives or agency or intermediation therefor</p>	
<p>A Specified Organizer, etc. as defined in Article 197 of the Act on Investment Trusts and Investment Corporations</p>	<p>The Public Offering, etc. (meaning a Public Offering, etc. as prescribed in Article 196, paragraph (1) of the Act on Investment Trusts and Investment Corporations) of Investment Securities issued by an Investment Corporation (meaning an Investment Corporation as defined in Article 2, paragraph (12) of that Act) that is in the process of being established</p>	
<p>A Credit Union as defined in Article 2 of the Credit Union Act and a Credit Union Agent as prescribed in Article 85-2, paragraph (3) of that Act</p>	<p>Conclusion of Contracts for Specified Deposits, etc. set forth in Article 89-2 of the Credit Union Act</p>	
<p>A Long-Term Credit Bank as defined in Article 2 of the Long-Term Credit Bank Act and a Long-Term Credit Bank Agent as prescribed in Article 16-5(3) of that Act</p>	<p>Conclusion of Contracts for Specified Deposits, etc. set forth in Article 17-2 of the Long-Term Credit Bank Act or the agency or intermediary service therefor</p>	
<p>A Workers' Credit Union Bank as defined in Article 3 of the Workers' Credit Union Bank Act and a Agent for Workers' Credit Union Bank as prescribed in Article 89-3, paragraph (3) of that Act</p>	<p>Conclusion of Contracts for Specified Deposits, etc. set forth in Article 94-2 of the Labor Bank Act or agency or intermediation therefor</p>	<p>The Minister of Health, Labour and Welfare</p>
<p>A Bank as defined in Article 2, paragraph (1) of the Banking Act and a Bank Agent as defined in paragraph (15) of that Article</p>	<p>Conclusion of Contracts for Specified Deposits, etc. set forth in Article 13-4 of the Banking Act or agency or intermediation therefor</p>	

<p>A Real Estate Specified Joint Enterprise Operator as prescribed in Article 2, paragraph (5) of the Real Estate Specified Joint Enterprise Act (Act No. 77 of 1994)</p>	<p>Conclusion of the Real Estate Specified Joint Enterprise Contract prescribed in Article 2, paragraph (3) of the Real Estate Specified Joint Enterprise Act or agency or intermediation therefor</p>	<p>The Minister of Land, Infrastructure, Transport and Tourism</p>
<p>An insurance company, a Small Amount and Short Term Insurer as defined in Article 2, paragraph (18) of the Insurance Business Act, an Insurance Solicitor as defined in paragraph (23) of that Article, and an Insurance Broker defined in paragraph (25) of that Article</p>	<p>Conclusion of a Specified Insurance Contract (meaning the specified insurance contract set forth in Article 300-2 of the Insurance Business Act; hereinafter the same shall apply in this column), agency or intermediation therefor, or conclusion of a contract on providing intermediation for concluding a Specified Insurance Contract on behalf the customer</p>	
<p>A Specific Purpose Company as defined in Article 2, paragraph (3) of the Asset Securitization Act, a Specified Transferrer as defined in Article 208, paragraph (1) of the Asset Securitization Act and the Originator as prescribed in Article 224 of the Asset Securitization Act</p>	<p>The Public Offering, etc. (meaning a Public Offering, etc. as set forth in Article 207 of the Asset Securitization Act) or handling of the Public Offering, etc. of Asset Backed Securities (meaning the Asset Backed Securities prescribed in Article 2, paragraph (11) of the Asset Securitization Act) or the Public Offering, etc. (meaning a Public Offering, etc. as prescribed in Article 286, paragraph (1) of the Asset Securitization Act) of Beneficiary Certificates (meaning the Beneficiary Certificates defined in Article 2, paragraph (15) of the Asset Securitization Act</p>	

The Norinchukin and the Norinchukin Agent prescribed in Article 95-2, paragraph (3) of the Agriculture and Forestry Credit Union Act	Conclusion of Contracts for Specified Deposits, etc. set forth in Article 59-3 of the Norinchukin Act or agency or intermediaion therefor	The Minister of Agriculture, Forestry and Fisheries
A trust company, a financial institution authorized under Article 1, paragraph (1) of the Act on Concurrent Operation of Trust Business by Financial Institution and a Life Insurance Company, etc. engaged in Insurance Claim Trust Business as defined in Article 13-3 of the Order for Enforcement of the Insurance Business Act (Cabinet Order No. 425 of 1995)	Conclusion of a Specific Trust Agreement as prescribed in Article 24-2 of the Trust Business Act (including the cases where it is applied mutatis mutandis pursuant to Article 99, paragraph (8) of the Insurance Business Act)	
The Shokochukin Limited	Conclusion of Contracts for Specified Deposits, etc. prescribed in Article 29 of the Shokochukin Limited Act	The Minister of Economy, Trade and Industry and The Minister of Finance

(Notification of Abolition of Certified Services)

Article 18-4-11 When a Certified Investor Protection Organization intends to abolish its Certified Services (meaning Certified Services as defined in Article 79-10 (1) of the Act; hereinafter the same applies in this Article), it must submit a written notification containing the following matters to the Commissioner of the Financial Services Agency three months prior to the day on which such abolition is scheduled:

- (i) the name;
- (ii) the location of the principal office;
- (iii) the name of the representative person or administrator;
- (iv) the day on which the termination of acceptance of the application under Article 77 (1) of the Act as applied mutatis mutandis pursuant to Article 79-12 of the Act or the filing of application under Article 77-2 (1) of the Act as applied mutatis mutandis pursuant to Article 79-13 of the Act is scheduled;
- (v) the day on which the abolition of the Certified Services is scheduled; and
- (vi) the reason for abolishing the Certified Services.

**Chapter IV-5 Investor Protection Fund**

(Persons Excluded from Consideration as General Customers)

Article 18-5 The persons specified by a Cabinet Order, referred to in Article 79-20 (1) of the Act, are the following persons:

- (i) Qualified Institutional Investors;
- (ii) the State, local governments, or a juridical person established by a special act of establishment pursuant to the provisions of Special Acts (excluding the persons set forth in the preceding item);
- (iii) an Investor Protection Fund (meaning an Investor Protection Fund as set forth in Article 79-21 of the Act; hereinafter referred to as the "Fund" except in Chapter VIII);
- (iv) a foreign government or any other person equivalent to the persons set forth in the preceding three items under foreign laws and regulations; and
- (v) in addition to the persons set forth in the preceding items, persons designated by the Commissioner of the Financial Services Agency and the Minister of Finance.

(Transactions Excluded from Customer Assets)

Article 18-6 The transactions specified by a Cabinet Order, referred to in Article 79-20 (3) of the Act, are the following transactions:

- (i) Over-the-Counter Derivatives Transactions;
- (ii) Foreign Market Transactions of Derivatives;
- (iii) the transactions designated by the Commissioner of the Financial Services Agency or the Minister of Finance as being similar to the transactions listed in the preceding two items.

(Customer Assets Related to Incidental Business, etc.)

Article 18-7 What is specified by a Cabinet Order, referred to in Article 79-20 (3)(iv) of the Act, is the money or Securities belonging to the account of a general customer or the money or Securities deposited with a Financial Services Provider from a general customer (in cases of such Securities, excluding those that a Financial Services Provider may use under a contract), with regard to the business pertaining to the acts listed in Article 2 (8)(xvi) and (xvii) of the Act (limited to Securities Services) and the business performed under Article 35 (1) of the Act, which are designated by the Commissioner of the Financial Services Agency or the Minister of Finance.

(Financial Services Provider, etc. with No Obligation to Join)

Article 18-7-2 (1) The Financial Services Provider specified by a Cabinet Order, referred to in Article 79-27 (1) of the Act, is a Financial Services Provider who does not conduct Type I Financial Instruments Business.

(2) The persons specified by a Cabinet Order, referred to in Article 79-27 (2) of the Act, are those who do not conduct Type I Financial Instruments Business by obtaining the registration or registration of changes under that paragraph.

(Matters to be Given in a Public Notice in Relation to Payment by the Fund)

Article 18-8 The matters specified by a Cabinet Order, referred to in Article 79-55 (1) of the Act, are the following matters:

- (i) the method for making notification of the claims under Article 79-56 (1) of the Act;
- (ii) the period, place, and method for the payment of the amount under Article 79-56 (1) of the Act;
- (iii) documents and any other thing which a general customer should submit or present to the Fund in making the claims under Article 79-56 (1) of the Act; and
- (iv) any other matters found necessary by the Fund.

(Causes for Change of the Period of Notification)

Article 18-9 The cause specified by a Cabinet Order, referred to in Article 79-55 (2) of the Act, is the following causes:

- (i) a public notice of dividend distribution under the provisions of Article 197 (1) of the Bankruptcy Act (including the cases where it is applied mutatis mutandis pursuant to Article 209 (3) of that Act);
- (ii) a notice under Article 79-55 (5) of the Act;
- (iii) an order of confirmation of reorganization plan under Article 199 (1) of the Corporate Organization Act;
- (iv) an order for confirmation of rehabilitation plans under Article 174 (1) of the Civil Rehabilitation Act; and
- (v) the fact of payment under Article 60 (5) of the Act on Transfer of Corporate Bonds, etc.

(Cases where Payment is Found to Be Difficult)

Article 18-10 With regard to the claims held by a general customer against the Distressed Financial Services Provider (meaning a Distressed Financial Services Provider as defined in Article 79-55 (2) of the Act; the same applies hereinafter) (limited to the claims pertaining to the Customer Assets (meaning the Customer Assets defined in Article 79-20 (3) of the Act; the same applies hereinafter) of the relevant general customer), the cases where the Fund finds it difficult for the Distressed Financial Services Provider to smoothly perform the claims are the cases where the full performance of said claims is found to be impossible or where a considerable number of days are found to be required for the performance of such claims in light of the status of the property of the

relevant Distressed Financial Services Provider or the status of administration under Article 43-2 (1) and (2) of the Act.

(Persons Excluded from Payment by the Fund)

Article 18-11 The persons specified by a Cabinet Order, referred to in Article 79-56 (2) of the Act, are the following persons:

- (i) the officers of the Distressed Financial Services Provider (in cases of a Distressed Financial Services Provider who is a foreign juridical person, its representative person in Japan is included);
- (ii) the Parent Corporation, etc. and Subsidiary Corporation, etc. of a Distressed Financial Services Provider;
- (iii) a general customer who holds Customer Assets in another person's name (or under a fictitious name; hereinafter the same applies in this item) (limited to the Claims to be Compensated (meaning the Claims to be Compensated defined in Article 79-56 (1) of the Act; the same applies hereinafter) related to the Customer Assets which the general customer holds in another person's name);
- (iv) a Book-entry Transfer Institution, etc. (meaning a Book-entry Transfer Institution as defined in Article 2 (5) of the Act on Transfer of Corporate Bonds, etc.; hereinafter the same applies in this item) which holds, among the Customer Assets related to Claims to be Compensated, claims pertaining to the damages arisen as a result of Misstatement, etc. (meaning a Misstatement, etc. as defined in Article 58 of that Act) by the Book-entry Transfer Institution, etc. which are the claims actually held against the Bankrupt Nearest Upper Positioned Institution, etc. (meaning a Bankrupt Nearest Upper Positioned Institution, etc. as prescribed in Article 58 of that Act) at the time of commencement of the bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, special liquidation proceedings, or foreign insolvency proceedings (except for Claims to be Compensated related to said claims, the persons set forth in the preceding two items are excluded); and
- (v) in addition to the persons listed in the preceding items, persons designated by the Commissioner of the Financial Services Agency and the Minister of Finance.

(Maximum Amount of Payment by the Fund)

Article 18-12 The amount specified by a Cabinet Order, referred to in Article 79-57 (3) of the Act, is ten million yen.

(Acquisition of Claims to be Compensated)

Article 18-13 In cases where the amount to be paid by the Fund under the

provisions of Article 79-56 (1) and Article 79-57 (1) and (3) of the Act is less than the amount of Claims to be Compensated pertaining to said payment, the Fund shall, among said Claims to be Compensated, acquire the amount designated by the Fund.

(Special Provisions for the Act on Special Measures Concerning Taxation in Cases of Payment Pertaining to Claims to be Compensated)

Article 18-14 (1) With regard to the application of the provisions of Article 4-2 (2) and (9) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957) in the case of occurrence of facts which prevent the workers' property accumulation savings contract from satisfying the requirements provided in Article 6 (4)(i)(b) or (c) of the Act on Promotion of Workers' Property Accumulation (Act No. 92 of 1971) in relation to such workers' property accumulation savings contract, defined in Article 4-2 (1) of the Act on Special Measures Concerning Taxation, or the performance thereof, and where such facts occurred as a result of the Payment (meaning payment under Article 79-58 (1) of the Act; the same applies in the following paragraph) pertaining to the Claims to be Compensated, such facts are deemed to be excluded from the cases specified by a Cabinet Order referred to in Article 4-2 (2) of the Act on Special Measures Concerning Taxation and the category of facts set forth in Article 4-2 (9) of that Act.

(2) With regard to the application of the provisions of Article 4-3 (2) and (10) of the Act on Special Measures Concerning Taxation, in the case of occurrence of facts which prevent the workers' property accumulation pension savings contract from satisfying the requirements provided in Article 6 (2)(i)(b) or (c) of the Act on Promotion of Workers' Property Accumulation in relation to such workers' property accumulation pension savings contract, defined in Article 4-3 (1) of the Act on Special Measures Concerning Taxation, or the performance thereof, and where such facts occurred as a result of the Payment pertaining to the Claims to be Compensated, such facts are deemed to be excluded from the cases specified by a Cabinet Order referred to in Article 4-3 (2) of the Act on Special Measures Concerning Taxation and the category of facts set forth in Article 4-3 (10) of that Act.

(Maximum Amount for Borrowings from Financial Institutions, etc.)

Article 18-15 The amount specified by a Cabinet Order, referred to in Article 79-72 of the Act, is 80 billion yen.

## **Chapter V Financial Instruments Exchange**

(Minimum Amount of Stated Capital of a Stock Company-Operated Financial



Instruments Exchange)

Article 19 The amount specified by a Cabinet Order, referred to in Article 83-2 of the Act, is one billion yen.

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Action Seeking the Invalidation of the Establishment of a Financial Instruments Incorporated Association)

Article 19-2 With regard to the action seeking the invalidation of establishment of a Financial Instruments Incorporated Association referred to in Article 88-22 of the Act, the technical replacement of terms under that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that Article is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original term	Terms to replace the original terms
Article 835, paragraph (1)	the head office	the principal office

(Replacement of Terms of the Provisions of Commercial Registration Act as Applied Mutatis Mutandis to the Registration of a Financial Instruments Incorporated Association)

Article 19-2-2 With regard to the registration referred to in Article 90 of the Act, the technical replacement of terms under that Article in cases where the provisions of the Commercial Registration Act (Act No. 125 of 1963) are applied mutatis mutandis pursuant to that Article, is as in the following table:

Provisions of the Commercial Registration Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 17, paragraph (3)	such branch office	such secondary office
Article 21, paragraph (1)	trade name	name
Article 24, item (i)	the business office	the office
Article 24, items (xiii) and (xiv)	a trade name	a name

Article 27	the registration of a trade name	the registration of the name of a Financial Instruments Incorporated Association
	a trade name for which a registration was filed	the name for which a registration was filed
	business office (in the case of a company, its head office; hereinafter the same shall apply in this Article)	principal office

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Dissolution and Liquidation of a Financial Instruments Incorporated Association)

Article 19-2-3 (1) With regard to the dissolution and liquidation of a Financial Instruments Incorporated Association referred to in Article 100-17 (1) of the Act, the technical replacement of terms under that paragraph in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 492, paragraph (1)	each item of Article 475	each item of Article 644 (excluding item (iii)) as applied mutatis mutandis pursuant to Article 100-17, paragraph (1) of the Financial Instruments and Exchange Act
Article 663 and Article 664	partners	members

(2) With regard to the liquidation of a Financial Instruments Incorporated Association referred to in Article 100-17 (2) of the Act, the technical replacement of terms under that paragraph in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph

is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 868, paragraph (1)	the head office	the principal office

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Cases where the Members of a Incorporated Association- Operated Financial Instruments Exchange Are Allotted Shares of the Stock Company-Operated Financial Instruments Exchange after Organizational Conversion or Money)

Article 19-2-4 With regard to the cases where shares or money are allotted pursuant to Article 101-6 (1) of the Act, the technical replacement of terms under paragraph (2) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 234, paragraph (2)	the applicable Ordinance of the Ministry of Justice	the applicable Cabinet Office Ordinance

(Means Utilizing Information and Communications Technology)

Article 19-2-5 (1) When a person who applies to subscribe for Shares Issued Upon Organizational Conversion (meaning the Shares Issued Upon Organizational Conversion defined in Article 101-9 (i) of the Act) (such person is referred to as the "Applicant" in the following paragraph) intends to provide the matters set forth in Article 101-10 (3) of the Act pursuant to that paragraph, he/shemust, pursuant to the provisions of a Cabinet Office Ordinance, indicate in advance the type and details of the method using an electronic data processing system or any other method using information and communications technology which are specified by a Cabinet Office Ordinance (hereinafter referred to as the "Electromagnetic Means" in this Article) to the Incorporated Association-Operated Financial Instruments Exchange and obtain consent therefrom in writing or by Electromagnetic Means.

(2) When a Incorporated Association-Operated Financial Instruments Exchange

has stated to the effect that it must not receive the matters by Electromagnetic Means, either in writing or by Electromagnetic Means, the Applicant who has previously obtained consent under the preceding paragraph must not provide the matters set forth in Article 101-10 (3) of the Act to the Incorporated Association-Operated Financial Instruments Exchange by Electromagnetic Means; provided, however, that this does not apply to cases when the Incorporated Association-Operated Financial Instruments Exchange gives the consent again under the preceding paragraph.

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Incorporated Association-Operated Financial Instruments Exchange makes Property Other Than Money the Subject of Investment upon Organizational Conversion)

Article 19-2-6 With regard to the cases where property other than money is the subject of investment as referred to in Article 101-9 (iii) of the Act, the technical replacement of terms under Article 101-16 (3) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 101-16 (3) of the Act, is as the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 207, paragraphs (1), (3), (6) and (9), item (v) and Article 212, paragraph (1) (excluding item (i))	(a or the) Stock Company	(an or the) Incorporated Association-Operated Financial Instruments Exchange
Article 213, paragraph (1) (excluding items (i) and (iii))	Directors, etc.	Management Board Members
	the Stock Company	the Incorporated Association-Operated Financial Instruments Exchange
	shareholders meeting	general meeting

	as the directors	as the management board members
Article 213, paragraph (2)	Directors, etc.	Management Board Members
Article 213, paragraph (3)	the Stock Company	the Incorporated Association-Operated Financial Instruments Exchange
Article 213, paragraph (4)	Directors, etc.	Management Board Members
Article 868, paragraph (1)	the head office of the Company	the principal office of the Incorporated Association-Operated Financial Instruments Exchange
Article 870, item (vii)	Stock Company	Incorporated Association-Operated Financial Instruments Exchange

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Action Seeking Invalidation of Organizational Conversion of a Incorporated Association-Operated Financial Instruments Exchange)

Article 19-2-7 With regard to the action seeking invalidation of organizational conversion of a Incorporated Association-Operated Financial Instruments Exchange referred to in Article 102 (1) of the Act, the technical replacement of terms under that paragraph in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 834, item (vi)	the Company after the Entity Conversion	the Stock Company-Operated Financial Instruments Exchange after Entity Conversion
Article 835, paragraph (1)	the head office of the Company	the head office of the Stock Company-Operated Financial Instruments Exchange after Entity Conversion
Article 937, paragraph (3), item (i)	the Company after the Entity Conversion	the Stock Company-Operated Financial Instruments Exchange after Entity Conversion

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Action Seeking Invalidation of the Establishment of a Self-Regulation Organization)

Article 19-2-8 With regard to an action seeking the invalidation of establishment of a Self-Regulation Organization referred to in Article 102-7 of the Act, the technical replacement of terms under that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that Article, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 835, paragraph (1)	the head office	the principal office

(Replacement of Terms of the Provisions of the Commercial Registration Act as Applied Mutatis Mutandis to the Registration of Self-Regulation Organizations)

Article 19-2-9 With regard to the registration for Self-Regulation Organizations referred to in Article 102-11 of the Act, the technical replacement of terms under that Article in cases where the provisions of the Commercial Registration Act are applied mutatis mutandis pursuant to that Article, is as in the following table:

Provisions of the Commercial Registration Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 17, paragraph (3)	such branch office	such secondary office
Article 21, paragraph (1)	trade name	name
Article 24, paragraph (i)	the business office	the office
Article 24, items (xiii) and (xiv)	a trade name	a name
Article 27	the registration of a trade name	the registration of the name of a Self-Regulatory Organization
	a trade name for which a registration was filed	the name for which a registration was filed
	business office (in the case of a company, its head office; hereinafter the same shall apply in this Article)	principal office

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Permission Pertaining to the Request for Inspection or Copying of the Minutes of the board meeting of a Self-Regulation Organization)

Article 19-2-10 With regard to the permission under Article 102-31 (2) of the Act, the technical replacement of terms under paragraph (4) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 868, paragraph (1)	the head office	the principal office

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Dissolution and Liquidation of a Self-Regulation)

Organization)

Article 19-2-11 (1) With regard to the dissolution and liquidation of a Self-Regulation Organization referred to in Article 102-37 (1) of the Act, the technical replacement of terms under that paragraph in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 492, paragraph (1)	each item of Article 475	each item of Article 644 (excluding item (iii)) as applied mutatis mutandis pursuant to Article 102-37, paragraph (1) of the Financial Instruments and Exchange Act
Article 663 and Article 664	partners	members

(2) With regard to the liquidation of a Self-Regulation Organization referred to in Article 102-37 (2) of the Act, the technical replacement of terms under that paragraph in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 868, paragraph (1)	the head office	the principal office

(Persons in Special Relationship)

Article 19-3 (1) The person who has a special relationship specified by a Cabinet Order, referred to in Article 103-2 (5)(ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 103-3 (2) and Article 106-9 of the Act), is a person who is in any of the following relationships (excluding Specified Shareholders):

- (i) the relationship of persons who have jointly acquired or held Subject Voting Rights (meaning the Subject Voting Rights defined in Article 103-2 (1) of the Act; hereinafter the same applies in this item, Article 19-3-3, Article 19-3-3-2



and Article 19-3-4-2) of a Stock Company-Operated Financial Instruments Exchange (meaning Stock Company-Operated Financial Instruments Exchange as defined in Article 2 (18) of the Act; the same applies hereinafter), or have agreed to exercise Subject Voting Rights of said Stock Company-Operated Financial Instruments Exchange (hereinafter such person is referred to as "Joint Holders" in this Article)

- (ii) the relationship of husband and wife;
  - (iii) the relationship between a person who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company (hereinafter such person is referred to as a "Controlling Shareholder, etc." in this Article) and said company (hereinafter referred to as a "Controlled Company" in this Article); and
  - (iv) the relationship between a Controlled Company and another Controlled Company of the relevant Controlling Shareholder, etc.
- (2) In cases where the Joint Holders jointly hold voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company, said Joint Holders are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of the preceding paragraph applies.
- (3) In cases where the husband and wife jointly hold voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of a company, said husband and wife are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of paragraph (1) applies.
- (4) In cases where a Controlling Shareholder, etc. and the Controlled Company thereof jointly hold voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of another company, said other company is deemed to be the Controlled Company of said Controlling Shareholder, etc., and the provisions of paragraph (1) applies.
- (5) The term "Specified Shareholder" as used in paragraph (1) means an Authorized Financial Instruments Business Association, a Financial Instruments Exchange, a Financial Instruments Exchange Holding Company, a Commodity Exchange or a Commodity Exchange Holding Company.

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Petition for Appointment of a Person to Temporarily Perform the Duties of a Member of a Self-Regulating Committee)

Article 19-3-2 With regard to the petition for the appointment of a person to temporarily perform the duties of a member of a Self-Regulating Committee referred to in Article 105-7 (4) of the Act, the technical replacement of terms under paragraph (6) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 870, item (ii)	a person who is temporarily to perform the duties of a director, accounting advisor, company auditor, Representative Director, committee member, executive officer or representative executive officer appointed pursuant to the provisions of Article 346, paragraph (2), Article 351, paragraph (2) or Article 401, paragraph (3) (including cases where it is applied mutatis mutandis pursuant to Article 403, paragraph (3) or Article 420, paragraph (3)), a liquidator, a person who is temporarily to perform the duties of a liquidator or representative liquidator appointed pursuant to the provisions of Article 346, paragraph (2) as applied mutatis mutandis pursuant to Article 479, paragraph (4) or the provisions of Article 351, paragraph (2) as applied mutatis mutandis pursuant to Article 483, paragraph (6), an examiner, or the administrator set forth in Article 825, paragraph (2) (including cases where it is applied mutatis mutandis pursuant to Article 827, paragraph (2))	a person who is to temporarily perform the duties of a member of a Self-Regulatory Committee

Article 874, item (i)	a person who is temporarily to perform the duties of a director, accounting advisor, company auditor, Representative Director, committee member, executive officer or representative executive officer prescribed in item (ii) of Article 870, a liquidator, a representative liquidator, a liquidator who represents a Liquidating Membership Company, a person who is temporarily to perform the duties of a liquidator or representative liquidator prescribed in that item, an examiner, the appraiser set forth in Article 501, paragraph (1) (including the cases where it is applied mutatis mutandis pursuant to Article 822, paragraph (3)) or Article 662, paragraph (1), the person who retains Accounting Materials set forth in Article 508, paragraph (2) (including the cases where it is applied mutatis mutandis pursuant to Article 822, paragraph (3)) or Article 672, paragraph (3), a special agent of a bond manager or the bond manager to succeed to the administration of bonds set forth in Article 714, paragraph (3)	a person who is temporarily perform the duties of a member of a Self-Regulatory Committee
	the appointment or selection	the appointment

(Persons Who May Acquire or Hold a Number of Subject Voting Rights

Exceeding the Holding Ratio Threshold of the Voting Rights of a Stock Company-Operated Financial Instruments Exchange)

Article 19-3-3 The persons specified by a Cabinet Order, referred to in Article 106-3 (1) of the Act, are the following persons:

- (i) a local government;
- (ii) an Establisher of a Foreign Financial Instruments Exchange Market (meaning an Establisher of a Foreign Financial Instruments Exchange Market as prescribed in Article 60-2 (1)(vi) of the Act; hereinafter the same applies in this Article) who satisfies all of the following requirements:
  - (a) the Establisher of a Foreign Financial Instruments Exchange Market has received the same kind of license as the license under Article 80 (1) of the Act, or permission or any other administrative disposition similar thereto in the State where its head office or principal office is located;
  - (b) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Act, in the state where the head office or principal office of the Establisher of a Foreign

Financial Instruments Exchange Market is located (including orders given under the Act; hereinafter the same applies in this sub-item(b)), has guaranteed to respond to the Japanese government's request for cooperation in administrative investigations for enforcement of the Act; and

- (c) the Stock Company-Operated Financial Instruments Exchange or the Financial Instruments Exchange Holding Company which the Establisher of a Foreign Financial Instruments Exchange Market intends to acquire or hold a number of Subject Voting Rights not less than the Holding Ratio Threshold (meaning the Holding Ratio Threshold defined in Article 103-2 (1) of the Act; hereinafter the same applies in this Article) of the Voting Rights Held by All the Shareholders, etc. thereof with authorization under Article 106-3 (1) or Article 106-17 (1) of the Act, is a Subsidiary Company of an Authorized Financial Instruments Business Association, Financial Instruments Exchange, a Financial Instruments Exchange Holding Company, a Commodity Exchange or a Commodity Exchange Holding Company (meaning a Subsidiary Company as defined in Article 87-3 (3) of the Act; hereinafter the same applies in this Article and Article 44 (13) and (14) (such Subsidiary Company is referred to as the "Specified Subsidiary Company" in sub-item (c) of the following item, item (iv)(c) and item (v)(c)).
- (iii) a Holding Company of the Establisher of a Foreign Financial Instruments Exchange Market (meaning a company that has an Establisher of a Foreign Financial Instruments Exchange Market as its Subsidiary Company and that is a person other than the one set forth in the preceding item; hereinafter the same applies in this item) which satisfies all of the following requirements:
  - (a) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Act, in the state where the head office or principal office of the Holding Company of the Establisher of a Foreign Financial Instruments Exchange Market is located (including orders given under the Act; hereinafter the same applies in sub-item(b)), has granted the same kind of authorization as the authorization under Article 106-10 (1) of the Act or granted permission or conducted any other acts similar thereto with regard to the fact that the relevant person is a Holding Company of the Establisher of a Foreign Financial Instruments Exchange Market
  - (b) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Act, in the state where the head office or principal office of the Holding Company of the Establisher of a Foreign Financial Instruments Exchange Market is located, has guaranteed to respond to the Japanese government's request for cooperation in administrative investigations for enforcement of the Act;

- and
- (c) the Stock Company-Operated Financial Instruments Exchange which the Holding Company of the Establisher of a Foreign Financial Instruments Exchange Market intends to acquire or hold Subject Voting Rights not less than the Holding Ratio Threshold of Voting Rights Held by All the Shareholders, etc. thereof with the authorization under Article 106-3 (1) of the Act, is a Specified Subsidiary Company.
  - (iv) an Establisher of a Foreign Commodity Market (meaning an Establisher of a Foreign Commodity Market as prescribed in Article 2 (12) of the Commodity Futures Act; hereinafter the same applies in the following item) who satisfies all of the following requirements:
    - (a) the Establisher of a Foreign Commodity Market has received the same kind of permission as the permission under Article 9 or Article 78 of the Commodity Futures Act or authorization or any other administrative disposition similar thereto in the state where its head office or principal office is located;
    - (b) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Commodity Futures Act, in the state where the head office or principal office of the Establisher of a Foreign Commodity Market is located (including orders given under that Act), has guaranteed to respond to the Japanese government's request for cooperation in administrative investigations for enforcement of the Act (including orders given under the Act; hereinafter the same applies in sub-item (b) of the following item); and
    - (c) the Stock Company-Operated Financial Instruments Exchange or the Financial Instruments Exchange Holding Company which the Establisher of a Foreign Commodity Market intends to acquire or hold a number of Subject Voting Rights not less than the Holding Ratio Threshold of the Voting Rights Held by All the Shareholders, etc. thereof with authorization under Article 106-3 (1) or Article 106-17 (1) of the Act, is a Specified Subsidiary Company.
  - (v) a Holding Company of the Establisher of a Foreign Commodity Market (meaning a company that has an Establisher of a Foreign Commodity Market as its Subsidiary Company and that is a person other than the one set forth in the preceding item; hereinafter the same applies in this item) which satisfies all of the following requirements:
    - (a) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Commodity Futures Act, in the state where the head office or principal office of the Holding Company of the Establisher of a Foreign Commodity Market is located (including orders given under the Act; hereinafter the same applies in sub-

- item(b)), has granted the same kind of authorization as the authorization under Article 96-25 (1) of the Act or granted permission or conducted any other acts similar thereto with regard to the fact that the relevant person is a Holding Company of the Establisher of a Foreign Commodity Market;
- (b) the authority responsible for the enforcement of the laws and regulations of a foreign state which are equivalent to those of the Commodity Futures Act, in the state where the head office or principal office of the Holding Company of the Establisher of a Foreign Commodity Market is located, has guaranteed to respond to the Japanese government's request for cooperation in administrative investigations for enforcement of the Act; and
- (c) the Stock Company-Operated Financial Instruments Exchange which the Holding Company of the Establisher of a Foreign Commodity Market intends to acquire or hold a number of Subject Voting Rights not less than the Holding Ratio Threshold of Voting Rights Held by All the Shareholders, etc. thereof with the authorization under Article 106-3 (1) of the Act, is a Specified Subsidiary Company.

(Persons in Special Relationship)

Article 19-3-3-2 (1) The person who has a special relationship specified by a Cabinet Order, referred to in Article 103-2 (5)(ii) of the Act as applied mutatis mutandis pursuant to Article 108 of the Act, is a person who is in any of the following relationships (excluding Specified Shareholders):

- (i) the relationship of persons who have jointly acquired or who hold the Subject Voting Rights of a Financial Instruments Exchange Holding Company (or, in cases where the provisions of Article 103-2 (5) of the Act are applied mutatis mutandis pursuant to Article 108 of the Act (limited to the part pertaining to Article 106-28 (4) of the Act), a Stock Company-Operated Financial Instruments Exchange; hereinafter the same applies in this item), or have agreed to exercise the Subject Voting Rights of said Financial Instruments Exchange Holding Company (hereinafter such persons are referred to as "Joint Holders" in this Article);
  - (ii) the relationship of husband and wife;
  - (iii) the relationship between a person who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company (hereinafter such person is referred to as a "Controlling Shareholder, etc." in this Article) and said company (hereinafter referred to as a "Controlled Company" in this Article); and
  - (iv) the relationship between a Controlled Company and another Controlled Company of the relevant Controlling Shareholder, etc.
- (2) In cases where the Joint Holders jointly hold voting rights exceeding 50

percent of the Voting Rights Held by All the Shareholders, etc. of a company, said Joint Holders are deemed respectively to be the Controlling Shareholders, etc. of said company and the provisions of the preceding paragraph applies.

(3) The provisions of Article 19-3 (3) and (4) applies mutatis mutandis to the application of paragraph (1).

(4) The term "Specified Shareholder" as used in paragraph (1) means an Authorized Financial Instruments Business Association, a Financial Instruments Exchange or a Commodity Exchange (or, in cases where the provisions of Article 106-28 (4) of the Act are applied, an Authorized Financial Instruments Business Association, Financial Instruments Exchange, Financial Instruments Exchange Holding Company, a Commodity Exchange or a Commodity Exchange Holding Company).

(Markets Requiring Approval of Listing)

Article 19-3-4 The market specified by a Cabinet Order, referred to in Article 122 (1) of the Act, is a Foreign Financial Instruments Market (including those specified by a Cabinet Office Ordinance as being equivalent thereto).

(Persons in Special Relationship)

Article 19-3-4-2 (1) The person who has a special relationship specified by a Cabinet Order, referred to in Article 103-2 (5)(ii) of the Act applied mutatis mutandis pursuant to the provisions of Article 133-2 of the Act, is a person who is in any of the following relationships:

(i) the relationship of persons who have jointly acquired or who hold the Subject Voting Rights of a company, or have agreed to exercise the Subject Voting Rights of said company (hereinafter such persons are referred to as "Joint Holders" in this Article);

(ii) the relationship between a person who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company (hereinafter such person is referred to as a "Controlling Shareholder, etc." in this Article) and said company (hereinafter referred to as a "Controlled Company" in this Article); or

(iii) the relationship between one Controlled Company and another Controlled Company with the same Controlling Shareholder, etc.

(2) In cases where the Joint Holders jointly hold voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company, said Joint Holders are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of the preceding paragraph applies.

(3) The provisions of Article 19-3 (4) applies mutatis mutandis to the application of paragraph (1).

(4) The provisions of Article 4-4 (3) apply mutatis mutandis, in the cases

specified in paragraph (1)(ii) and paragraph (2) and Article 19-3 (4) applied mutatis mutandis pursuant to the preceding paragraph, to the voting rights held by the person prescribed in these provisions. In this case, the phrase "Article 147, paragraph (1) or Article 148, paragraph (1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the portion pertaining to item (ii)) of that Act)" in Article 4-4 (3) is deemed to be replaced with "Article 147 (1) or Article 148 (1)", and "shares or contribution" in Article 4-4 (3) is deemed to be replaced with "shares".

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case Where a Stock Company-Operated Financial Instruments Exchange Surviving the Absorption-Type Merger Gives a Public Notice in Lieu of a Notice to the Shareholders and Holders by way of Electronic Public Notice)

Article 19-3-5 With regard to the case where giving the public notice under Article 139-10 (2) of the Act by way of Electronic Public Notice, the technical replacement of terms under paragraph (3) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Request for Purchase of Shares by the Shareholder of a Stock Company-Operated Financial Instruments Exchange Surviving the Absorption-Type Merger)

Article 19-3-6 With regard to the request under Article 139-11 (1) of the Act, the technical replacement of terms under paragraph (2) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:



Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 797, paragraph (6) and Article 798, paragraphs (1), (2) and (4)	the Surviving Stock Company, etc.	the Stock Company-Operated Financial Instruments Exchange Surviving the Absorption-Type Merger

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case Where a Stock Company-Operated Financial Instruments Exchange Surviving the Absorption-Type Merger Gives a Public Notice to the Effect that Objections, etc. May be Stated to the Absorption-Type Merger by way of Electronic Public Notice)

Article 19-3-7 With regard to the case where the public notice under Article 139-12 (2) of the Act is given by way of Electronic Public Notice, the technical replacement of terms under paragraph (6) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger Gives a Public Notice in Lieu of a Notice to its Shareholders and Registered Pledges of Shares, etc. by way of Electronic Public Notice)

Article 19-3-8 With regard to the case where the public notice under Article 139-16 (2) of the Act is given by way of Electronic Public Notice, the technical replacement of terms under paragraph (3) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to a Request for Purchase of Shares by Shareholders of a Stock Company-Operated Financial Instruments Exchange Disappearing in a Consolidation-Type Merger)

Article 19-3-9 With regard to the request under Article 139-17 (1) of the Act, the technical replacement of terms under paragraph (2) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 806, paragraph (5)	paragraph (3)	Article 139-16, paragraph (1) of the Financial Instruments and Exchange Act
	the preceding paragraph	paragraph (2) of that Article
Article 807, paragraph (1)	the Consolidated Stock Company, etc.	the Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger
	the Company Incorporated through Consolidation-type Merger in cases of effecting a Consolidation-type Merger	the Stock Company-Operated Financial Instruments Exchange Incorporated in the Consolidation-Type Merger

	, the Company Incorporated through Consolidation-type Merger	, the Stock Company-Operated Financial Instruments Exchange Incorporated in the Consolidation-Type Merger
Article 807, paragraphs (2) and (4)	Consolidated Stock Company, etc.	Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to a Request for the Purchase of Share Options by the Holder of Share Options of a Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger)

Article 19-3-10 With regard to the request under Article 139-18 (1) of the Act, the technical replacement of terms under paragraph (2) of that Article in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to that paragraph is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 808(5)	paragraph (3)	Article 139-16(1) of the Financial Instruments and Exchange Act
	the preceding paragraph	paragraph (2) of that Article
Article 808(6)	the Consolidated Stock Company, etc.	the Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger

Article 809(1)	the Consolidated Stock Company, etc.	the Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger
	the Company Incorporated through Consolidation-type Merger in cases of effecting a Consolidation-type Merger	the Stock Company-Operated Financial Instruments Exchange Incorporated in the Consolidation-Type Merger
	, the Company Incorporated through Consolidation-type Merger	, the Stock Company-Operated Financial Instruments Exchange Incorporated in the Consolidation-Type Merger
Article 809, paragraphs (2), (4), (6) and (7)	the Consolidated Stock Company, etc.	the Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger Gives a Public Notice to the Effect that Objections, etc. May be Stated to the Consolidation-Type Merger, by way of Electronic Public Notice)

Article 19-3-11 With regard to the case where giving the public notice under Article 139-12 (2) of the Act as applied mutatis mutandis pursuant to Article 139-19 of the Act by way of Electronic Public Notice, the technical replacement of terms under Article 139-12 (6) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 139-12 (6) of the Act is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
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Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Fraction of Less Than One Unit of Equity or One Share Results from a Merger)

Article 19-3-12 With regard to the cases where a fraction of less than one unit of equity or one share occurs as a result of a merger under Article 136 (1) of the Act, the technical replacement of terms under Article 143 (1) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 143 (1) of the Act is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 234, paragraph (1), items (v) and (vi)	the Company	the Financial Instruments Exchange
	members	members
Article 234, paragraph (2)	the applicable Ordinance of the Ministry of Justice	the applicable Cabinet Office Ordinance
Article 868, paragraph (1)	the head office of the Company	the head office of the Financial Instruments Exchange (in cases of an Incorporated Association-Operated Financial Instruments Exchange, the principal office)

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to the Case where a Stock Company-Operated Financial Instruments Exchange Disappearing in the Consolidation-Type Merger Gives a Public Notice, etc. with Regard to the Submission of Share Certificates by way of Electronic Public Notice)

Article 19-3-13 With regard to the case where giving the public notice under the provisions of Article 219 (1) and Article 293 (1) of the Companies Act as applied mutatis mutandis pursuant to Article 144 (1) of the Act or the provision of

Article 220 (1) of the Companies Act (including the cases where it is applied mutatis mutandis pursuant to Article 293 (4) of the Companies Act as applied mutatis mutandis pursuant to Article 144 (1) of the Act) as applied mutatis mutandis pursuant to Article 144 (1) of the Act by way of Electronic Public Notice, the technical replacement of terms under Article 144 (2) of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 144 (2) of the Act is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 940, paragraph (3) (excluding the items)	the preceding two paragraphs	paragraph (1)
	these provisions	paragraph (1)

(Replacement of Terms of the Provisions of Commercial Registration Act as Applied Mutatis Mutandis to the Registration of a Financial Instruments Exchange Due to Merger)

Article 19-3-14 (1) With regard to the case set forth in Article 136 (2)(i) of the Act, the technical replacement of terms under Article 145 (1) of the Act in cases where the provisions of the Commercial Registration Act are applied mutatis mutandis pursuant to Article 145 (1) of the Act, is as in the following table:

Provisions of the Commercial Registration Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 80, item (iii)	Article 799, paragraph (2) of the Companies Act	Article 101-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 139-4, paragraph (4) of that Act

	paragraph (3) of said Article	Article 139-4, paragraph (5) of that Act
Article 80, item (iv)	Article 445, paragraph (5) of the Companies Act	Article 143, paragraph (2) of the Financial Instruments and Exchange Act
Article 80(viii)	Article 789, paragraph (2) of the Companies Act (excluding item (iii), and including the cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of said Act)	Article 101-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 139-3, paragraph (5) of that Act
	Article 789, paragraph (3) of said Act (including the cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of said Act)	Article 139-3, paragraph (6) of that Act
Article 81, item (viii)	Article 810, paragraph (2) of the Companies Act (excluding item (iii), and including the cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of said Act)	Article 101-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 139-5, paragraph (5) of that Act
	Article 810, paragraph (3) of said Act (including the cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of said Act)	Article 139-5, paragraph (6) of that Act

(2) With regard to the case set forth in Article 136 (2)(ii) of the Act, the technical

replacement of terms under Article 145 (2) of the Act in cases where the provisions of the Commercial Registration Act are applied mutatis mutandis pursuant to Article 145 (2) of the Act, is as in the following table:

Provisions of the Commercial Registration Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 80, item (ii)	the main text of paragraph (1) or of paragraph (3) of Article 796 of the Companies Act,	the main clause of Article 139-9, paragraph (1) of the Financial Instruments and Exchange Act
	paragraph (4) of said Article	paragraph (2) of that Article
Article 80, item (iii)	Article 799, paragraph (2) of the Companies Act	Article 139-12(2) of the Financial Instruments and Exchange Act
Article 80, item (iv)	Article 445, paragraph (5) of the Companies Act	Article 143, paragraph (2) of the Financial Instruments and Exchange Act
Article 80, item (viii)	Article 789, paragraph (2) of the Companies Act (excluding item (iii), and including the cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of said Act)	Article 101-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 139-3, paragraph (5) of that Act
	Article 789, paragraph (3) of said Act (including the cases where it is applied mutatis mutandis pursuant to Article 793, paragraph (2) of said Act)	Article 139-3, paragraph (6) of that Act



Article 81, item (vi)	Article 804, paragraphs (1) and (3) of the Companies Act	Article 139-15, paragraphs (1) and (4) of the Financial Instruments and Exchange Act
Article 81, item (viii)	Article 810, paragraph (2) of the Companies Act (excluding item (iii), and including the cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of said Act)	the provisions of Article 101-4, paragraph (2) of the Financial Instruments and Exchange Act as applied mutatis mutandis pursuant to Article 139-5, paragraph (5) of that Act or the provisions of Article 139-12, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 139-19 of that Act
	Article 810, paragraph (3) of said Act (including the cases where it is applied mutatis mutandis pursuant to Article 813, paragraph (2) of said Act)	Article 139-5, paragraph (6) of that Act or the provisions of Article 139-12, paragraph (3) of that Act as applied mutatis mutandis pursuant to Article 139-19 of that Act

(Replacement of Terms of the Provisions of Companies Act as Applied Mutatis Mutandis to an Action Seeking Invalidation of Merger)

Article 19-3-15 With regard to an action seeking invalidation of a merger under Article 136 (1) of the Act, the technical replacement of terms under Article 146 of the Act in cases where the provisions of the Companies Act are applied mutatis mutandis pursuant to Article 146 of the Act, is as in the following table:

Provisions of the Companies Act whose terms are to be replaced	Original terms	Terms to replace the original terms

Article 835, paragraph (1)	the head office	the head office (in cases of an Incorporated Association-Operated Financial Instruments Exchange, the principal office)
Article 937, paragraph (4)	the branch office(s)	the branch office(s) (in cases of an Incorporated Association-Operated Financial Instruments Exchange, the secondary office)

(Replacement of Terms of the Supervisory Provisions to a Self-Regulation Organization)

Article 19-3-16 With regard to the supervision of a Self-Regulation Organization which provides Self-Regulatory Services to a Financial Instruments Exchange pursuant to the entrustment by said Financial Instruments Exchange with the authorization under Article 85 (1) of the Act, the technical replacement of terms under Article 153-4 of the Act in cases where the provisions of the Act are applied mutatis mutandis pursuant to Article 153-4 of the Act, is as in the following table:

Provisions of the Act whose terms are to be replaced	Original terms	Terms to replace the original terms
Article 148	license	authorization under Article 102-14 of the Act
	the items of Article 82, paragraph (2)	each item of Article 82, paragraph (2) as applied mutatis mutandis pursuant to Article 102-16, paragraph (2)
Article 149, paragraph (1)	, operational rules or brokerage contract rules	or operational rules
Article 149, paragraph (2)	Article 81, paragraph (1), item (ii)	Article 102-15, paragraph (1), item (ii)
	, operational rules and brokerage contract rules, and business rules pertaining to Financial Instruments Debt Assumption Service to be provided under the approval set forth in Article 156-19, paragraph (1)	and operational rules

Article 153	, operational rules, brokerage contract rules	, operational rules
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### **Chapter V-2 Foreign Financial Instruments Exchanges**

(Requirements for Years of Experience)

Article 19-4-1 (1) The period specified by a Cabinet Order, referred to in Article 155-3 (2)(i) of the Act, is three years.

(2) The cases specified by a Cabinet Order, referred to in Article 155-3 (2)(i) of the Act, are , in cases where the period of the applicant for authorization is calculated by deeming the period which has elapsed since the following persons have established a Foreign Financial Instruments Market to be the period which has elapsed since the applicant for authorization has established such market, the cases where such a period is three years or more:

- (i) a person who has been merged or consolidated with or into the applicant for authorization;
- (ii) a person who has had the applicant for authorization assume his/her business to establish a Foreign Securities Market in whole or in part through a split (limited to the cases specified by a Cabinet Office Ordinance)
- (iii) a person who has transferred his/her business to establish a Foreign Securities Market in whole or in part to the applicant for authorization (limited to the cases specified by a Cabinet Office Ordinance; and
- (iv) the persons specified by a Cabinet Office Ordinance as being equivalent to the persons listed in the preceding three items.

### **Chapter V-3 Financial Instruments Clearing Organization, etc.**

(Minimum Amount of Stated Capital of Financial Instruments Clearing Organization, etc.)

Article 19-4-2 The amount specified by a Cabinet Order, referred to in Article 156-5-2 of the Act, is one billion yen.

(Persons in Special Relationship)

Article 19-4-3 (1) The person who has a special relationship specified by a Cabinet Order, referred to in Article 156-5-3 (2)(ii) of the Act, is a person who is in any of the following relationships:

- (i) the relationship of persons who jointly hold Subject Voting Rights (meaning the Subject Voting Rights defined in Article 156-5-3 (1) of the Act; hereinafter the same applies in this item) of a Financial Instruments Clearing Organization (excluding the cases where the Financial Instruments

- Clearing Organization is a Financial Instruments Exchange; hereinafter the same applies in this item), or have agreed to exercise Subject Voting Rights of said Financial Instruments Clearing Organization (hereinafter such persons are referred to as "Joint Holders" in this Article);
- (ii) the relationship of husband and wife;
  - (iii) the relationship between a person who holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company (hereinafter such person is referred to as a "Controlling Shareholder, etc." in this Article) and said company (hereinafter referred to as a "Controlled Company" in this Article); and
  - (iv) the relationship between one Controlled Company and another Controlled Company with the same Controlling Shareholder, etc.
- (2) In cases where the Joint Holders jointly hold voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of a company, said Joint Holders are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of the preceding paragraph applies.
- (3) In cases where the husband and wife jointly hold voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of a company, said husband and wife are deemed respectively to be the Controlling Shareholders, etc. of said company, and the provisions of paragraph (1) applies.
- (4) In cases where a Controlling Shareholder, etc. and the Controlled Company thereof jointly hold voting rights exceeding 50 percent of Voting Rights Held by All the Shareholders, etc. of another company, said another company is deemed to be the Controlled Company of said Controlling Shareholder, etc., and the provisions of paragraph (1) applies.
- (5) The provisions of Article 4-4 (3) apply mutatis mutandis, in the cases specified in paragraph (1)(iii) and the preceding three paragraphs, to the voting rights held by the person prescribed in these provisions. In this case, the phrase "Article 147, paragraph (1) or Article 148, paragraph (1) (including the cases where these provisions are applied mutatis mutandis pursuant to Article 228, paragraph (1), Article 235, paragraph (1), Article 239, paragraph (1) and Article 276 (limited to the portion pertaining to item (ii)) of that Act)" in Article 4-4 (3) is deemed to be replaced with "Article 147 (1) or Article 148 (1)", and "shares or contribution" in Article 4-4 (3) is deemed to be replaced with "shares".
- (6) The provisions of the preceding paragraphs applies mutatis mutandis to the cases where the provisions of Article 156-5-3 (2)(ii) of the Act are applied mutatis mutandis pursuant to Article 156-5-11. In this case, the term "hold" in paragraph (1), item (i) is deemed to be replaced with "acquire, or hold".

(Requirements for Years of Experience of Applicant for License Related to

Financial Instruments Debt Assumption Service)

Article 19-4-4 (1) The period specified by a Cabinet Order, referred to in Article 156-20-4 (2)(i) of the Act, is three years.

(2) The cases specified by a Cabinet Order, referred to in Article 156-20-4 (2)(i) of the Act, are , in cases where the period of the applicant for license is calculated by deeming the period which has elapsed since the following persons have commenced the same kind of business as a Financial Instruments Debt Assumption Service in a foreign state in compliance with laws and regulations of said foreign state to be the period which has elapsed since the applicant for license has commenced said Service, the cases where such a period is three years or more:

(i) a person who has been merged or consolidated with or into the applicant for license;

(ii) a person who has had the applicant for license assume the same kind of business as a Financial Instruments Debt Assumption Service in whole or in part through a split (limited to the cases specified by a Cabinet Office Ordinance);

(iii) a person who has transferred the same kind of business as a Financial Instruments Debt Assumption Service in whole or in part to the applicant for license (limited to the cases specified by a Cabinet Office Ordinance); and

(iv) the persons specified by a Cabinet Office Ordinance as being equivalent to the persons listed in the preceding three items.

(Requirements for Years of Experience of Interoperable Clearing Organization, etc. Related to Financial Instruments Debt Assumption Service)

Article 19-4-5 (1) The period specified by a Cabinet Order, referred to in Article 156-20-18 (2)(i) of the Act, is three years.

(2) The cases specified by a Cabinet Order, referred to in Article 156-20-18 (2)(i) of the Act, are , in cases where the period of the Interoperable Clearing Organization, etc. (meaning Interoperable Clearing Organization, etc.

prescribed in paragraph (1), item (i) of said Article; hereinafter the same applies in this paragraph) is calculated by deeming the period which has elapsed since the following persons have commenced the same kind of business as a Financial Instruments Debt Assumption Service in a foreign state in compliance with laws and regulations of said foreign state to be the period which has elapsed since the Interoperable Clearing Organization, etc. has commenced said Service, the cases where such a period is three years or more:

(i) a person who has been merged or consolidated with or into the Interoperable Clearing Organization, etc.;

(ii) a person who has had the Interoperable Clearing Organization, etc. assume the same kind of business as a Financial Instruments Debt Assumption

- Service in whole or in part through a split (limited to the cases specified by a Cabinet Office Ordinance);
- (iii) a person who has transferred the same kind of business as a Financial Instruments Debt Assumption Service in whole or in part to the Interoperable Clearing Organization, etc. (limited to the cases specified by a Cabinet Office Ordinance); and
  - (iv) the persons specified by a Cabinet Office Ordinance as being equivalent to the persons listed in the preceding three items.

#### **Chapter V-4 Securities Finance Companies**

(Minimum Amount of Stated Capital of a Securities Finance Company)

Article 19-5 The amount specified by a Cabinet Order, referred to in Article 156-23 of the Act, is 100 million yen.

(Transactions Subject to Loan)

Article 19-6 The transactions specified by a Cabinet Order, referred to in Article 156-24 (1) of the Act, are the following transactions:

- (i) sale and purchase of Securities or Securities-Related Market Transaction of Derivatives made on a Financial Services Provider's own account;
- (ii) Brokerage for the Clearing of Securities, etc. (limited to those pertaining to a margin transaction or the sale and purchase of Securities or Securities-Related Market Transaction of Derivatives made on a Financial Services Provider's own account which are conducted on the Financial Instruments Exchange Market established by said Financial Instruments Exchange) by the Member, etc. (meaning the Member, etc. defined in Article 81 (1)(iii) of the Act; the same applies hereinafter) of a Financial Instruments Exchange; and
- (iii) Brokerage for the Clearing of Securities, etc. by the Members of an Authorized Financial Instruments Business Association (limited to those pertaining to a margin transaction or the sale and purchase of Securities or the Securities-Related Market Transactions of Derivatives made on a Financial Services Provider's own account which are conducted on the Over-the-Counter Securities Market established by said Authorized Financial Instruments Business Association).

#### **Chapter V-5 Designated Dispute Resolution Organizations**

(Designation under Provisions of Other Acts pertaining to Business Equivalent to the Dispute Resolution Services, etc.)

Article 19-7 The designation specified by a Cabinet Order, referred to in Article

156-39 (1)(ii) and (iv)(d), Article 156-43 and Article 156-60 (3) of the Act, is as follows:

- (i) Designation under the provisions of Article 52-62 (1) of the Banking Act;  
and
- (ii) Designation specified in the items of Article 19-9.

(Proportion of Number of persons or firms Involved in Financial Instruments Transactions who have Stated Their Objections to Total Number of persons or firms Involved in Financial Instruments Transactions)

Article 19-8 The proportion specified by a Cabinet Order, referred to in Article 156-39 (1)(viii) of the Act, is one third.

(Exemptions on Restriction on Use of Names)

Article 19-9 Persons specified by a Cabinet Order, referred to in Article 156-54 of the Act, are persons who have received any of the following designation:

- (i) Designation under the provisions of Article 35-2 (1) of the Mutual Loan Business Act (Act No. 42 of 1931);
- (ii) Designation under the provisions of Article 12-2 (1) of the Act on Concurrent Operation of Trust Business by a Financial Institution;
- (iii) Designation under the provisions of Article 92-6 (1) of the Agricultural Cooperatives Act;
- (iv) Designation under the provisions of Article 121-6 (1) of the Fisheries Cooperatives Act;
- (v) Designation under the provisions of Article 69-2 (1) of the Small and Medium-Sized Enterprise Cooperatives Act;
- (vi) Designation under the provisions of Article 85-4 (1) of the Credit Union Act;
- (vii) Designation under the provisions of Article 16-8 (1) of the Long-Term Credit Bank Act;
- (viii) Designation under the provisions of Article 89-5 (1) of the Labor Bank Act;
- (ix) Designation under the provisions of Article 41-39 (1) of the Money Lending Business Act (Act No. 32 of 1983);
- (x) Designation under the provisions of Article 308-2 (1) of the Insurance Business Act;
- (xi) Designation under the provisions of Article 95-6 (1) of the Agriculture and Forestry Credit Union Act;
- (xii) Designation under the provisions of Article 85-2 (1) of the Trust Business Act; and
- (xiii) Designation under the provisions of Article 99 (1) of Payment Services Act (Act No. 59 of 2009).

## Chapter VI Regulations on Transactions, etc. of Securities

(Cases where Stabilizing Transactions are Allowed)

Article 20 (1) A Stabilizing Transaction (meaning the series of Purchases and Sales of Securities, etc. (meaning the Purchases and Sales of Securities, etc. defined in Article 159 (2) of the Act; hereinafter the same applies in this paragraph) made for the purposes set forth in Article 159 (3) of the Act; the same applies hereinafter) or the offer, Entrustment, etc. (meaning the Entrustment, etc. prescribed in Article 44 (i) of the Act; the same applies in paragraph (3) and the following Article) or Accepting an Entrustment, etc. (meaning the acceptance of the application for intermediary, brokerage (excluding Brokerage for the Clearing of Securities, etc.), or agency service; the same applies in the following Article) therefor, may be effected only in the case where the series of Purchases and Sales of Securities, etc. are conducted on a Financial Instruments Exchange Market or an Over-the-Counter Securities Market for the purpose of facilitating the Public Offering of Securities (limited to those made to not less than 50 persons; hereinafter the same applies in this Article to Article 22 inclusive) or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, etc. (limited to those made to not less than 50 persons; hereinafter the same applies in this Article to Article 22 inclusive) or Secondary Distribution of Securities (limited to those made to not less than 50 persons; hereinafter the same applies in this Article to Article 22 inclusive) or Offer to Sell, etc. Only for Professional Investors (limited to those made to not less than 50 persons; hereinafter the same applies in this Article to Article 22 inclusive).

(2) In the case referred to in the preceding paragraph, a Financial Services Provider who may effect Stabilizing Transactions on its own account is limited to the Financial Services Provider specified in the following items according to the category of cases set forth in the respective items:

- (i) in cases where a statement under Article 5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) is submitted with regard to the Public Offering or Secondary Distribution: the Financial Services Provider who has been stated on said statement as the Financial Services Provider who will conclude a Underwriting Contract defined in Article 21 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) with the issuer of the Securities related to said Public Offering or the holder of the Securities related to said Secondary Distribution;
- (ii) other cases: the Financial Services Provider who, in advance, has been notified by the issuer of the Securities related to the Public Offering,



Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, or Secondary Distribution or Offer to Sell, etc. Only for Professional Investors as the Financial Services Provider with whom said issuer will conclude the Underwriting Contract prescribed in Article 17-3 (iii) pursuant to the rules of each Financial Instruments Exchange on which said issuer lists the Securities issued thereby (in cases where the Securities are Over-the-Counter Traded Securities, each Authorized Financial Instruments Business Association that registers the relevant Securities; the same applies in item (v) of the following paragraph and Article 22 (3) and (4)) to the relevant Financial Instruments Exchange.

- (3) In the case referred to in paragraph (1), the persons who may make Entrustment, etc. of Stabilizing Transactions are limited to the following persons:
- (i) an officer of the issuer of the Securities related to the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, or Secondary Distribution or Offer to Sell, etc. Only for Professional Investors;
  - (ii) the holder of the Securities related to the Secondary Distribution or Offer to Sell, etc. Only for Professional Investors (in cases where such holder has acquired the Securities through a contract detailing the Secondary Distribution or Offer to Sell, etc. Only for Professional Investors of the Securities from a person who held such Securities, the counterparty to said contract);
  - (iii) an officer of a company which has a close relationship as specified by a Cabinet Office Ordinance with the issuer of the Securities related to the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, or Secondary Distribution or Offer to Sell, etc. Only for Professional Investors;
  - (iv) the company set forth in the preceding item (excluding those specified by a Cabinet Office Ordinance); and
  - (v) a person who, in advance, has been notified by the issuer of Securities related to the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, of Secondary Distribution or Offer to Sell, etc. Only for Professional Investors as a person who may make Entrustments, etc. of Stabilizing Transactions to the relevant Financial Instruments Exchange, pursuant to the rules of each Financial Instruments Exchange on which said issuer lists the Securities issued thereby.

(Statements, etc. on Prospectuses)

Article 21 A Stabilizing Transaction or the offer, Entrustment, etc. or Accepting of Entrustment, etc. therefor may be effected only in the case where the

following matters are stated or recorded in the prospectus or Specified Information on Securities, etc. (meaning the Specified Information on Securities, etc. defined in Article 27-33 of the Act (limited to those provided or publicized pursuant to Article 27-31 (2) or (4) of the Act); the same applies in paragraph (1) of the following Article) related to the Securities of which the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, or Secondary Distribution or Offer to Sell, etc. Only for Professional Investors is intended to be facilitated by such Stabilizing Transaction:

- (i) a statement to the effect that a Stabilizing Transaction may be effected;
- (ii) in cases where the relevant Securities are Listed Securities (meaning the Securities listed by a Financial Instruments Exchange; the same applies in Article 23 (i) and Article 25 (i)), all names or trade names of the Financial Instruments Exchange Markets on which Stabilizing Transactions are effected and of the Financial Instruments Exchanges that establish such Financial Instruments Exchange Markets and the name or trade name of the Financial Instruments Exchange Market whereon the principal Stabilizing Transaction is expected to be effected (such Financial Instruments Exchange Market is referred to as the "Principal Financial Instruments Exchange Market" in Article 24) and of the Financial Instruments Exchange which establishes such Financial Instruments Exchange Market; and
- (iii) in cases where the relevant Securities are Over-the-Counter Traded Securities, all the names of the Over-the-Counter Securities Markets on which the Stabilizing Transactions are effected and of the Authorized Financial Instruments Business Associations that establish such Over-the-Counter Securities Markets and the name of the Over-the-Counter Securities Market whereon the principal Stabilizing Transaction is expected to be effected (such Over-the-Counter Securities Market is referred to as the "Principal Over-the-Counter Securities Market" in Article 24) and of the Authorized Financial Instruments Business Association which has established such Over-the-Counter Securities Market.

(Place and Period of Stabilizing Transactions)

Article 22 (1) A Stabilizing Transaction may be effected only through a sale and purchase of Securities or Market Transaction of Derivatives conducted on the Financial Instruments Exchange Market which has been stated or recorded in the prospectus or Specified Information on Securities, etc. pursuant to item (ii) of the preceding Article (in cases where the Securities related to the Stabilizing Transaction are Over-the-Counter Traded Securities, a sale and purchase of Over-the-Counter Traded Securities made on the Over-the-Counter Securities Market which has been stated or recorded in the prospectus or Specified

- Information on Securities, etc. pursuant to item (iii) of the preceding Article).
- (2) A Stabilizing Transaction may be effected only during the period specified in the following items according to the category of cases set forth in the respective items:
- (i) in cases of a Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors of Securities: the periods specified in the following sub-items according to the category of cases set forth in the respective sub-items:
    - (a) in cases of a Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors made by granting the shareholders with the rights to receive the allotment of shares: the period from the day two weeks prior to the date set forth in Article 202 (1)(ii) of the Companies Act which is related to the Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors until the payment date;
    - (b) in cases of a Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors made by granting the preferred Equity Holders provided in the Act on Preferred Equity Investment with the rights to receive the allotment of preferred equity investment provided in the Act on Preferred Equity Investment: the period from the day two weeks prior to the date set forth in Article 8 (1)(ii) of the Act on Preferred Equity Investment which is related to the Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors until the payment date;
    - (c) in cases of a Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors other than those set forth in sub-item (a) and sub-item (b): the period from the day 20 days prior to the date on which the period for the application for acquisition of Securities related to the Public Offering or Exclusive Solicitation of Offers to Acquire Targeting Professional Investors ends until the day on which such period ends; and
  - (ii) in cases of a Secondary Distribution or Offer to Sell, etc. Only for Professional Investors of Securities: the period from the day 20 days prior to the date on which the period for the application for purchase of Securities related to the Secondary Distribution or Offer to Sell, etc. Only for Professional Investors ends (in cases of an application for sales, the period of sales) until the day on which such period ends.
- (3) In the case referred to in the preceding paragraph, if the issue price of the Securities of which the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, Secondary Distribution or Offer to Sell, etc. Only for Professional Investors thereof is intended to be facilitated by a Stabilizing Transaction, or the price for Secondary Distribution or Offer to Sell, etc. Only for Professional Investors (in cases of corporate bond certificates

with share options, the issue price and the contents of the share options or the price for Secondary Distribution or Offer to Sell, etc. Only for Professional Investors; hereinafter collectively referred to as the "Issue Price, etc." in this Article) has not been decided before the commencement of the period set forth in the items of the preceding paragraph, notwithstanding the provisions of the preceding paragraph, such Stabilizing Transaction shall not be effected until the day on which each Financial Instruments Exchange whereon the issuer of the Securities is to list the Securities issued thereby receives notice of the Issue Price, etc. of the respective Securities from such issuer pursuant to the rules of the respective Financial Instruments Exchanges.

(4) In the case referred to in paragraph (2), if the Issue Price, etc. of the Securities of which the Public Offering, Exclusive Solicitation of Offers to Acquire Targeting Professional Investors, or Secondary Distribution and Offer to Sell, etc. Only for Professional Investors thereof is intended to be facilitated by a Stabilizing Transaction, has been decided without depending on a definitive figure obtained by multiplying a fixed rate to the closing price of the Securities issued by the issuer of the relevant Securities on a single Over-the-Counter Securities Market on a single day (in cases where the Securities issued by the issuer are Over-the-Counter Traded Securities, the closing price of the Over-the-Counter Traded Securities on a single Over-the-Counter Securities Market on a single day), notwithstanding the provision of paragraph (2), the Stabilizing Transaction shall not be effected until the day on which each Financial Instruments Exchange whereon the issuer of the Securities is to list its Securities, receives the notice of the definitive figure for the Issue Price, etc. of the Securities from such issuer pursuant to the rules of the respective Financial Instruments Exchanges.

(Notification of Stabilizing Transaction)

Article 23 A Financial Services Provider who has effected a Stabilizing Transaction on the day on which Stabilizing Transactions have commenced (such day is referred to as the "Commencement Day of Stabilizing Transactions" in the following Article) must, immediately after he/she has made the first Stabilizing Transaction on such a day, submit three copies of the documents containing the trade name of the Financial Services Provider, the issue and concluded price of the Securities related to such Stabilizing Transaction (hereinafter such Securities are referred to as "Securities Subject to Stabilizing Transaction" in this Article to Article 25 inclusive) (such a price is referred to as the "Price at the Commencement of a Stabilizing Transaction" in the following Article) and any other matters specified by a Cabinet Office Ordinance (such a document is referred to as the "Written Notification of a Stabilizing Transaction" in Article 26) to the Commissioner of the Financial

Services Agency, and pursuant to the provisions of a Cabinet Office Ordinance, submit a copy of such documents to the persons specified in the following items according to the category of Securities set forth in the respective items under which the relevant Securities Subject to Stabilizing Transaction fall:

- (i) Listed Securities: each Financial Instruments Exchange which lists the Securities Subject to Stabilizing Transactions; and
- (ii) Over-the-Counter Traded Securities: each Authorized Financial Instruments Business Association which registers the Securities Subject to Stabilizing Transactions.

(Restrictions on the Price for Stabilizing Transactions)

Article 24 (1) A Financial Services Provider who conducts Stabilizing Transactions on a Financial Instruments Exchange Market must not purchase the Securities Subject to Stabilizing Transactions at a price exceeding the prices specified in the following items according to the category of Stabilizing Transactions set forth in the respective items:

- (i) a Stabilizing Transaction effected on the Commencement Day of Stabilizing Transactions: the price specified in the following sub-items according to the category of Stabilizing Transactions set forth in the respective sub-items:
  - (a) the first Stabilizing Transaction: the closing price of the Securities Subject to Stabilizing Transactions on the Principal Financial Instruments Exchange Market on the day immediately preceding the period wherein Stabilizing Transactions are allowed pursuant to the provisions of Article 22 (2) to (4) inclusive (such period is referred to as the "Period for Stabilizing Transactions" in the following Article to Article 26 inclusive) (in cases where sales and purchases of the Securities Subject to Stabilizing Transactions are not conducted on said Principal Financial Instruments Exchange Market on said day immediately preceding the Period for Stabilizing Transactions, the closing price on the nearest day on which such sales and purchases were made which is prior to the day on which the first Stabilizing Transaction was made; hereinafter such closing price is referred to as the "Index Closing Price for Stabilizing Transactions as of the Immediately Preceding Day" in this paragraph) or the Index Closing Price for Stabilizing Transactions as of the Immediately Preceding Day of the Commencement Day of Stabilizing Transactions, whichever is lower; and
  - (b) Stabilizing Transactions made after the first Stabilizing Transaction: the Price at the Commencement of a Stabilizing Transaction of the Financial Services Provider; and
- (ii) Stabilizing Transactions effected after the Commencement Day of Stabilizing Transactions: the Price at the Commencement of a Stabilizing

Transaction (in cases where there are two or more Financial Services Providers who have effected Stabilizing Transactions on the Commencement Day of Stabilizing Transactions, the lowest price among the Prices at Commencement of Stabilizing Transactions of such Financial Services Providers) or the Index Closing Price for Stabilizing Transactions as of the Immediately Preceding Day of the day on which a Stabilizing Transaction is scheduled, whichever is lower.

- (2) The provisions of the preceding paragraph applies mutatis mutandis to a Financial Services Provider who effects a Stabilizing Transaction on an Over-the-Counter Securities Market.

(Submission of Stabilizing Transaction Report)

Article 25 A Financial Services Provider who has effected a Stabilizing Transaction must, with regard to the sales and purchases of Securities Subject to Stabilizing Transactions made within the period from the day on which the first Stabilizing Transaction has been effected until the last day of the Period for Stabilizing Transactions, submit three copies of the documents containing the details of such sales and purchases and any other matters specified by a Cabinet Office Ordinance (such documents are referred to as the "Stabilizing Transaction Report" in the following Article) to the Commissioner of the Financial Services Agency, and pursuant to the provisions of a Cabinet Office Ordinance, submit a copy of such documents to the person specified in the following items according to the category of Securities set forth in the respective items under which the relevant Securities Subject to Stabilizing Transaction fall:

- (i) Listed Securities: the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market whereon the Stabilizing Transaction has been effected; and
- (ii) Over-the-Counter Traded Securities: the Authorized Financial Instruments Business Association which establishes the Over-the-Counter Securities Market whereon the Stabilizing Transaction has been effected.

(Public Inspection of a Written Notification of a Stabilizing Transaction, etc.)

Article 26 (1) The Commissioner of the Financial Services Agency shall, pursuant to the provisions of a Cabinet Office Ordinance, make the documents set forth in the following items available for public inspection for one month from the day specified in the respective items:

- (i) a Written Notification of a Stabilizing Transaction: the day on which the Commissioner of the Financial Services Agency has accepted the Written Notification of a Stabilizing Transaction;
- (ii) a Stabilizing Transaction Report: the day following the day on which the

Period for Stabilizing Transactions has ended.

(2) A Financial Instruments Exchange and an Authorized Financial Instruments Business Association must keep a copy of the documents set forth in the items of the preceding paragraph which have been submitted pursuant to the provisions of Article 23 and the preceding Article, at its office, head office, branch office, or any other business office pursuant to the provisions of a Cabinet Office Ordinance, and make the copy of such documents available for public inspection for one month from the day specified in the respective items (in cases of a copy of the Written Notification of a Stabilizing Transaction, the day on which such written notification has been submitted to the Financial Instruments Exchange or the Authorized Financial Instruments Business Association).

(Cases falling under Short Selling)

Article 26-2 The case specified by a Cabinet Order, referred to in Article 162

(1)(i) of the Act, is a case where it is not clear whether such held Securities (excluding Securities borrowed) may be provided without delay after the sales thereof.

(Confirmation, etc. of a Guarantee of Borrowed Securities)

Article 26-2-2 (1) In the case where the Member, etc. of a Financial Instruments Exchange has accepted the entrustment of Short Selling (meaning the sales or entrustment of Brokerage for the Clearing of Securities, etc. (limited to the entrustment of sales; hereinafter referred to as the "Entrustment of Brokerage for the Clearing of Securities, etc." in this paragraph and paragraph (1) of the following Article) which fall under any of the following items; the same applies hereinafter) on a Financial Instruments Exchange Market established by said Financial Instruments Exchange, if he/she cannot confirm that measures specified by a Cabinet Office Ordinance as the measures to ensure the conclusion of contract for borrowing or any other transfer of Securities related to the Short Selling (limited to the Securities designated by the Commissioner of the Financial Services Agency as having the risk to hinder the transfer of Securities related to Short Selling by the large volume of Short Selling thereof; hereinafter the same applies in this paragraph (excluding the items) to paragraph (4) inclusive) (hereinafter such measures are referred to as the "Settlement Measures" in this Article) have been taken, he/she must not conduct such Short Selling:

(i) the sales of Securities made without holding the Securities or by borrowing Securities (excluding Brokerage for the Clearing of Securities, etc.);

(ii) the sales of Securities in the case referred to in the preceding Article (excluding Brokerage for the Clearing of Securities, etc.);

- (iii) the Entrustment of Brokerage for Clearing Securities, etc. made without holding the Securities or by borrowing Securities; or
  - (iv) the Entrustment of Brokerage for the Clearing of Securities, etc. made where it is unclear whether the Securities may be provided without delay after the implementation of Entrustment of Brokerage for the Clearing of Securities, etc..
- (2) If a person who has received an application for brokerage for entrustment of Short Selling to be made on a Financial Instruments Exchange Market cannot confirm that Settlement Measures have been taken with regard to the Securities related to the Short Selling, he/she must not provide brokerage service for entrustment of Short Selling.
  - (3) A person who applies for entrustment or brokerage for entrustment of Short Selling conducted on a Financial Instruments Exchange Market must clearly indicate to the counterparty of the application for entrustment or the brokerage for entrustment of the Short Selling that the Settlement Measures for the Securities related to the Short Selling have been taken.
  - (4) If the Settlement Measures for the Securities subject to the Short Selling which is to be made on the Financial Instruments Exchange Market on the own account of a Member, etc. of the relevant Financial Instruments Exchange have not been taken, such Short Selling must not be conducted.
  - (5) The provisions of the preceding paragraphs does not apply to the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance.
  - (6) The provisions of the preceding paragraphs apply mutatis mutandis to the sale of Over-the-Counter Traded Securities made on an Over-the-Counter Securities Market established by an Authorized Financial Instruments Business Association. In this case, the phrase "the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance" in the preceding paragraph is deemed to be replaced with "the transactions specified by a Cabinet Office Ordinance."

(Indication and Confirmation in Cases of Short Selling)

Article 26-3 (1) A Member, etc. of a Financial Instruments Exchange must, with regard to the sales of Securities made on his/her own account or sales of the Securities for which he/she has accepted the entrustment of sales (excluding the acceptance of entrustment of Brokerage of Clearing of Securities, etc.) or the Entrustment of Brokerage for the Clearing of Securities, etc. made on the Financial Instruments Exchange Market established by said Financial Instruments Exchange, clearly indicate to said Financial Instruments Exchange whether these sales of Securities or Entrustment of Brokerage for the Clearing of Securities, etc. are Short Selling or not.



- (2) A Member, etc. of a Financial Instruments Exchange shall, with regard to the acceptance of entrustment of the sales of Securities (excluding the acceptance of entrustment of Brokerage for the Clearing of Securities, etc.) on a Financial Instruments Exchange Market established by said Financial Instruments Exchange, confirm with the entrusting person of the sales of Securities whether said sales of Securities are Short Selling or not.
- (3) Any person who has accepted brokerage for the entrustment of sales of Securities to be made on a Financial Instruments Exchange Market must confirm with the applicant for such brokerage for entrustment whether such sales of Securities are Short Selling or not.
- (4) A person who applies for entrustment or brokerage for entrustment of the sale of Securities (excluding the entrustment of Brokerage for the Clearing of Securities, etc.) made on a Financial Instruments Exchange Market must clearly indicate to the counterparty of the application for entrustment or brokerage for entrustment whether the sales of the Securities are Short Selling or not.
- (5) The provisions of the preceding paragraphs does not apply to the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance.
- (6) The provisions of the preceding paragraphs applies mutatis mutandis to the sale of Over-the-Counter Traded Securities made on an Over-the-Counter Securities Market established by an Authorized Financial Instruments Business Association. In this case, the phrase "the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance" in the preceding paragraph is deemed to be replaced with "the transactions specified by a Cabinet Office Ordinance."

(Prices in the Case of Short Selling)

Article 26-4 (1) In cases where a Member, etc. of a Financial Instruments Exchange intends to conduct Short Selling on his/her own account or Short Selling of which he/she has accepted the entrustment on a Financial Instruments Exchange Market established by said Financial Instruments Exchange, such Member, etc. must not effect such Short Selling at a price lower than the price of the Securities related to the Short Selling on said Financial Instruments Exchange Market which has been publicized by the Financial Instruments Exchange immediately before such Short Selling (in cases where the price formation method is a method other than the method of auction which is specified by a Cabinet Office Ordinance, the price specified by a Cabinet Office Ordinance; hereinafter such price is referred to as the "Latest Publicized Price" in this Article); provided, however, that this does not apply to the Short Selling effected at the Latest Publicized Price in cases where such

Latest Publicized Price exceeds the different price publicized by the Financial Instruments Exchange immediately before the publication of the Latest Publicized Price (in cases where the price formation method is a method other than the method of auction which are specified by a Cabinet Office Ordinance, the price specified by a Cabinet Office Ordinance; the same applies in the following paragraph).

- (2) A person who applies for entrustment or brokerage for entrustment of Short Selling to be made on a Financial Instruments Exchange Market must not instruct the counterparty of the application for entrustment or brokerage for entrustment of the Short Selling to conduct Short Selling at a price lower than the Latest Publicized Price of the Securities related to the Short Selling; provided, however, that this does not apply to the instructions given for Short Selling effected at a Latest Publicized Price which exceeds the different price publicized by the Financial Instruments Exchange immediately before the publication of such Latest Publicized Price.
- (3) In the cases referred to in the preceding two paragraphs, when Short Selling is effected after the Securities related to such Short Selling have become ex-dividends or ex-rights and the Latest Publicized Price of the Securities related to Short Selling is the price publicized before the ex-dividend date or ex-right date, the price set forth in the preceding two paragraphs is calculated, with regard to the Securities related to the Short Selling, by deducting the amount of dividends or rights from the Latest Publicized Price.
- (4) The provisions of paragraph (1) and paragraph (2) does not apply to the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance.
- (5) The provisions of the preceding paragraphs apply mutatis mutandis to the sale of Over-the-Counter Traded Securities made on an Over-the-Counter Securities Market established by an Authorized Financial Instruments Business Association. In this case, the phrase "the transactions set forth in Article 2 (21)(i) of the Act and any other transactions specified by a Cabinet Office Ordinance" in the preceding paragraph is deemed to be replaced with "the transactions specified by a Cabinet Office Ordinance."

(Provision, etc. of Information on Short Selling)

Article 26-5 (1) When a Member, etc. of a Financial Instruments Exchange has effected the Short Selling set forth in the following items on a Financial Instruments Exchange Market established by the Financial Instruments Exchange with regard to the Securities designated by the Commissioner of the Financial Services Agency as having the risk to impair fair price formation due to the large volume of Short Selling thereof (hereinafter such Securities are referred to as the "Designated Securities" in this Article), such a Member, etc.

must, pursuant to the provisions of a Cabinet Office Ordinance, provide the relevant Financial Instruments Exchange with the information set forth in the respective items:

- (i) Short Selling effected on his/her own account: his/her Balance and Other Information Related to Short Selling (meaning the information specified by a Cabinet Office Ordinance as the information concerning Short Selling balance; hereinafter the same applies in this Article) related to the Designated Securities for which the Short Selling was effected; and
  - (ii) the Short Selling conducted under the entrustment of customers: the customer's Balance and Other Information Related to Short Selling related to the Designated Securities for which the Short Selling was effected.
- (2) A person who has accepted brokerage for the entrustment of Short Selling of the Designated Securities to be made on a Financial Instruments Exchange Market must, pursuant to the provisions of a Cabinet Office Ordinance, provide the counterparty of such brokerage for entrustment of Short Selling with the Balance and Other Information Related to Short Selling of the person who has applied for said brokerage for entrustment related to said Designated Securities.
- (3) A person who has applied for the entrustment or the brokerage for entrustment of the Short Selling of Designated Securities to be made on a Financial Instruments Exchange Market must, pursuant to the provisions of a Cabinet Office Ordinance, provide the counterparty of the application for the entrustment or the brokerage of entrustment of such Short Selling with his/her own Balance and Other Information Related to Short Selling related to the Designated Securities.
- (4) A Financial Instruments Exchange must, pursuant to the provisions of a Cabinet Office Ordinance, compile the Balance and Other Information Related to Short Selling provided pursuant to paragraph (1) and publicize the details thereof.
- (5) The provisions of the preceding paragraphs applies mutatis mutandis to the sale of Over-the-Counter Traded Securities made on an Over-the-Counter Securities Market established by an Authorized Financial Instruments Business Association.

(Securities Excluded from the Securities of a Listed Company, etc.)

Article 27 The Securities specified by a Cabinet Order as being excluded from Securities referred to in Article 163 (1) of the Act are, among the Securities set forth in Article 2 (1)(v) of the Act, those specified by a Cabinet Office Ordinance as the Securities by which Specified Assets (meaning the Specified Assets prescribed in Article 2 (1) of the Asset Securitization Act; hereinafter the same applies in this Article) are acquired by money obtained from the

issuance of such Securities and the obligations of such Securities are performed by money obtained from the administration and disposition of said Specified Assets (excluding Specified Corporate Bond Certificates).

(Scope of Securities of Which the Issuer Becomes a Listed Company, etc.)

Article 27-2 The Securities set forth in Article 2 (1)(v), (vii) or (ix) of the Act (excluding those set forth in the preceding Article) which are listed on a Financial Instruments Exchange, Securities falling under the category of Over-the-Counter Traded Securities or Securities Handled or any other Securities specified by a Cabinet Order, referred to in Article 163 (1) of the Act, are as follows:

- (i) the Securities set forth in Article 2 (1)(v), (vii) or (ix) of the Act (excluding those set forth in the preceding Article; hereinafter the same applies in this Article) which are listed on a Financial Instruments Exchange or which fall under the category of Over-the-Counter Traded Securities or Securities Handled;
- (ii) a Beneficiary Certificate of Securities in Trust of which the Entrusted Securities are the Securities set forth in Article 2 (1)(v), (vii) or (ix) of the Act (excluding those set forth in the preceding item), which are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled;
- (iii) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in Article 2 (1)(v), (vii) or (ix) of the Act and which are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled;
- (iv) a Beneficiary Certificate of Securities in Trust of which the Entrusted Securities are, among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in Article 2 (1)(v), (vii), or (ix) of the Act (excluding those set forth in the preceding item) and which are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled; and
- (v) securities or certificates issued by a person to whom, among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in Article 2 (1)(v), (vii), or (ix) of the Act (excluding those set forth in the preceding two items) have been deposited in a state other than the state wherein the deposited securities or certificates had been issued, and among those which indicate the rights pertaining to the deposited securities or certificates, those listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled.

(Scope of Specified Securities)

Article 27-3 The Securities set forth in Article 2 (1)(v), (vii), or (ix) of the Act (excluding those set forth in Article 27) and any other Securities specified by a Cabinet Order, referred to in Article 163 (1) of the Act (such Securities are referred to as the "Specified Securities" in the following Article to Article 27-6 inclusive and Article 28-2 (xii)), are as follows:

- (i) the Securities set forth in Article 2 (1)(v), (vii), or (ix) of the Act (excluding those set forth in Article 27);
- (ii) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in the preceding item and which are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled;
- (iii) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in item (i) (excluding those set forth in the preceding item) and the Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are said Securities are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled; and
- (iv) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in item (i) (excluding those set forth in the preceding two items) and the Securities set forth in Article 2 (1)(xx) of the Act which indicate the rights pertaining to such securities or certificates are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled.

(Scope of Related Securities)

Article 27-4 The Securities set forth in Article 2 (1)(xix) of the Act which indicate the Options pertaining to the Specified Securities of the Listed Company, etc. and any other Securities specified by a Cabinet Order, referred to in Article 163 (1) of the Act (hereinafter referred to as the "Related Securities" in the following Article to Article 27-6 inclusive), are as follows:

- (i) the Securities listed in Article 2 (1)(x) of the Act which are related to an Investment Trusts (meaning an Investment Trust as defined in Article 2 (3) of the Act on Investment Trust and Investment Corporations; the same applies in Article 32-2 (ii) and Article 33-2 (i)) or a Foreign Investment Trust (meaning a Foreign Investment Trust as prescribed in Article 2 (22) of that Act; the same applies in Article 32-2 (ii) and Article 33-2 (i)) similar thereto which provides in the basic terms and conditions of the trust contract that the trust property shall only be invested in the Specified Securities of the Listed Company, etc.;

- (ii) the Securities listed in Article 2 (1)(xi) of the Act which are issued by an Investment Corporation (meaning an Investment Corporation as prescribed in Article 2 (12) of the Act on Investment Trusts and Investment Corporations; the same applies in Article 32-3 (iii) and Article 33-2 (ii)) or by a Foreign Investment Corporation similar thereto which provides in its certificate of incorporation that the assets shall only be invested in the Specified Securities of the Listed Company, etc.;
- (iii) the Securities listed in Article 2 (1)(xix) of the Act which indicate the Options pertaining to the Specified Securities of the Listed Company, etc.;
- (iv) the Securities listed in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Specified Securities of the Listed Company, etc.;
- (v) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Specified Securities of the Listed Company, etc.;
- (vi) corporate bond certificates (excluding corporate bond certificates with share options) issued by a company other than the Listed Company, etc. with a special provision that allows the redemption of such corporate bond certificates through the Specified Securities of the Listed Company, etc. (limited to those where the person who holds the corporate bond certificates has the right to have the issuer company of said corporate bond certificates redeem such corporate bond certificates through Specified Securities); and
- (vii) securities or certificates issued by a foreign person which have the nature of the Securities set forth in the preceding item.

(Scope of Purchase, etc. of Specified Securities, etc.)

Article 27-5 The purchase of Specified Securities or Related Securities (such Securities are collectively referred to as the "Specified Securities, etc." in the following Article) and other transactions specified by a Cabinet Order, referred to in Article 163 (1) of the Act, are as follows:

- (i) the purchase of Specified Securities;
- (ii) the purchase of Related Securities (with regard to the Related Securities indicating Options pertaining to the sale and purchase of Specified Securities, limited to those wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase through the exercise of the Options);
- (iii) the sale of Related Securities which indicate Options pertaining to the sale and purchase of Specified Securities wherein the person who exercises such Options acquires the position as a seller in such sale and purchase through the exercise of the Options; and
- (iv) any other transaction specified by a Cabinet Office Ordinance as being equivalent to the transactions set forth in the preceding three items.

(Scope of Sales, etc. of Specified Securities, etc.)

Article 27-6 The sales of Specified Securities, etc. and any other transactions specified by a Cabinet Order, referred to in Article 163 (1) of the Act, are as follows:

- (i) the sale of Specified Securities;
- (ii) the sale of Related Securities (with regard to the Related Securities which indicate Options pertaining to the sale and purchase of Specified Securities, limited to those wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase through the exercise of the Options);
- (iii) the purchase of Related Securities which indicate Options pertaining to the sale and purchase of Specified Securities wherein the person who exercises the Options acquires the position as a seller in such sale and purchase through the exercise of the Options; and
- (iv) any other transaction specified by a Cabinet Office Ordinance as being equivalent to the transactions set forth in the preceding three items.

(Scope of Specified Transactions)

Article 27-7 The transactions specified by a Cabinet Order, referred to in Article 165 (i) of the Act, are as follows:

- (i) the transactions set forth in item (i) to item (iii) inclusive of the preceding Article; and
- (ii) the transactions specified by a Cabinet Office Ordinance as being equivalent to the transactions set forth in the preceding item.

(Organizations Similar to Partnerships)

Article 27-8 The organizations specified by a Cabinet Order, referred to in Article 165-2 (1) of the Act, are organizations established under the laws and regulations of a foreign state which are similar to the following partnerships:

- (i) a partnership established under the partnership contract provided in Article 667 (1) of the Civil Code;
- (ii) the Investment LPS prescribed in Article 2 (2) of the Limited Partnership Act for Investment (Act No. 90 of 1998); and
- (iii) the Limited Liability Partnership prescribed in Article 2 of the Limited Liability Partnership Act (Act No. 40 of 2005).

(Material Facts Pertaining to the Decisions Made by the Organ Responsible for Making Decisions on the Execution of Operations of a Listed Company, etc.)

Article 28 The matters specified by a Cabinet Order, referred to in Article 166 (2)(i)(o) of the Act, are as follows:

- (i) a business alliance or cancellation of a business alliance;

- (ii) the transfer or acquisition of shares or equity involving changes in a Subsidiary Company (meaning a Subsidiary Company as defined in Article 166 (5) of the Act; hereinafter the same applies in this Article to Article 30 inclusive);
- (iii) the transfer or acquisition of Fixed Assets (meaning the Fixed Assets prescribed in Article 2 (xxii) of the Companies Tax Act; the same applies in Article 29 (iii));
- (iv) the suspension or abolition of business in whole or in part;
- (v) an application for the delisting of share certificates (including Preferred Equity Securities; the same applies in the following item and item (vii)) made to a Financial Instruments Exchange;
- (vi) an application for rescission of the registration of share certificates made to an Authorized Financial Instruments Business Association;
- (vii) an application for rescission of the Designation as Securities Handled (meaning an Authorized Financial Instruments Business Association's designation of the Securities as the Securities Handled pursuant to the rules thereof; the same applies in item (xii) of the following Article, Article 30 (1)(ii) and Article 43-3 (4)) for the share certificates which are Securities Handled made to an Authorized Financial Instruments Business Association;
- (viii) the filing of a petition for the commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings;
- (ix) the commencement of new business (including the sales of new products or the commercialization of the provision of new services; the same applies in Article 29 (vi));
- (x) a request set forth in Article 166 (6)(iv) or Article 167 (5)(v) of the Act; and
- (xi) a report under Article 74 (5) of the Deposit Insurance Act.

(Material Facts Pertaining to a Matter Which Occurred at a Listed Company, etc.)

Article 28-2 The matters specified by a Cabinet Order, referred to in Article 166 (2)(ii)(d) of the Act, are as follows:

- (i) an action pertaining to a claim based on a property right has been filed, a judgment regarding such action has been made, or a suit pertaining to such action has concluded in whole or in part other than by judicial decision;
- (ii) a petition seeking an injunction against the business or a provisional disposition order seeking a disposition equivalent thereto has been filed, or a judicial decision regarding such a petition has been made or the procedures pertaining to such a petition have concluded in whole or in part other than by judicial decision;
- (iii) a rescission of license, suspension of business, or any other disposition equivalent thereto given under laws and regulations by an administrative



- agency;
- (iv) changes in a Parent Company (meaning a Parent Company as defined in Article 166 (5) of the Act; the same applies in item (vii));
  - (v) the filing of a petition for or a notice of the commencement of bankruptcy proceedings, rehabilitation proceedings, reorganization proceedings, or the exercise of an enterprise mortgage by the creditor or persons other than the Listed Company, etc. (such acts are collectively referred to as the "Petition, etc. for Commencement of Bankruptcy Proceedings" in items (vii) and (viii) and Article 29-2 (iv), (vi), and (vii));
  - (vi) dishonor of a negotiable instrument or check (limited to those due to the shortage of funds) or a disposition of the suspension of a transaction given by a clearinghouse (such acts are collectively be referred to as "Dishonor, etc." in item (viii) and Article 29-2 (v) and (vii));
  - (vii) a filing of a Petition, etc. for Commencement of Bankruptcy Proceedings concerning a Parent Company;
  - (viii) due to Dishonor, etc., filing of a Petition, etc. for Commencement of Bankruptcy Proceedings or occurrence of any other facts equivalent thereto with regard to the obligor or the principal obligor of the guarantee obligations, a risk of default has arisen with regard to accounts receivable, loaned money, any other claims held against the obligor, or the rights to obtain reimbursement held against the principal obligor in cases where said guarantee obligations have been performed;
  - (ix) a suspension of a transaction with the Major Trading Partner (meaning the trading partner for which the sales or purchases of the previous business year are not less than ten percent of the total amount of sales or purchases; the same applies in Article 29-2 (viii));
  - (x) exemption from obligation by the creditor or assumption or performance of obligations by a third party;
  - (xi) discovery of resources; and
  - (xii) matters which are the cause for rescission of the Designation as Securities Handled for Specified Securities or Options pertaining to Specified Securities as the Securities Handled.

(Material Facts Pertaining to the Decision of the Organ Responsible for Making Decisions on the Execution of Operations of a Subsidiary Company of a Listed Company, etc.)

Article 29 The matters specified by a Cabinet Order, referred to in Article 166 (2)(v)(h) of the Act, are as follows:

- (i) a business alliance or cancellation of a business alliance;
- (ii) the transfer or acquisition of shares or equity involving changes in a Second-Tier Subsidiary Company (meaning a company specified by a Cabinet

- Office Ordinance as a company controlled by a Subsidiary Company; the same applies in item (vi) of the following Article);
- (iii) the transfer or acquisition of Fixed Assets;
  - (iv) the suspension or abolition of business in whole or in part;
  - (v) the filing of a petition for commencement of bankruptcy proceedings, rehabilitation proceedings, or reorganization proceedings;
  - (vi) commencement of new business;
  - (vii) a report under Article 74 (5) of the Deposit Insurance Act;
  - (viii) payment of dividends of surplus (limited to the shares issued by a Listed Company, etc. set forth in Article 163 (1) of the Act related to a specific Subsidiary Company regarding the shares specified in the articles of incorporation of the Listed Company, etc. that the payment of dividends of surplus thereof shall be decided based on the payment of dividends of surplus of the specific Subsidiary Company).

(Material Facts Pertaining to Facts that have Occurred in a Subsidiary Company of a Listed Company, etc.)

Article 29-2 The matters specified by a Cabinet Order, referred to in Article 166 (2)(vi)(b) of the Act, are as follows:

- (i) an action pertaining to a claim based on a property right has been filed, a judgment regarding such action has been made, or a suit pertaining to such action has concluded in whole or in part other than by judicial decision;
- (ii) a petition seeking an injunction against the business or a provisional disposition order seeking a disposition equivalent thereto has been filed, a judicial decision regarding such petition has been made, or the procedures for such petition have been completed in whole or in part other than by judicial decision;
- (iii) a rescission of license, suspension of business, or any other disposition equivalent thereto given under laws and regulations by an administrative agency;
- (iv) a filing of a Petition, etc. for Commencement of Bankruptcy Proceedings by creditors or persons other than the Subsidiary Company;
- (v) a Dishonor, etc.;
- (vi) the filing of a Petition, etc. for Commencement of Bankruptcy Proceedings pertaining to a Second-Tier Subsidiary Company;
- (vii) due to Dishonor, etc., filing of a Petition, etc. for Commencement of Bankruptcy Proceedings or occurrence of any other facts equivalent thereto with regard to the obligor or the principal obligor of the guarantee obligations, a risk of default has arisen with regard to the accounts receivable, loaned money, any other claims held against said obligor, or the rights to obtain reimbursement held against the principal obligor in cases

- where said guarantee obligations have been performed;
- (viii) the suspension of transactions with the Major Trading Partner;
  - (ix) an exemption from obligation by the creditor or assumption or performance of obligations by a third party; and
  - (x) discovery of resources.

(Parent Company)

Article 29-3 The company specified by a Cabinet Order as having control over another company, referred to in Article 166 (5) of the Act, is the company stated or recorded as the Parent Company in the latest of the statements under Article 5 (1) of the Act, the Annual Reports under Article 24 (1) of the Act, the Quarterly Reports under Article 24-4-7 (1) and (2) of the Act, or the Semiannual Reports under Article 24-5 (1) of the Act which have been submitted by another company (including Cooperative Financial Institutions) and made available for public inspection pursuant to Article 25 (1) of the Act, the Specified Information on Securities defined in Article 27-31 (1) of the Act which has been publicized pursuant to Article 27-31 (2) of the Act, or the Information on the Issuer prescribed in Article 27-32 (1) of the Act which has been publicized pursuant to Article 27-32 (1) or (2) of the Act.

(Measures for Publication)

Article 30 (1) The fact that the measures specified by a Cabinet Order as those for making information available to a large number of persons are being taken by a Listed Company, etc. or the Subsidiary Company of said Listed Company, etc., or a Tender Offeror, etc. as referred to in Article 166 (4) or Article 167 (4) of the Act are that any of the following measures have been taken:

- (i) a director or executive officer who is to represent a Listed Company, etc. as defined in Article 163 (1) of the Act, the Subsidiary Company of said Listed Company, etc. (including officers who are to represent a Cooperative Financial Institution; hereinafter the same applies in this paragraph), or a person who has been entrusted by said director or executive officer to publicize the Material Facts, etc. (meaning the Material Facts Pertaining to Business or Other Matters set forth in Article 166 (1) of the Act pertaining to a Listed Company, etc. as set forth in Article 166 (4) of the Act, the decisions by the organ which is responsible for making decisions on the execution of the operations of a Listed Company, etc., the Net Sales, etc. or the dividends set forth in Article 166 (2)(i) of the Act of the Listed Company, etc., the Net Sales, etc. of the Corporate Group to which the Listed Company, etc. belongs, the decisions by the organ which is responsible for making decisions on the execution of the operations of the Subsidiary Company of a Listed Company, etc., or the Net Sales, etc. of the Subsidiary Company of a Listed Company,

etc.; hereinafter the same applies in this paragraph), or the Tender Offeror, etc. defined in Article 167 (1) of the Act (in cases where the Tender Offeror, etc. is a juridical person (including an organization without judicial personality for which the representative person or administrator has been designated), a person to represent the juridical person or the administrator thereof) or a person who has been entrusted by said Tender Offeror, etc. to disclose the Facts of the Tender Offer, etc. as defined in Article 167 (3) of the Act (hereinafter referred to as the " Facts of the Tender Offer, etc. " in this paragraph) has disclosed said Material Facts, etc. or said Facts of the Tender Offer, etc. to journalistic organizations including two or more of the following journalistic organizations and the period necessary for the disclosed Material Facts, etc. or Facts of the Tender Offer, etc. to become known has elapsed:

- (a) newspaper publishers engaged in the sale of daily newspapers that collectively report matters on current affairs in Japan in the course of trade, and the communications agencies engaged in the comprehensive transmission of matters on current affairs to said newspaper publishers in the course of trade;
- (b) newspaper publishers engaged in the sale of daily newspapers that report on general industrial and economic matters in Japan in the course of trade; and
- (c) NHK (Japan Broadcasting Corporation) and Private Broadcasters;

(ii) the Listed Company, etc. defined in Article 163 (1) of the Act has given notification , pursuant to the rules of each Financial Instruments Exchange on which the Listed Company, etc. lists the Securities issued thereby (in cases where the Securities are Over-the-Counter Traded Securities, the rules of each Authorized Financial Instruments Business Association that registers such Securities and in cases where the Securities are Securities Handled, the rules of each Authorized Financial Instruments Business Association that makes the Designation as Securities Handled for such Securities; hereinafter the same applies in this paragraph), of the Material Facts, etc. or Facts of the Tender Offer, etc. (limited to those pertaining to a Tender Offer as set forth in Article 27-22-2 (1) of the Act of Listed Share Certificates, etc. (meaning Listed Share Certificates, etc. defined in Article 24-6 (1) of the Act; the same applies in the following item and Article 33); hereinafter the same applies in this paragraph) to the relevant Financial Instruments Exchange and the Material Facts, etc. or Facts of the Tender Offer, etc. for which notification has been given have been made available for public inspection at the relevant Financial Instruments Exchange in Japanese, pursuant to the provisions of a Cabinet Office Ordinance:

(iii) the Listed Company, etc. defined in Article 163 (1) of the Act who is the person set forth in the following sub-item (a) or sub-item (b) has given

notification, pursuant to the rules of each Financial Instruments Exchange on which such a person lists the Securities issued thereby, of the facts specified in sub-item (a) or sub-item (b) to the relevant Financial Instruments Exchanges and the facts of which notification has been given have been made available for public inspection at the relevant Financial Instruments Exchange in English, pursuant to the provisions of a Cabinet Office Ordinance:

- (a) a person who issues Securities set forth in the items of Article 27-2 which are all Securities for Professional Investors: the Material Facts, etc.; and
  - (b) a person who issues Listed Share Certificates, etc. which are all Securities for Professional Investors: Facts of the Tender Offer, etc.
- (2) The period necessary to have the disclosed facts become known, referred to in item (i) of the preceding paragraph, is 12 hours from the time when such facts have been disclosed to at least two of the journalistic organizations among the journalistic organizations set forth in sub-item (a), (b), or (c) of item (i).

(Acts Equivalent to a Tender Offer)

Article 31 The acts specified by a Cabinet Order as being equivalent to a Tender Offer as referred to in Article 166 (6)(iv) and Article 167 (1) of the Act are, with regard to the person who buys up share certificates, share option certificates, corporate bond certificates with share options (including securities or certificates issued by a foreign person which have the nature of such Securities and excluding those specified by a Cabinet Office Ordinance) or any other Securities specified by a Cabinet Office Ordinance (hereinafter such collectively referred to as the "Share Certificates, etc." in this Article) of a company who is the issuer of share certificates (including securities and certificates issued by a foreign person which have the nature of share certificates) which are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled (in cases where there is another person who jointly buys up such Share Certificates, etc. with the former person, such person who jointly buys up such Share Certificates, etc. is included; hereinafter the same applies in this Article), and in cases where the total number of the voting rights pertaining to the Share Certificates, etc. (meaning, with regard to share certificates (including securities or certificates issued by a foreign person which have the nature of share certificates), the number of voting rights pertaining to the shares and with regard to other Securities, the number of voting rights pertaining to shares which have been converted pursuant to the provisions of a Cabinet Office Ordinance; hereinafter the same applies in this Article) bought up by said person in his/her own name or in another person's name (or under a fictitious name; hereinafter the same applies in this Article)

is not less than five percent of the number of Voting Rights Held by All the Shareholders, etc. of the company who is the issuer of the relevant Share Certificates, etc., the act of buying up Share Certificates, etc. (hereinafter such acts are referred to as "Buying Up" in this Article); provided, however, that in cases where the Ownership Ratio of Share Certificates, etc. (meaning the rate obtained by dividing the total number of voting rights pertaining to the Share Certificates, etc. which are held in his/her own name or in another person's name by the number of Voting Rights Held by All the Shareholders, etc. of the company; hereinafter the same applies in this Article) of the person who buys up said Share Certificates, etc. immediately prior to the commencement of such Buying Up is less than five percent, Buying Up is limited to that pertaining to the part exceeding five percent of the Ownership Ratio of Share Certificates, etc..

(Securities Excluded from Being the Subject of Transactions of Specified Securities, etc. by Company Insiders, etc.)

Article 32 The Securities specified by a Cabinet Order, referred to in Article 166 (6)(iv)-2 of the Act, are as follows:

- (i) share certificates (including securities or certificates issued by a foreign person which have the nature of share certificates; hereinafter the same applies in this Article );
- (ii) the Securities listed in Article 2 (1)(xx) of the Act which indicate rights pertaining to share certificates; and
- (iii) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are share certificates.

Article 32-2 The Securities specified by a Cabinet Order, referred to in Article 166 (6)(vi) of the Act, are as follows:

- (i) corporate bond certificates (including those issued by a mutual company and excluding corporate bond certificates with share options; hereinafter the same applies in this Article);
- (ii) among the Securities listed in Article 27-4 (i), those related to an Investment Trust or Foreign Investment Trust similar thereto which has provided in the basic terms and conditions for the investment trust that the trust property shall only be invested into the corporate bond certificates of the Listed Company, etc.;
- (iii) among the Securities listed in Article 27-4 (ii), Investment Securities, etc. issued by an Investment Corporation or by a Foreign Investment Corporation similar thereto that has provided in its certificate of incorporation to the effect that the assets shall only be invested into the corporate bond certificates of the Listed Company, etc.;

- (iv) among the Securities listed in Article 27-4 (ii), investment corporation bond certificates or foreign investment securities which are securities similar to investment corporation bond certificates as provided in the Act on Investment Trusts and Investment Corporations; and
- (v) among the Securities listed in Article 27-4 (v) of the Act, those of which the Entrusted Securities are the corporate bond certificates of the Listed Company, etc.

(Scope of Specified Share Certificates, etc.)

Article 33 The share certificates, corporate bond certificates with share options or other Securities specified by a Cabinet Order issued by a company issuing Listed or Other Share Certificates, etc., or Listed Share Certificates, etc., (hereinafter collectively referred to as the "Specified Share Certificates, etc."), referred to in Article 167 (1) of the Act, are as follows:

- (i) share certificates, share option certificates, and corporate bond certificates with share options;
- (ii) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in the preceding item and which are listed on a Financial Instruments Exchange or which fall under the category of Over-the-Counter Traded Securities or Securities Handled;
- (iii) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in item (i) (excluding those set forth in the preceding item) and the Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are said Securities are, listed on a Financial Instruments Exchange or falling under the category of Over-the-Counter Traded Securities or Securities Handled;
- (iv) among the securities or certificates issued by a foreign person, those which have the nature of the Securities set forth in item (i) (excluding those set forth in the preceding two items) and of which the Securities listed in Article 2 (1)(xx) of the Act which indicate the rights pertaining to such securities or certificates are listed on a Financial Instruments Exchange or fall under the category of Over-the-Counter Traded Securities or Securities Handled.

(Scope of Related Share Certificates, etc.)

Article 33-2 The Securities specified in Article 2 (1)(xix) of the Act that indicate Options pertaining to Specified Share Certificates, etc. or other Securities specified by a Cabinet Order (hereinafter collectively referred to as "Related Share Certificates, etc."), referred to in Article 167 (1) of the Act, are as follows:

- (i) the Securities specified in Article 2 (1)(x) of the Act which are related to an Investment Trust or a Foreign Investment Trust similar thereto of which the

basic terms and conditions of the trust provide to the effect that the trust property shall only be invested in Specified Share Certificates, etc. related to a Tender Offer, etc.;

- (ii) the Securities specified in Article 2 (1)(xi) of the Act which are Investment Securities, etc. issued by an Investment Corporation or by a Foreign Investment Corporation similar thereto which provides in its certificate of incorporation that the assets shall only be invested in the Specified Share Certificates, etc. related to a Tender Offer, etc.;
- (iii) the Securities specified in Article 2 (1)(xix) of the Act which indicate the Options pertaining to the Specified Share Certificates, etc. related to the Tender Offer, etc.;
- (iv) the Securities specified in Article 2 (1)(xx) of the Act which indicate the rights pertaining to the Specified Share Certificates, etc. related to the Tender Offer, etc.;
- (v) Beneficiary Certificates of Securities in Trust of which the Entrusted Securities are the Specified Share Certificates, etc. related to the Tender Offer, etc.;
- (vi) corporate bond certificates issued by a company other than the company issuing Specified Share Certificates, etc. related to a Tender Offer, etc. (excluding corporate bond certificates with share options) with a special provision that allows the redemption of such corporate bond certificates through the Specified Share Certificates, etc. related to the Tender Offer, etc. (limited to those where the person who holds the corporate bond certificates has the right to have the issuer company of said corporate bond certificates redeem such corporate bond certificates through Specified Share Certificates, etc.); and
- (vii) securities or certificates issued by a foreign person which have the nature of the Securities set forth in the preceding item.

(Scope of Purchase, etc, of Share Certificates, etc.)

Article 33-3 The purchase of Specified Share Certificates, etc. and Related Share Certificates, etc. (hereinafter collectively referred to as "Share Certificates, etc." in the following Article) and other transactions designated by a Cabinet Order, referred to in Article 167 (1) of the Act, are as follows:

- (i) the purchase and other type of acceptance of transfer for value of Specified Share Certificates, etc.;
- (ii) the purchase and other type of acceptance of transfer for value of Related Share Certificates, etc. (with regard to the Related Share Certificates, etc. that indicate the Options pertaining to the sale and purchase of Specified Share Certificates, etc., limited to those wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase



- through the exercise of the Options);
- (iii) the purchase or other type of acceptance of transfer for value of Related Share Certificates, etc. which indicate the Options pertaining to the sale and purchase of Specified Share Certificates, etc. wherein the person who exercises the Options acquires the position as a seller in such sale and purchase through the exercise of the Options; and
  - (iv) any other transactions specified by a Cabinet Office Ordinance as being equivalent to the transactions set forth in the preceding three items.

(Scope of Sales, etc. of Share Certificates, etc.)

Article 33-4 The sales of Share Certificates, etc. and other transactions specified by a Cabinet Order, referred to in Article 167 (1) of the Act, are as follows:

- (i) the sale and other type of transfer for value of Specified Share Certificates, etc.;
- (ii) the sale and other type of transfer for value of Related Share Certificates, etc. (with regard to the Related Share Certificates, etc. that indicate the Options pertaining to the sale and purchase of Specified Share Certificates, etc., limited to those wherein the person who exercises the Options acquires the position as a buyer in such sale and purchase through the exercise of the Options);
- (iii) the purchase and other type of acceptance of transfer for value of Related Share Certificates, etc. that indicate the Options pertaining to the sale and purchase of Specified Share Certificates, etc. wherein the person who exercises such Options acquires the position as a seller in such sale and purchase through the exercise of the Options; and
- (iv) any other transactions specified by a Cabinet Office Ordinance as being equivalent to the transactions set forth in the preceding three items.

## **Chapter VI-2 Administrative Surcharge**

(Securities Equivalent to Share Certificates and Preferred Equity Securities)

Article 33-5 The Securities specified by a Cabinet Order, referred to in Article 172 (1)(i) of the Act, are as follows:

- (i) the Securities specified in Article 2-8 (excluding those which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
- (ii) the Securities specified in Article 2 (1)(iv) of the Act which are those other than Convertible Specified Corporate Bond Certificates (meaning Convertible Specified Corporate Bond Certificates as provided in the Asset Securitization Act; the same applies in item (iv)) or Specified Corporate Bond Certificates with Rights to Subscribe for Preferred Equity (excluding those for which the

- principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed)
- (iii) the Securities specified in Article 2 (1)(v) of the Act which are those other than corporate bond certificates or corporate bond certificates with share options for which the government guarantees the redemption of the principal or the payment of interest as referred to in Article 3 of the Act (excluding those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
  - (iv) corporate bond certificates with share options, Convertible Specified Corporate Bond Certificates, or Specified Corporate Bond Certificates with Rights to Subscribe for Preferred Equity;
  - (v) the Securities specified in Article 2 (1)(viii) and (ix) of the Act (excluding share certificates);
  - (vi) the Securities specified in Article 2 (1)(x) of the Act;
  - (vii) the Securities which are specified in Article 2 (1)(xi) of the Act and are investment corporation bond certificates or Foreign Investment Securities which are securities similar to investment corporation bond certificates (excluding those for which the principal (limited to the principal fixed at the time of issuance of such investment corporation bond certificates) may be redeemed) or Investment Securities, etc. provided in the Act on Investment Trusts and Investment Corporations;
  - (viii) the Securities specified in Article 2 (1)(xiii) of the Act (excluding those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
  - (ix) the Securities specified in Article 2 (1)(xiv) of the Act (excluding those set forth in the following item and those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
  - (x) Beneficiary Certificates of Securities in Trust (limited to those of which the Entrusted Securities are share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items or the following item to item (xvii) inclusive);
  - (xi) the Securities specified in Article 2 (1)(xvi) of the Act (excluding those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
  - (xii) the Securities specified in Article 2 (1)(xvii) of the Act (excluding the bonds set forth in Article 2-11) which have the nature of share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items (excluding item (vi) and item (vii));
  - (xiii) the Securities specified in Article 2 (1)(xviii) of the Act (excluding those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);

- (xiv) the Securities specified in Article 2 (1)(xix) of the Act which indicate the Options pertaining to share certificates, Preferred Equity Securities, the Securities set forth in the preceding items, the following item or item (xvi), or the rights set forth in the items of Article 2 (2) of the Act which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act (except for rights falling under the category of Rights in a Securities Investment Business, etc. (meaning Rights in a Securities Investment Business, etc. defined in Article 3 (iii) of the Act; the same applies hereinafter), excluding those for which the principal (limited to the principal fixed at the time of issuance of the rights) may be redeemed; the same applies in item (xviii));
- (xv) the Securities specified in Article 2 (1)(xx) of the Act which indicate the rights pertaining to share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items;
- (xvi) the Securities specified in Article 1 (ii) (excluding those for which the principal (limited to the principal fixed at the time of issuance of the Securities) may be redeemed);
- (xvii) the rights to be indicated on share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act; and
- (xviii) the rights set forth in the items of Article 2 (2) of the Act which are regarded as Securities pursuant to said paragraph.

(Index Securities for Calculation)

Article 33-5-2 The Securities specified by a Cabinet Order, referred to in Article 172-4 (1)(ii)(a) of the Act, are , in cases where the issuer issues any of the following Securities, the respective Securities:

- (i) the Securities specified in Article 2 (1)(viii) of the Act (excluding the securities that indicate the Rights to Subscribe for Preferred Equity);
- (ii) the Securities specified in Article 2 (1)(x) and (xi) of the Act (excluding investment corporation bond certificates and the Foreign Investment Securities which are securities similar to investment corporation bond certificates provided in the Act on Investment Trusts and Investment Corporations);
- (iii) the Securities specified in Article 2 (1)(xiii) of the Act;
- (iv) the Securities specified in Article 2 (1)(xiv) of the Act (excluding those set forth in the following item);
- (v) Beneficiary Certificates of Securities in Trust (limited to those of which the Entrusted Securities are share certificates, Preferred Equity Securities, or the Securities set forth in the following item to item (x) inclusive);

- (vi) the Securities specified in Article 2 (1)(xvii) of the Act which have the nature of share certificates, Preferred Equity Securities, or the Securities set forth in item (i) or the preceding three items;
- (vii) the Securities specified in Article 2 (1)(xviii) of the Act;
- (viii) the Securities specified in Article 2 (1)(xix) of the Act which indicate the Options pertaining to share certificates, Preferred Equity Securities, the Securities set forth in the preceding items or the following item, or the rights set forth in the items of Article 2 (2) of the Act which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act (limited to the rights that fall under the category of Rights in a Securities Investment Business, etc.; the same applies in item (xi));
- (ix) the Securities specified in Article 2 (1)(xx) of the Act which indicate the rights pertaining to share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items;
- (x) the rights to be indicated on share certificates, Preferred Equity Securities, or the Securities set forth in the preceding items which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act; and
- (xi) the rights set forth in the items of Article 2 (2) of the Act which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act.

(Amount Calculated in the Absence of a Market Value for Index Securities for Calculation and Other Cases)

Article 33-5-3 The amount calculated pursuant to the methods specified by a Cabinet Order, referred to in Article 172-4 (1)(ii)(a) and Article 172-11 (1)(i)(b)1. of the Act, is the amount obtained by deducting the total amount of liabilities from the total amount of stated capital included in the balance sheet specified by a Cabinet Office Ordinance.

(Price Immediately Preceding the Violation)

Article 33-6 The price specified by a Cabinet Order, referred to in Article 173 (1)(iii)(b) of the Act, is the price specified in the following items according to the category of cases set forth in the respective items:

- (i) cases where the Securities subject to the Violation (meaning a Violation as defined in Article 173 (1) of the Act; hereinafter the same applies in this Article to Article 33-9 inclusive) are Securities listed on a Financial Instruments Exchange, Over-the-Counter Traded Securities, or Securities Handled (hereinafter collectively referred to as the "Listed Securities, etc." in this Article), or where the Violator (meaning a Violator as defined in Article 173 (1) of the Act; hereinafter the same applies in this Article to Article 33-9 inclusive) has concluded an agreement for the transactions set forth in Article 2 (21)(ii) to (v) inclusive of the Act: the price publicized by a Financial

Instruments Exchange or an Authorized Financial Instruments Business Association immediately before the Violation; provided, however, that in cases where the sale referred to in Article 33-8-2 (i) has been made on a Financial Instruments Market other than a Financial Instruments Exchange Market or Over-the-Counter Securities Market with regard to the respective Listed Securities, etc., except in cases where the Prime Minister finds it inappropriate to use the price on the respective Financial Instruments Market for the number of transactions of an issue of the Listed Securities, etc. for which said sales have been made on the Financial Instruments Market being extremely small or any other special circumstances, the price on the Financial Instruments Market immediately before the Violation; and (ii) cases where the Securities subject to the Violation are Securities other than Listed Securities, etc. (hereinafter referred to as the "Unlisted Securities, etc." in this item) or where the Violator concludes an agreement for the transactions set forth in Article 2 (22)(ii) to (vi) inclusive or a Foreign Market Transaction of Derivatives: the price calculated by a reasonable method based on the price publicized by a Financial Instruments Exchange or Authorized Financial Instruments Business Association immediately before the Violation with regard to the Securities, etc. (meaning Securities, etc. defined in Article 158 of the Act, the same applies in Article 33-8-2 to Article 33-9 inclusive) listed on a Financial Instruments Exchange, Over-the-Counter Traded Securities, or Securities Handled which are subject to the Violation; provided, however, that in cases where the sale referred to in Article 33-8-2 (i) has been made on a Financial Instruments Market with regard to the respective Unlisted Securities, etc., except in cases where the Prime Minister finds it inappropriate to use the price on the respective Financial Instruments Market for the number of transactions of an issue of Unlisted Securities, etc. for which sales have been made on the Financial Instruments Market being extremely small or any other special circumstances, the price on the respective Financial Instruments Market immediately before the Violation.

(Securities Sale, etc. for the Calculation of the Administrative Surcharge for Spreading Rumors or Using Fraudulent Means)

Article 33-7 The transactions specified by a Cabinet Order referred to in Article 173 (2) of the Act are the following transactions:

- (i) the sale of Securities;
- (ii) the transactions set forth in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure (meaning the Actual Figure defined in Article 2 (21)(ii) of the Act; the same applies hereinafter) exceeds the Agreed Figure);

- (iii) the transactions set forth in Article 2 (21)(iii) of the Act (limited to those wherein the person is the party to grant Options);
- (iv) the transactions set forth in Article 2 (21)(iv) of the Act (limited to those related to a transaction wherein the payment or receipt of money is promised based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period);
- (v) the transactions set forth in Article 2 (21)(v) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) of the Act occur);
- (vi) Foreign Market Transactions of Derivatives (limited to those similar to the transactions set forth in item (ii) to the preceding item inclusive);
- (vii) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto);
- (viii) the transactions set forth in Article 2 (22)(iii) or (iv) of the Act (limited to the transactions wherein the person is the party to grant Options or any other transactions similar thereto);
- (ix) the transactions set forth in Article 2 (22)(v) of the Act (limited to those related to the transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period or any other transactions similar thereto); and
- (x) the transactions set forth in Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto).

(Securities Purchase, etc. for the Calculation of the Administrative Surcharge

for Spreading Rumors or Using Fraudulent Means)

Article 33-8 The transactions specified by a Cabinet Order, referred to in Article 173 (3) of the Act, are the following transactions:

- (i) the purchase of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) of the Act (limited to those wherein the person is the party to acquire Options);
- (iv) the transactions set forth in Article 2 (21)(iv) of the Act (limited to those related to the transaction wherein the payment or receipt of money is promised based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instrument that amounts to the agreed principal) under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period);
- (v) the transactions set forth in Article 2 (21)(v) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) of the Act occur);
- (vi) Foreign Market Transactions of Derivatives (limited to those similar to the transactions set forth in item (ii) to the preceding item inclusive)
- (vii) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure or any other transactions similar thereto);
- (viii) the transactions set forth in Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to acquire Options or any other transactions similar thereto);
- (ix) the transactions set forth in Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instrument that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed

- period or any other transactions similar thereto); and
- (x) the transactions set forth in Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto).

(With Regard to the Administrative Surcharge for a Person Who Has Spread Rumors, etc., Cases Where such a Person is Deemed to be Conducting Securities Sale, etc. on His/Her Own Account)

Article 33-8-2 The cases specified by a Cabinet Order, referred to in Article 173 (6) of the Act, are the following cases:

- (i) cases where the Violator, at the time of commencement of a Violation, is conducting sales of Securities subject to the Violation which are not in his/her possession or through the borrowing of such Securities on his/her own account or on the account of the person specified in the items of Article 173 (5) of the Act (hereinafter such person is referred to as the "Person with a Specified Relationship" in this Article and the following Article) (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has conducted sales on his/her own account are excluded); and
- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-7 (ii) to (x) inclusive with regard to the Securities subject to the Violation on his/her own account or on the account of a Person with a Specified Relationship (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such transactions on his/her own account are excluded).

(With Regard to the Administrative Surcharge for a Person Who Has Spread Rumors, etc., Cases Where such a Person is Deemed to Have Been Conducting the Securities Purchase, etc. on His/Her Own Account)

Article 33-8-3 The cases specified by a Cabinet Order, referred to in Article 173 (7) of the Act, s are the following cases:

- (i) cases where a Violator or a Person with a Specified Relationship (excluding a Person with a Specified Relationship who has conducted the same Violation as the Violator) owns the Securities subject to the Violation at the time of commencement of the Violation; and
- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-8 (ii) to (x) inclusive on his/her own account or on the account of a Person with a



Specified Relationship with regard to the Securities, etc. subject to the Violation (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such transactions on his/her own account are excluded).

(Matters Necessary for the Calculation of the Administrative Surcharge for Spreading Rumors or Using Fraudulent Means)

- Article 33-9 (1) When the Securities Sale, etc. (meaning the Securities Sale, etc. prescribed in Article 173 (2) of the Act; hereinafter the same applies in this Article) or the Securities Purchase, etc. (meaning the Securities Purchase, etc. prescribed in Article 173 (3) of the Act; hereinafter the same applies in this Article) are any of the following transactions, the prices for the transactions set forth in the following items are those specified in the respective items:
- (i) the transactions set forth in Article 2 (21)(ii) of the Act (including Foreign Market Transactions of Derivatives similar thereto): the Agreed Figure (in cases of a Foreign Market Transaction of Derivatives, that equivalent to such Agreed Figure);
  - (ii) the transactions set forth in Article 2 (21)(iii) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(iii) or (iv) of the Act: the amount receivable for Options;
  - (iii) the transactions set forth in Article 2 (21)(iv) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the time of commencement of the agreed period related to the calculation of the rate of change in such transactions or anything similar thereto;
  - (iv) the transactions set forth in Article 2 (21)(v) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(vi) of the Act: the amount receivable for the rights to receive money when the causes agreed by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any amount similar thereto); and
  - (v) transactions set forth in Article 2 (22)(ii) of the Act: the Agreed Figure or anything similar thereto.
- (2) In the case referred to in the preceding paragraph, the volume of the Securities Sale, etc. or Securities Purchase, etc. is those specified in the following items according to the category of transactions set forth in the respective items:
- (i) the transactions set forth in item (i) of the preceding paragraph: the volume

- for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure set forth in that item and the Actual Figure by said volume, or any other volume similar thereto;
- (ii) the transactions set forth in item (ii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for Options referred to in that item by said volume;
  - (iii) the transactions set forth in item (iii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Interest Rates, etc. of a Financial Instrument or the Financial Indicator set forth in that item and the Interest Rates, etc. of a Financial Instruments or the Financial Indicator at the end of the agreed period by said volume or any other volume similar thereto;
  - (iv) the transactions set forth in item (iv) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for the rights to receive money when the causes set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act as referred to in item (iv) of the preceding paragraph occur by said volume, or any other volume similar thereto; and
  - (v) the transactions set forth in item (v) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure referred to in that item and the Actual Figure by said volume, or any other volume similar thereto.
- (3) With regard to the calculation of the Administrative Surcharge referred to in Article 173 (1) of the Act, in the following cases, it is deemed that a Reversing Trade (meaning the Securities Purchase, etc. in cases of the Securities Sale, etc. and the Securities Sale, etc. in cases of the Securities Purchase, etc.; the same applies in the following paragraph) has been conducted at the price specified in the respective items:
- (i) cases where the transactions set forth in Article 2 (21)(ii) of the Act (including Foreign Market Transactions of Derivatives similar thereto) have been settled by payment or receipt of money based on an Actual Figure or any other cases similar thereto: the Actual Figure or anything similar thereto;
  - (ii) cases where the payment or receipt of money has been made based on the rate of change of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation with regard to the transactions set forth in Article 2 (21)(iv) of the Act (including Foreign Market Transactions

- of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the end of the agreed period related to the calculation of the rate of change, or anything similar thereto;
- (iii) cases where the transactions set forth in Article 2 (22)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure or any other cases similar thereto: the Actual Figure or anything similar thereto; and
- (iv) with regard to the transactions set forth in Article 2 (22)(iv) of the Act, cases where the payment and receipt of money have been made by the manifestations of intention of the parties or any other cases similar thereto: the amount receivable for Options at the time when the manifestations were made.
- (4) With regard to the calculation of the Administrative Surcharge under Article 173 (1) of the Act, in the cases referred to in the following items, it is deemed that a Reversing Trade has been conducted at the time specified in the respective items. In this case, the price for the Reversing Trade is zero:
- (i) cases where the Options pertaining to the transactions set forth in Article 2 (21)(iii) of the Act (including Foreign Market Transaction of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(iii) or (iv) of the Act have extinguished (excluding the extinguishment by the cause set forth in item (iv) of the preceding paragraph; hereinafter the same applies in this item): the time when the Option have extinguished; or
- (ii) cases where the Rights (meaning the rights to receive money when the causes agreed upon by the parties in advance and listed in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act have occurred, or any other rights similar thereto) pertaining to the transactions set forth in Article 2 (21)(v) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(vi) of the Act have extinguished: the time when the Rights have extinguished.
- (5) With regard to the calculation of the amount set forth in Article 173 (1)(i)(a) and (b) of the Act, the Securities Sale, etc. made by the Violator on his/her own account for the Securities subject to the Violation during the Duration of the Violation (meaning the Duration of the Violation defined in Article 173 (1)(i) of the Act; the same applies in the following paragraph) shall be allocated as the Securities Sale, etc. set forth in sub-item (a) of that item, in order starting from the latest of such Sales, etc. until the volume reaches that set forth in sub-item (a) of that item.
- (6) With regard to the calculation of the amount set forth in Article 173 (1)(ii)(a) and (b) of the Act, the Securities Purchase, etc. made by the Violator on his/her own account for the Securities subject to the Violation during the Duration of

the Violation shall be allocated as the Securities Purchase, etc. set forth in sub-item (b) of that item, in order starting from the latest of such Purchases, etc. until the volume reaches that set forth in sub-item (b) of that item.

(Securities Sale, etc. for the Calculation of the Administrative Surcharge for Market Manipulation by Wash Sale, etc.)

Article 33-9-2 The transactions specified by a Cabinet Order, referred to in Article 174 (2) of the Act, are the following transactions:

- (i) the sale of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) of the Act (limited to those wherein the person is the party to grant Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (meaning a Violation as defined in Article 174 (1) of the Act; the same applies in the following Article to Article 33-9-6 inclusive) (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(Securities Purchase, etc. for the Calculation of the Administrative Surcharge for Market Manipulation by Wash Sale, etc.)

Article 33-9-3 The transactions specified by a Cabinet Order, referred to in Article 174 (3) of the Act, are the following transactions:

- (i) the purchase of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to acquire Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(With Regard to the Administrative Surcharge for Persons Who Have Conducted Market Manipulation by Wash Sale, etc., Cases where such Persons Are Deemed to Have Conducted Securities Sale, etc. on Their Own Accounts)

Article 33-9-4 The cases specified by a Cabinet Order, referred to in Article 174 (6) of the Act, are the following cases:

- (i) cases where the Violator (meaning a Violator as defined in Article 174 (1) of the Act; hereinafter the same applies in this Article to Article 33-9-6 inclusive), at the time of commencement of a Violation, is conducting sales of Securities subject to the Violation which are not in his/her possession or through the borrowing of such Securities on his/her own account or on the account of a person specified in the items of Article 174 (5) of the Act (hereinafter such persons are referred to as the " Person with a Specified Relationship " in this Article and the following Article) (in cases where the

Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such Person with a Specified Relationship has conducted the sales on his/her own account are excluded); and

- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-9 (ii) to (vi) inclusive with regard to the Securities, etc. (meaning the Securities, etc. prescribed in Article 174 (1)(i) of the Act; the same applies in the following Article to Article 33-13 inclusive) subject to the Violation on his/her own account or on the account of a Person with a Specified Relationship (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such transactions on his/her own account are excluded).

(With Regard to the Administrative Surcharge for Persons who Have Conducted Market Manipulation by Wash Sale, etc., Cases where such Persons Are Deemed to Have Conducted the Securities Purchase, etc. on Their Own Account)

Article 33-9-5 The cases specified by a Cabinet Order, referred to in Article 174 (7) of the Act, are the following cases:

- (i) cases where a Violator or a Person with a Specified Relationship (excluding a Person with a Specified Relationship who has conducted the same Violation as the Violator) owns the Securities subject to the Violation at the time of commencement of the Violation; and
- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-9-3 (ii) to (vi) inclusive on his/her own account or on the account of a Person with a Specified Relationship for the Securities, etc. subject to the Violation (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such transactions on his/her own account are excluded).

(Matters Necessary for the Calculation of the Administrative Surcharge for Market Manipulation by Wash Sale, etc.)

Article 33-9-6 (1) When the Securities Sale, etc. (meaning the Securities Sale, etc. prescribed in Article 174 (2) of the Act; hereinafter the same applies in this Article) or the Securities Purchase, etc. (meaning the Securities Purchase, etc. prescribed in Article 174 (3) of the Act; hereinafter the same applies in this Article) are any of the following transactions, the prices for the transactions set forth in said following items are those specified in the respective items:

- (i) the transactions set forth in Article 2 (21)(ii) of the Act: the Agreed Figure;
  - (ii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act: the amount receivable for Options;
  - (iii) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the time of commencement of the agreed period related to the calculation of the rate of change in such transactions or anything similar thereto;
  - (iv) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act: the amount receivable for the rights to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any amount similar thereto); and
  - (v) the transactions set forth in Article 2 (22)(ii) of the Act: the Agreed Figure or anything similar thereto.
- (2) In the case referred to in the preceding paragraph, the volume of the Securities Sale, etc. or Securities Purchase, etc. is those specified in the following items according to the category of transactions set forth in the respective items:
- (i) the transaction set forth in item (i) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure set forth in that item and the Actual Figure by said volume;
  - (ii) the transactions set forth in item (ii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for Options referred to in that item by said volume;
  - (iii) the transactions set forth in item (iii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Interest Rates, etc. of a Financial Instrument or the Financial Indicator set forth in that item and the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the end of the agreed period by said volume, or any other volume similar thereto;
  - (iv) the transactions set forth in item (iv) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for the rights to receive money when the causes set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act as referred to in item (iv) of the preceding paragraph occur by said volume, or any other volume similar thereto; and
  - (v) the transactions set forth in item (v) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is

calculated by multiplying the difference between the Agreed Figure referred to in that item and the Actual Figure by said volume, or any other volume similar thereto.

- (3) With regard to the calculation of the Administrative Surcharge referred to in Article 174 (1) of the Act, in the cases referred to in the following items, it is deemed that a Reversing Trade (meaning the Securities Purchase, etc. in cases of the Securities Sale, etc. and the Securities Sale, etc. in cases of the Securities Purchase, etc.; the same applies in the following paragraph) has been conducted at the price specified in the respective items:
- (i) cases where the transactions set forth in Article 2 (21)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure: the Actual Figure;
  - (ii) cases where the payment or receipt of money have been made based on the rate of change of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation with regard to the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act: the Interest Rates, etc. of the Financial Instrument or the Financial Indicator at the end of the agreed period related to the calculation of the rate of change, or anything similar thereto;
  - (iii) cases where the transactions set forth in Article 2 (22)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure or any other cases similar thereto: the Actual Figure or anything similar thereto; and
  - (iv) with regard to the transactions set forth in Article 2 (22)(iv) of the Act, cases where the payment or receipt of money have been made by the manifestations of intention of the parties or any other cases similar thereto: the amount receivable for Options at the time when the manifestations were made.
- (4) With regard to the calculation of the Administrative Surcharge under Article 174 (1) of the Act, in the cases referred to in the following items, it is deemed that a Reversing Trade has been conducted at the time specified in the respective items. In this case, the price for the Reversing Trade is zero:
- (i) cases where the Options pertaining to the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act have extinguished (excluding the extinguishment by the cause set forth in item (iv) of the preceding paragraph; hereinafter the same applies in this item): the time when the Options have extinguished; or
  - (ii) cases where the Rights (meaning the rights to receive money when the causes agreed by the parties in advance and listed in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur) pertaining to the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act have



extinguished: the time when the Rights have extinguished.

- (5) With regard to the calculation of the amount set forth in Article 174 (1)(i)(a) and (b) of the Act, the Securities Sale, etc. made by the Violator on his/her own account for the Securities subject to the Violation during the Duration of the Violation (meaning the Duration of the Violation as defined in Article 174 (1)(i) of the Act; the same applies in the following paragraph) shall be allocated as the Securities Sale, etc. set forth in sub-item (a) of that item, in order starting from the latest of such Sales, etc. until the volume reaches that set forth in sub-item (a) of that item.
- (6) With regard to the calculation of the amount set forth in Article 174 (1)(ii)(a) and (b) of the Act, the Securities Purchase, etc. made by the Violator on his/her own account for the Securities subject to the Violation during the Duration of the Violation shall be allocated as the Securities Purchase, etc. set forth in sub-item (b) of that item, in order starting from the latest of such Purchase, etc. until the volume reaches that set forth in sub-item (b) of that item.

(Securities Sale, etc. for the Calculation of the Administrative Surcharge for Market Manipulation through Actual Transactions, etc.)

Article 33-10 The transactions specified by a Cabinet Order, referred to in Article 174-2 (2) of the Act, are the following transactions:

- (i) the sale of Securities;
- (ii) the transactions set forth in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to grant Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (meaning Violation defined in Article 174-2 (1) of the Act; the same applies in the following Article to Article 33-14 inclusive) (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act

- (limited to those wherein the person is the party to pay the money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(Securities Purchase, etc. for the Calculation of the Administrative Surcharge for Market Manipulation through Actual Transactions, etc.)

Article 33-11 The transactions specified by a Cabinet Order, referred to in Article 174-2 (3) of the Act, are the following transactions:

- (i) the purchase of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to acquire Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to receives money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(With Regard to the Administrative Surcharge for a Person Who Has Conducted Market Manipulation through Actual Transactions, etc., Cases

Where such a Person is Deemed to Have Conducted Securities Sale, etc. on His/Her Own Account)

Article 33-12 The cases specified by a Cabinet Order, referred to in Article 174-2 (7) of the Act are the following cases:

- (i) cases where the Violator (meaning a Violator as defined in Article 174-2 (1) of the Act; hereinafter the same applies in this Article to Article 33-14 inclusive), at the time of commencement of a Violation, is conducting sales of the Securities subject to the Violation which are not in his/her possession or through the borrowing of such Securities on his/her own account or on the account of the person specified in the items of Article 174-2 (6) of the Act (hereinafter such person is referred to as the " Person with a Specified Relationship " in this Article and the following Article) (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has conducted the sales on his/her own account are excluded); and
- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-10 (ii) to (vi) inclusive with regard to the Securities subject to the Violation on his/her own account or on the account of a Person with a Specified Relationship (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such transactions on his/her own account are excluded).

(With Regard to the Administrative Surcharge for a Person Who Has Conducted Market Manipulation through Actual Transactions, etc., Cases Where such a Person is Deemed to Have Conducted Securities Purchase, etc. on His/Her Own Account)

Article 33-13 The cases specified by a Cabinet Order, referred to in Article 174-2 (8) of the Act, are the following cases:

- (i) cases where a Violator or a Person with a Specified Relationship (excluding a Person with a Specified Relationship who has conducted the same Violation as the Violator) owns the Securities subject to the Violation at the time of commencement of the Violation; and
- (ii) cases where the Violator, at the time of commencement of a Violation, has concluded an agreement for the transactions set forth in Article 33-11 (ii) to (vi) inclusive on his/her own account or on the account of a Person with a Specified Relationship with regard to the Securities, etc. subject to the Violation (in cases where the Person with a Specified Relationship has conducted the same Violation as the Violator, the cases where such a Person with a Specified Relationship has concluded an agreement for such

transactions on his/her own account are excluded).

(Matters Necessary for the Calculation of the Administrative Surcharge for Conducting Market Manipulation through Actual Transactions, etc.)

Article 33-14 (1) When the Securities Sale, etc. (meaning the Securities Sale, etc. prescribed in Article 174-2 (2) of the Act; hereinafter the same applies in this Article) or the Securities Purchase, etc. (meaning the Securities Purchase, etc. prescribed in Article 174-2 (3) of the Act; hereinafter the same applies in this Article) are any of the following transactions, the prices for the transactions set forth in the following items are those specified in the respective items:

(i) the transactions set forth in Article 2 (21)(ii) of the Act: the Agreed Figure;

(ii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act: the amount receivable for Options;

(iii) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the time of commencement of the agreed period for the calculation of the rate of change in such transactions or anything similar thereto;

(iv) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act: the amount receivable for the rights to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any amount similar thereto; and

(v) the transactions set forth in Article 2 (22)(ii) of the Act: the Agreed Figure or anything similar thereto.

(2) In the case referred to in the preceding paragraph, the volume of the Securities Sale, etc. or Securities Purchase, etc. is those specified in the following items according to the category of transactions set forth in the respective items:

(i) the transactions set forth in item (i) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure set forth in that item and the Actual Figure by said volume;

(ii) the transactions set forth in item (ii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for Options referred to in that item by said volume;

(iii) the transactions set forth in item (iii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Interest Rates, etc. of a Financial Instrument or the Financial Indicator set forth in that item and the Interest Rates, etc. of a Financial Instruments or the Financial Indicator

- at the end of the agreed period by said volume, or any other volume similar thereto;
- (iv) the transactions set forth in item (iv) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for the rights to receive money when the causes set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act as referred to in item (iv) of the preceding paragraph occur by said volume, or any other volume similar thereto; and
  - (v) the transactions set forth in item (v) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure referred to in that item and the Actual Figure by said volume, or any other volume similar thereto.
- (3) With regard to the calculation of the Administrative Surcharge referred to in Article 173 (1) of the Act, in the following cases, it is deemed that a Reversing Trade (meaning the Securities Purchase, etc. in cases of the Securities Sale, etc. and the Securities Sale, etc. in cases of the Securities Purchase, etc.; the same applies in the following paragraph) has been conducted at the price specified in the respective item:
- (i) cases where the transactions set forth in Article 2 (21)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure: the Actual Figure;
  - (ii) cases where the payment or receipt of money have been made based on the rate of change of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation with regard to the transactions set forth in Article 2 (21)(iv) of the Act or Article 2 (22)(v) of the Act, or any other cases similar thereto: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the end of the agreed period related to the calculation of the rate of change, or anything similar thereto;
  - (iii) cases where the transactions set forth in Article 2 (22)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure, or any other cases similar thereto: the Actual Figure or anything similar thereto; and
  - (iv) with regard to the transactions set forth in Article 2 (22)(iv) of the Act, cases where the payment or receipt of money have been made by the manifestations of intention of the parties or any other cases similar thereto: the amount receivable for Options at the time when the manifestations were made.
- (4) With regard to the calculation of the Administrative Surcharge under Article 173 (1) of the Act, in the cases referred to in the following items, it is deemed that a Reversing Trade has been conducted at the time specified in the

respective items. In this case, the price for the Reversing Trade is zero:

- (i) cases where the Options pertaining to the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act have extinguished (excluding the extinguishment by the cause set forth in item (iv) of the preceding paragraph; hereinafter the same applies in this item): the time when the Options have extinguished; or
  - (ii) cases where the Rights (meaning the rights to receive money when the causes agreed upon by the parties in advance and listed in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur) pertaining to the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act have extinguished: the time when the Rights have extinguished.
- (5) With regard to the calculation of the amount set forth in Article 174-2 (1)(i)(a) and (b) of the Act, when the volume of Securities Sale, etc. or Securities Purchase, etc. made on the person's own account which are subject to the Violation exceeds the Volume of Corresponding Purchases and Sales (meaning the Volume of Corresponding Purchases and Sales prescribed in Article 174-2 (4) of the Act; hereinafter the same applies in this paragraph), the Securities Sale, etc. or the Securities Purchase, etc. made on the person's own account subject to the Violation shall be allocated as the Securities Sale, etc. or the Securities Purchase, etc. under sub-item (a) of that item, in order starting from the latest of such Sales, etc. or such Purchase, etc. until the volume reaches said Volume of Corresponding Purchases and Sales;
- (6) With regard to the calculation of the amounts set forth in Article 174-2 (1)(ii)(a)1. and 2. of the Act, among the Securities Sale, etc. made on the person's own account subject to the Violation, those which are not allocated under the preceding paragraph shall be allocated as the Securities Sale, etc. under Article 174-2 (1)(ii)(a)1. of the Act.
- (7) With regard to the calculation of the amounts set forth in Article 174-2 (1)(ii)(b)1. and 2. of the Act, the Securities Purchase, etc. made on the person's own account subject to the Violation which are not allocated under paragraph (5) shall be allocated as the Securities Purchase, etc. under Article 174-2 (1)(ii)(b)2. of the Act.

(Securities Sale, etc. for the Calculation of the Administrative Surcharge for Stabilizing Transactions, etc.)

Article 33-14-2 The transactions specified by a Cabinet Order, referred to in Article 174-3 (2) of the Act, are the following transactions:

- (i) the sale of Securities;
- (ii) the transactions set forth in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure);

- (iii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to grant Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instrument that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transaction set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(Securities Purchase, etc. for the Calculation of the Administrative Surcharge for Stabilizing Transactions, etc.)

Article 33-14-3 The transactions specified by a Cabinet Order, referred to in Article 174-3 (3) of the Act, are the following transactions:

- (i) the purchase of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to acquire Options, or any other transactions similar thereto);
- (iv) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instruments

- that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto);
- (v) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto); and
- (vi) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto).

(Volume of Sales, etc.)

- Article 33-14-4 (1) The cases where the transactions specified by a Cabinet Order are conducted, referred to in Article 174-3 (5) of the Act, are the cases where the Violator (meaning a Violator as defined in Article 174-3 (1) of the Act; hereinafter the same applies in this Article to Article 33-14-8 inclusive) is conducting sales of Securities which are not in his/her possession or through the borrowing of such Securities on his/her own account or on the account of a Person with a Specified Relationship (meaning the persons set forth in the items of Article 174-3 (7) of the Act; hereinafter the same applies in this Article to Article 33-14-7 inclusive).
- (2) The transactions specified by a Cabinet Order, referred to in Article 174-3 (5) of the Act, are the transactions set forth Article 33-14-2 (ii) to (vi) inclusive of the Act for which the Violator has concluded an agreement on his/her own account or on the account of a Person with a Specified Relationship.
- (3) The volume calculated pursuant to the provisions of a Cabinet Order, referred to in Article 174-3 (v) of the Act, is the volume specified in the items of Article 33-13-8 (2) of the Act according to the category of transactions set forth in the respective items.

(Volume of Purchase, etc.)

- Article 33-14-5 (1) The transactions specified by a Cabinet Order, referred to in Article 174-3 (6) of the Act, are the transactions set forth in Article 33-14-3 (ii) to (vi) inclusive for which the Violator has concluded an agreement on his/her own account or on the account of a Person with a Specified Relationship.
- (2) The volume calculated pursuant to the provisions of a Cabinet Order, referred to in Article 174-3 (6) of the Act, is the volume specified in the items of Article 33-14-8 (2) of the Act according to the category of transactions set forth in the respective items.



(Transactions Excluded from the Volume of Sales, etc.)

- Article 33-14-6 (1) The cases where the transactions specified by a Cabinet Order, referred to in Article 174-3 (8) of the Act are conducted, are the cases where a Person with a Specified Relationship is conducting sales of Securities which are not in his/her possession or through the borrowing of such Securities on his/her own account.
- (2) The transactions specified by a Cabinet Order, referred to in Article 174-3 (8) of the Act, are the transactions set forth in Article 33-14-2 (ii) to (vi) inclusive for which a Person with a Specified Relationship has concluded an agreement on his/her own account.
- (3) The volume calculated pursuant to the provisions of a Cabinet Order, referred to in Article 174-3 (8) of the Act, is the volume specified in the items of Article 33-14-8 (2) according to the category of transactions set forth in the respective items.

(Transactions Excluded from the Volume of Purchase, etc.)

- Article 33-14-7 (1) The transactions specified by a Cabinet Order, referred to in Article 174-3 (9) of the Act, are the transactions set forth in Article 33-14-3 (ii) to (vi) inclusive for which the Person with a Specified Relationship has concluded an agreement on his/her own account.
- (2) The volume calculated pursuant to the provisions of a Cabinet Order, referred to in Article 174-3 (9) of the Act, is the volume specified in the items of paragraph (2) of the following Article according to the category of transactions set forth in the respective items.

(Matters Necessary for the Calculation of the Administrative Surcharge for Stabilizing Transactions, etc.)

- Article 33-14-8 (1) When the Securities Sale, etc. (meaning Securities Sale, etc. prescribed in Article 174-3 (2) of the Act; hereinafter the same applies in this Article) or the Securities Purchase, etc. (meaning Securities Purchases, etc. prescribed in Article 174-3 (3) of the Act; hereinafter the same applies in this Article) are any of the following transactions, the prices for the transactions set forth in the following items are those specified in the respective items:
- (i) the transactions set forth in Article 2 (21)(ii) of the Act: the Agreed Figure;
- (ii) the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act: the amount receivable for Options;
- (iii) the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the time of commencement of the agreed period for the calculation of the rate of change in such transactions or anything similar thereto;

- (iv) the transactions set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act: the amount receivable for the rights to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur, or any amount similar thereto); and
  - (v) the transactions set forth in Article 2 (22)(ii) of the Act: the Agreed Figure or anything similar thereto.
- (2) In the case referred to in the preceding paragraph, the volume of the Securities Sale, etc. or Securities Purchase, etc. is those specified in the following items according to the category of transactions set forth in the respective items:
- (i) the transactions set forth in item (i) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure set forth in that item and the Actual Figure by said volume;
  - (ii) the transactions set forth in item (ii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for Options referred to in that item by said volume;
  - (iii) the transactions set forth in item (iii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Interest Rates, etc. of a Financial Instrument or the Financial Indicator set forth in that item and the Interest Rates, etc. of a Financial Instruments or the Financial Indicator at the end of the agreed period by said volume, or any other volume similar thereto;
  - (iv) the transactions set forth in item (iv) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for the rights to receive money when the causes set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act as referred to in item (iv) of the preceding paragraph occur by said volume, or any other volume similar thereto; and
  - (v) the transactions set forth in item (v) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure referred to in that item and the Actual Figure by said volume, or any other volume similar thereto.
- (3) With regard to the calculation of the Administrative Surcharge referred to in Article 174-3 (1) of the Act, in the following cases, it is deemed that a Reversing Trade (meaning the Securities Purchase, etc. in cases of the Securities Sale, etc. and the Securities Sale, etc. in cases of the Securities

Purchase, etc.; the same applies in the following paragraph) has been conducted at the price specified in the respective item:

- (i) cases where the transactions set forth in Article 2 (21)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure: the Actual Figure;
  - (ii) cases where the payment or receipt of money has been made based on the rate of change of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator subject to a Violation with regard to the transactions set forth in Article 2 (21)(iv) or Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the end of the agreed period related to the calculation of the rate of change, or anything similar thereto;
  - (iii) cases where the transactions set forth in Article 2 (22)(ii) of the Act have been settled by the payment or receipt of money based on an Actual Figure or any other cases similar thereto: the Actual Figure or anything similar thereto; and
  - (iv) with regard to the transactions set forth in Article 2 (22)(iv) of the Act, cases where the payment or receipt of money has been made by the manifestations of intention of the parties or any other cases similar thereto: the amount receivable for Options at the time when the manifestations were made.
- (4) With regard to the calculation of the Administrative Surcharge under Article 174-3 (1) of the Act, in the cases referred to in the following items, it is deemed that a Reversing Trade has been conducted at the time specified in the respective items. In this case, the price for the Reversing Trade is zero:
- (i) cases where the Options pertaining to the transactions set forth in Article 2 (21)(iii) or Article 2 (22)(iii) or (iv) of the Act have extinguished (excluding the extinguishment by the cause set forth in item (iv) of the preceding paragraph; hereinafter the same applies in this item): the time when the Options have extinguished; or
  - (ii) cases where the Rights (meaning the rights to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur) pertaining to the transaction set forth in Article 2 (21)(v) or Article 2 (22)(vi) of the Act have extinguished: the time when the Rights have extinguished.
- (5) With regard to the calculation of the amounts set forth in Article 174-3 (1)(i)(a) and (b) of the Act, the Securities Sale, etc. (in cases where the volume obtained by adding up the volume of said Securities Sale, etc. and the volume of the Securities Sale, etc. made on the person's own account subject to the Violation exceeds the volume of Securities Purchase, etc. made on the person's own account subject to the Violation, the Securities Sale, etc. related to the

exceeding volume is excluded) or the Securities Purchase, etc. (in cases where the volume obtained by adding up the volume of said Securities Purchase, etc. and the volume of the Securities Purchase, etc. made on the person's own account subject to the Violation exceeds the volume of Securities Sale, etc. made on the person's own account subject to the Violation, the Securities Purchase, etc. related to the exceeding volume is excluded) conducted by the Violator on his/her own account with regard to the Listed Financial Instruments, etc. (meaning the Listed Financial Instruments, etc. prescribed in Article 174-3 (1)(ii)(a) of the Act) or Over-the-Counter Traded Securities subject to the Violation within one month after the day on which the Violation has ended, is deemed to be subject to the Violation.

- (6) With regard to the calculation of the amount set forth in Article 174-3 (1)(i)(a) or (b) of the Act, among the Securities Sale, etc. or the Securities Purchase, etc. made on the person's own account subject to a Violation, those related to the volume which exceeds the volume of Securities Sale, etc. or the volume of the Securities Purchase, etc., whichever is smaller, made on the Violator's own account subject to the Violation, are not be deemed to fall under the category of Sales, etc. or Securities Purchase, etc. subject to the Violation.

(Securities Sale, etc. for the Calculation of the Administrative Surcharge for Transactions, etc. Conducted by Company Insiders who Have Come to Know a Material Fact)

Article 33-15 The transactions specified by a Cabinet Order, referred to in Article 175 (3) of the Act, are the following transactions:

- (i) the sale and any other transfer for value of Securities;
- (ii) the transactions set forth in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) of the Act (limited to those wherein the person is the party to grant Options);
- (iv) the transactions set forth in Article 2 (21)(iv) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator related to the Specified Securities under Article 166 (1) or (3) of the Act or the Share Certificates, etc. under Article 167 (1) or (3) of the Act (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instruments that amounts to the agreed principal), under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed

- period in such transaction);
- (v) the transactions set forth in Article 2 (21)(v) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) of the Act occur);
  - (vi) Foreign Market Transactions of Derivatives (limited to those similar to the transactions set forth in item (ii) to the preceding item inclusive);
  - (vii) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto);
  - (viii) the transactions set forth in Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to grant Options, or any other transactions similar thereto);
  - (ix) the transactions set forth in Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator related to the Specified Securities under Article 166 (1) or (3) of the Act or Share Certificates, etc. under Article 167 (1) or (3) of the Act (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or financial instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to pay money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto); and
  - (x) the transactions set forth in Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in Article 2 (22)(vi)(a) or (b) of the Act occur, or any other transactions similar thereto).

(Securities Purchase, etc. for the Calculation of the Administrative Surcharge for Transactions, etc. Conducted by a Company Insider Who Has Come to Know a Material Fact)

Article 33-16 The transactions specified by a Cabinet Order, referred to in Article 175 (4) of the Act, are the following transactions:

- (i) the purchase or other acceptance of transfer for value of Securities;
- (ii) the transactions specified in Article 2 (21)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure);
- (iii) the transactions set forth in Article 2 (21)(iii) of the Act (limited to those

- wherein the person is the party to acquire Options);
- (iv) the transactions set forth in Article 2 (21)(iv) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instruments or the Financial Indicator related to the Specified Securities under Article 166 (1) or (3) of the Act or the Share Certificates, etc. under Article 167 (1) or (3) of the Act (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal), under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period);
  - (v) the transactions set forth in Article 2 (21)(v) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) of the Act occur);
  - (vi) Foreign Market Transactions of Derivatives (limited to those similar to the transactions set forth in item (ii) to the preceding item inclusive);
  - (vii) the transactions set forth in Article 2 (22)(ii) of the Act (limited to those wherein the person is the party to receive money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto);
  - (viii) the transactions set forth in Article 2 (22)(iii) or (iv) of the Act (limited to those wherein the person is the party to acquire Options, or any other transactions similar thereto);
  - (ix) the transactions set forth in Article 2 (22)(v) of the Act (limited to those related to a transaction wherein the parties promise the payment or receipt of money based on the rate of change in the agreed period of the Interest Rates, etc. of a Financial Instrument or the Financial Indicator related to the Specified Securities, etc. under Article 166 (1) or (3) of the Act or the Share Certificates, etc. under Article 167 (1) or (3) of the Act (including the transactions wherein the parties promise that, in addition to such payment or receipt of money, they will also pay, deliver, or receive an amount of money or Financial Instruments that amounts to the agreed principal) or other transactions similar thereto, under which the person is the party to receive money when the Interest Rates, etc. of a Financial Instrument or the Financial Indicator go up during the agreed period, or any other transactions similar thereto); and
  - (x) transactions set forth in Article 2 (22)(vi) of the Act (limited to those wherein the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (22)(vi)(a) or (b) of

the Act occur, or any other transactions similar thereto).

(Matters Necessary for the Calculation of the Administrative Surcharge for Transactions, etc. Conducted by a Company Insider Who Has Come to Know a Material Fact)

Article 33-17 (1) When the Securities Sale, etc. set forth in Article 175 (3) of the Act or the Securities Purchase, etc. set forth in paragraph (4) of that Article are any of the following transactions, the prices for the transactions set forth in the following items are those specified in the respective items:

(i) the transactions set forth in Article 2 (21)(ii) of the Act (including Foreign Market Transactions of Derivatives similar thereto): the Agreed Figure (in cases of a Foreign Market Transaction of Derivatives, that equivalent to such Agreed Figure);

(ii) the transactions set forth in Article 2 (21)(iii) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(iii) or (iv) of the Act: the amount receivable for Options;

(iii) the transactions set forth in Article 2 (21)(iv) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(v) of the Act: the Interest Rates, etc. of a Financial Instrument or the Financial Indicator at the time of commencement of the agreed period related to the calculation of the rate of change in such transactions or anything similar thereto;

(iv) the transactions set forth in Article 2 (21)(v) of the Act (including Foreign Market Transactions of Derivatives similar thereto) or the transactions set forth in Article 2 (22)(vi) of the Act: the amount receivable for the rights to receive money when the causes agreed upon by the parties in advance and set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act occur or any amount similar thereto); and

(v) the transactions set forth in Article 2 (22)(ii) of the Act: the Agreed Figure or anything similar thereto.

(2) In the case referred to in the preceding paragraph, the volume of the Securities Sale, etc. or Securities Purchase, etc. is those specified in the following items according to the category of transactions set forth in the respective items:

(i) the transactions set forth in item (i) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure set forth in that item and the Actual Figure by said volume, or any other volume similar thereto;

(ii) the transactions set forth in item (ii) of the preceding paragraph: the

- volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for Options referred to in that item by said volume;
- (iii) the transactions set forth in item (iii) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Interest Rates, etc. of a Financial Instrument or the Financial Indicator set forth in that item and the Interest Rates, etc. of a Financial Instruments or the Financial Indicator at the end of the agreed period by said volume, or any other volume similar thereto;
- (iv) the transactions set forth in item (iv) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the amount receivable for the rights to receive money when the causes set forth in Article 2 (21)(v)(a) or (b) or Article 2 (22)(vi)(a) or (b) of the Act as referred to in item (iv) of the preceding paragraph occur by said volume or any other volume similar thereto; and
- (v) the transaction set forth in item (v) of the preceding paragraph: the volume for which the amount of money promised to be paid or received is calculated by multiplying the difference between the Agreed Figure referred to in that item and the Actual Figure by said volume, or any other volume similar thereto.

## **Chapter VII Miscellaneous Provisions**

(Consultation)

Article 34 In taking the measures referred to in Article 189 (4) of the Act, the Minister of Justice, the Minister of Foreign Affairs, the National Public Safety Commission and the Commissioner of the Financial Services Agency shall hold a consultation with regard to such measures.

(Persons Required to Obtain Audit Certification from a Certified Public Accountant, etc.)

Article 35 (1) The persons specified by a Cabinet Order, referred to in Article 193-2 (1) of the Act, are the following persons (excluding the issuer of the Securities specified in Article 2 (1)(xvii) of the Act which have the nature of the Securities set forth in Article 2 (1)(i) to (iii) inclusive or (vi) of the Act):

(i) a person who intends to make a notification under the provisions of Article 4 (1) to (3) inclusive of the Act; and

(ii) the issuer of the Securities set forth in the items of Article 24 (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 27 of the Act).



- (2) The Securities specified by a Cabinet Order, referred to in Article 193-2 (1)(i) of the Act, are as follows:
- (i) the beneficiary certificate of a foreign investment trust set forth in Article 2 (1)(x) of the Act;
  - (ii) the foreign investment securities set forth in Article 2 (1)(xi) of the Act;
  - (iii) beneficiary certificates of beneficiary certificates issuing trusts set forth in Article 2 (1)(xiv) of the Act (limited to those issued by a foreign person);
  - (iv) the Securities set forth in Article 2 (1)(xvii) of the Act which have the nature of the Securities set forth in Article 2 (1)(iv), (v), (vii) to (ix) inclusive or (xii) to (xvi) inclusive of the Act;
  - (v) the Securities set forth in Article 2 (1)(xviii) of the Act;
  - (vi) the Securities set forth in Article 2 (1)(xix) or (xx) of the Act (limited to those issued by a foreign person);
  - (vii) the securities or certificates set forth in Article 1 (i); and
  - (viii) the rights set forth in Article 2 (2)(ii), (iv) or (vi) of the Act which are regarded as Securities pursuant to the provisions of Article 2 (2) of the Act.

(Audit Certification for Internal Control Reports)

Article 35-2 The persons specified by a Cabinet Order, referred to in Article 193-2 (2) of the Act, are the issuers of the Securities set forth in Article 24 (1)(i) or (ii) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) (limited to the Securities listed in the items of Article 4-2-7 (1)).

(Period for Rectification of the Violation of Laws and Regulations or Any Other Measures in Relation to the Fact Constituting a Violation of Laws and Regulations)

Article 36 The period specified by a Cabinet Order, referred to in Article 193-3 (2) of the Act, is a period from the day on which the notification under paragraph (1) of that Article has been made (hereinafter such day is referred to as the "Notification Day" in this Article) until any of the following days, whichever arrives first, after the Notification Day:

- (i) the day six weeks prior to the deadline for the submission of an Annual Report set forth in Article 24 (1) of the Act, or the day on which two weeks have elapsed from the Notification Day, whichever comes later (if such a day is the day on or after said deadline for submission, the day immediately preceding said deadline for submission); and
- (ii) the day immediately preceding the deadline for submitting a Quarterly Report set forth in Article 24-4-7 (1) of the Act or a Semiannual Report set forth in Article 24-5 (1) of the Act.

(Solicitation to Exercise Voting Rights of Listed Shares by Proxy)

Article 36-2 (1) A person who intends to make the Solicitation to Exercise Voting Rights of Listed Shares by Proxy (meaning, with regard to the shares of a company issuing shares listed on a Financial Instruments Exchange as referred to in Article 194 of the Act, solicitation for having said person or a third party exercise voting rights by proxy; the same applies in Article 36-4 to Article 36-6 inclusive) (hereinafter such person is referred to as the "Solicitor" in this Article to Article 36-4 inclusive) must deliver a proxy card and documents containing the matters specified by a Cabinet Office Ordinance as being helpful for granting the authority of representation (hereinafter such documents are referred to as the "Reference Documents" in this Article to Article 36-5 inclusive) to the other party (hereinafter referred to as the "Solicited Person" in this Article to Article 36-6 inclusive) in making such solicitation.

(2) A Solicitor may, in lieu of delivering the proxy card or Reference Documents under the preceding paragraph, provide the matters to be contained in the proxy card or Reference Documents by a method using an electronic data processing system or any other method using information and communication technology which are specified by a Cabinet Office Ordinance (hereinafter collectively referred to as the "Electromagnetic Means" in this Article) with the consent of the Solicited Person. In this case, said Solicitor is deemed to have delivered the proxy card or the Reference Documents.

(3) When a Solicitor intends to provide the matters set forth in the preceding paragraph pursuant to the first sentence of that paragraph, he/she must, pursuant to the provisions of a Cabinet Office Ordinance, indicate in advance the type and details of the Electromagnetic Means to be used to the Solicited Person and obtain consent therefrom in writing or by Electromagnetic Means.

(4) When the Solicited Person has stated to the effect that he/she does not receive the provision of matters by Electromagnetic Means, either in writing or by Electromagnetic Means, the Solicitor who has previously obtained consent under the preceding paragraph must not provide the matters set forth in paragraph (2) to said Solicited Person by Electromagnetic Means; provided, however, that this does not apply to cases where said Solicited Person has given the consent again under the preceding paragraph.

(5) The form of the proxy card under paragraph (1) is specified by a Cabinet Office Ordinance.

(Submission of the Proxy Card and Reference Documents)

Article 36-3 When the Solicitor has delivered the proxy card and Reference Documents under paragraph (1) of the preceding Article (excluding the cases specified by a Cabinet Office Ordinance), he/she must immediately submit a

copy of such documents (including the Electromagnetic Record (meaning the Electromagnetic Record prescribed in Article 13 (5) of the Act; the same applies hereinafter) specified by a Cabinet Office Ordinance in cases where an Electromagnetic Record is prepared in lieu of the preparation of such documents, or the documents containing the matters recorded in said Electromagnetic Record; the same applies in Article 43-11) to the Commissioner of the Financial Services Agency.

(Prohibition of Solicitation by Using Documents, etc. Containing False Statements)

Article 36-4 A Solicitor must not make a Solicitation to Exercise Voting Rights of Listed Shares by Proxy by using a proxy card, Reference Documents or any other documents, or an Electromagnetic Record (hereinafter collectively referred to as the "Proxy Card, etc." in Article 36-6 (1)) which contains false statements or records on important matters, or which lack a statement or record on important matters that should be stated, or a material fact that is necessary to avoid a misunderstanding.

(Request of Delivery of Reference Documents)

Article 36-5 (1) In cases where the Solicitation to Exercise Voting Rights of Listed Shares by Proxy is made by or for the company issuing shares, the shareholders of said company may request said company to deliver the Reference Documents by paying the costs fixed by said company.  
(2) The provisions of Article 36-2 (2) to (4) inclusive applies mutatis mutandis to the delivery of Reference Documents in the case referred to in the preceding paragraph.

(Exclusion from Application)

Article 36-6 (1) In the following cases, the provisions of Article 36-2 to the preceding Article inclusive does not apply:

- (i) a Solicitation to Exercise Voting Rights of Listed Shares by Proxy made by persons other than the company issuing the respective shares or the officers thereof and in which the Solicited Persons are less than 10 persons;
- (ii) a Solicitation to Exercise Voting Rights of Listed Shares by Proxy made through an advertisement in a daily newspaper that publishes matters on current affairs which indicates only the name of the issuer company, the reason for the advertisement, the subject matter of the shareholders meeting, and the place where the Proxy Card, etc. is provided; and
- (iii) cases where the person who holds shares in another person's name makes a Solicitation to Exercise Voting Rights of Listed Shares by Proxy to said other person with regard to the voting rights of shares.

- (2) With regard to the calculation of the number of Solicited Persons in the case referred to in item (i) of the preceding paragraph, the Solicited Persons in the case of item (iii) of the preceding paragraph are excluded.

(Application of this Act to Transactions on Foreign Financial Instruments Markets)

Article 36-7 With regard to the application of this Act, the standardized instruments created by standardizing the interest rate, the maturity period, and other conditions for transactions similar to Market Transactions of Derivatives (limited to transactions which promise payment or receipt of money based on the Agreed Figure and Actual Figure) on a Foreign Financial Instruments Market are deemed to be a Financial Instrument.

(Consultation, etc. with the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry)

Article 37 (1) The rights specified by a Cabinet Order, referred to in Article 194-6 (1) of the Act, are those which are any of the following:

- (i) rights in investment to be conducted by way of Commodities Investment;
- (ii) rights in investment to be conducted by way of acquisition (including production), transfer, or use of the goods listed in any of the following sub-items, or by way of having such goods used:
  - (a) Specified Commodities (meaning the Specified Commodities set forth in Article 2 (1)(i) of the Act on Regulation of Business Pertaining to Commodity Investment);
  - (b) racehorses;
  - (c) movies;
  - (d) paintings; and
  - (e) mining rights.

(2) The Cabinet Office Ordinance specified by a Cabinet Order, referred to in Article 194-6 (1) of the Act, is those set forth in the following items provided with regard to the business referred to in Article 194-6 (1) of the Act (hereinafter such business is referred to as the "Business Related to Commodities Investment" in this Article):

- (i) the Cabinet Office Ordinance under Article 37 (1) of the Act;
- (ii) the Cabinet Office Ordinance under Article 37 (2) of the Act;
- (iii) the Cabinet Office Ordinance under the main clause of Article 37-3 (1) of the Act;
- (iv) the Cabinet Office Ordinance under the proviso to Article 37-3 (1) of the Act;
- (v) the Cabinet Office Ordinance under Article 37-3 (1)(iv) of the Act;
- (vi) the Cabinet Office Ordinance under Article 37-3 (1)(vii) of the Act;

- (vii) the Cabinet Office Ordinance under the main clause of Article 37-4 (1) of the Act;
  - (viii) the Cabinet Office Ordinance under the proviso to Article 37-4 (1) of the Act; and
  - (ix) the Cabinet Office Ordinance under Article 40-3 of the Act;
- (3) The order or other disposition specified by a Cabinet Order under Article 194-6 (1) of the Act is the following orders or dispositions given in relation to the Business Related to Commodities Investment:
- (i) the order based on the provision of Article 51 of the Act;
  - (ii) the order based on the provision of Article 51-2 of the Act;
  - (iii) the disposition based on the provision of Article 52 (1) of the Act;
  - (iv) the order based on the provision of Article 52 (2) of the Act;
  - (v) the disposition based on the provision of Article 52-2 (1) of the Act; and
  - (vi) the order based on the provision of Article 52-2 (2) of the Act.
- (4) The notification specified by a Cabinet Order, referred to in Article 194-6 (1) of the Act, is based on the following provisions in relation to the Business Related to Commodities Investment:
- (i) Article 31 (1) of the Act;
  - (ii) Article 31 (3) of the Act;
  - (iii) Article 33-6 (1) of the Act;
  - (iv) Article 33-6 (3) of the Act;
  - (v) Article 50 (1) of the Act; and
  - (vi) Article 50-2 (1) of the Act;
- (5) When the Prime Minister provides the Cabinet Office Ordinance set forth in the items of paragraph (2), with regard to the Business Related to Commodities Investment, he/she shall consult with the Ministers specified in the following items according to the category of Cabinet Office Ordinance set forth in the respective items:
- (i) the Cabinet Office Ordinance for the matters concerning solely Business Related to Investment in Agriculture, Forestry and Fisheries Goods, etc. (meaning Business Related to Commodities Investment that covers only the goods set forth in paragraph (1)(ii)(b) or the Goods, etc. Related to Agriculture, Forestry and Fisheries prescribed in Article 11 (2)(i) of the Order for Enforcement of the Act on Regulation of Business Pertaining to Commodity Investment (Order No. 45 of 1992); the same applies hereinafter): the Minister of Agriculture, Forestry and Fisheries;
  - (ii) the Cabinet Office Ordinance for matters concerning solely Business Related to Investment in Economy, Trade and Industry Goods, etc. (meaning the Business Related to Commodities Investment that covers only the goods listed in paragraph (1)(ii)(c) to (e) inclusive or the Goods, etc. Related to Economy, Trade and Industry defined in the proviso to Article 11 (1) of the

- Order for Enforcement of the Act on Regulation of Business Pertaining to Commodity Investment; the same applies hereinafter): the Minister of Economy, Trade and Industry; and
- (iii) the Cabinet Office Ordinance for matters concerning Business Related to Commodities Investment for goods other than those set forth in the preceding two items: the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry.
- (6) When the Commissioner of the Financial Services Agency intends to make the dispositions listed in the items of paragraph (3), he/she must, in advance, consult with the Ministers specified in the following items according to the category of dispositions set forth in the respective items:
- (i) a disposition made for Business Related to Investment in Agriculture, Forestry and Fisheries Goods, etc.: the Minister of Agriculture, Forestry and Fisheries;
- (ii) a disposition made for Business Related to Investment in Economy, Trade and Industry Goods, etc.: the Minister of Economy, Trade and Industry; and
- (iii) a disposition made for Business Related to Commodities Investment other than those set forth in the preceding two items: the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry.
- (7) In cases where a notification under the items of paragraph (4), an application for registration under Article 29 or Article 33 of the Act, or the registration of changes under Article 31 (4) of the Act has been made with regard to Business Related to Commodities Investment, the Commissioner of the Financial Services Agency shall notify the Ministers specified in the following items according to the category of notification or application set forth in the respective items:
- (i) a notification, or an application for registration or for registration of changes, for Business Related to Investment in Agriculture, Forestry and Fisheries Goods, etc.: the Minister of Agriculture, Forestry and Fisheries;
- (ii) a notification, or an application for registration or for registration of changes, for Business Related to Investment in Economy, Trade and Industry Goods, etc.: the Minister of Economy, Trade and Industry; and
- (iii) a notification, or an application for registration or for registration of changes, for Business Related to Commodities Investment other than those listed in the preceding two items: the Minister of Agriculture, Forestry and Fisheries and the Minister of Economy, Trade and Industry.

### **Chapter VIII Delegation of Authority**

(Authority Excluded from the Authority to be Delegated to the Commissioner of the Financial Services Agency)

Article 37-2 The authority specified by a Cabinet Order, referred to in Article 194-7 (1) of the Act, is as follows:

- (i) the authorization under Article 67-2 (2) and Article 79-31 (2) of the Act;
- (ii) the rescission of the authorization under Article 67-2 (2) of the Act pursuant to the provisions of Article 67-6 and Article 74 (1) of the Act;
- (iii) the rescission of the authorization under Article 79-31 (2) of the Act pursuant to Article 79-76 of the Act;
- (iv) the license under Article 80 (1) of the Act;
- (v) the authorization under the provisions of Article 106-10 (1) of the Act and the proviso to paragraph (3) of that Article;
- (vi) the rescission of the authorization under Article 106-10 (1) of the Act or the proviso to paragraph (3) of that Article pursuant to the provisions of Article 106-26 and Article 106-28 (1) of the Act;
- (vii) the rescission of the license under Article 80 (1) of the Act pursuant to the provisions of Article 148 and Article 152 (1)(i) of the Act;
- (viii) the order for suspension of all or part of business following a cabinet decision pursuant to Article 152 (1)(ii) of the Act;
- (ix) the authorization under Article 155 (1) of the Act;
- (x) the rescission of the authorization under Article 155 (1) of the Act pursuant to the provisions of Article 155-6 and Article 155-10 (1) of the Act;
- (xi) the license under Article 156-2 of the Act;
- (xii) the rescission of the license under Article 156-2 of the Act pursuant to provisions of Article 156-17 of the Act and the rescission of the approval under Article 156-19 (1) of the Act pursuant to the provisions of Article 156-17 (2) of the Act;
- (xiii) the approval under Article 156-19 (1) of the Act;
- (xiv)-1 the rescission of the approval under Article 156-19 (1) of the Act pursuant to the provisions of Article 156-20 (1) of the Act;
- (xiv)-2 the license under Article 156-20-2 of the Act;
- (xiv)-3 the rescission of the license under Article 156-20-2 of the Act pursuant to provisions of Article 156-20-14 of the Act;
- (xiv)-4 the authorization under Article 156-20-16 (1) of the Act;
- (xiv)-5 the rescission of the authorization under Article 156-20-16 (1) of the Act pursuant to the provisions of Article 156-20-20 and Article 156-20-22 of the Act;
- (xv) the license under Article 156-24 (1) of the Act;
- (xvi) the rescission of the license under Article 156-24 (1) of the Act pursuant to the provisions of Article 148 of the Act as applied mutatis mutandis pursuant to Article 156-26 of the Act or the provisions of Article 156-32 (1) of the Act;
- (xvii) the notice under Article 194-4 (1)(x), (xi), (xv), (xix), (xxiii), (xxv), (xxviii),

(xxxii) to (xxxiii) inclusive, (xxxv), (xxxvi), (xxxviii)-2, (xxxviii)-3, (xxxviii)-6, (xxxviii)-7, (xxxix), and (xl) of the Act; and (xviii) the notice under Article 194-6-2 (i) and (iii) of the Act.

- (Delegation of the Authority of Inspection, etc. for Securing Fairness in Transactions, etc. to the Securities and Exchange Surveillance Commission)
- Article 38 (1) The provisions specified by a Cabinet Order, referred to in Article 194-7 (2)(i) of the Act, are the provisions of Article 30-2 (1) of the Act (limited to the part related to the conditions concerning the restriction on business for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc. (meaning the Derivatives Transactions, etc. defined in Article 33 (3) of the Act; hereinafter the same applies in this Article and Article 45)), Article 36 (2), Article 37 to Article 37-6 inclusive, Article 38 to Article 39 inclusive, and Article 40 of the Act (with regard to Article 40 (ii), limited to those for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.), Article 40-2, Article 40-4, Article 40-5, Article 41-2, Article 42-2, Article 42-7, Article 44 to Article 44-4 inclusive, and Article 56-4 (1) of the Act (limited to those for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.), Article 133 (1), Article 157 to Article 159 inclusive, Article 162 and Article 163 to Article 171 inclusive of the Act, and the provisions of a Cabinet Office Ordinance based on the provisions of Article 161 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 161 (2) of the Act) and Article 162-2 of the Act.
- (2) The provisions specified by a Cabinet Order, referred to in Article 194-7 (2)(ii) of the Act, are the provisions of Article 38 of the Act (limited to the part pertaining to item (vi)) and Article 40 of the Act (limited to the part pertaining to item (ii) and which is for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.) as applied mutatis mutandis pursuant to Article 60-13 of the Act.
- (3) The provisions specified by a Cabinet Order, referred to in Article 194-7 (2)(iii) of the Act, are the provisions of Article 66-10 and Article 66-11 of the Act (limited to those for securing fairness in Intermediation for Financial Instruments), Article 66-12, Article 66-14, and Article 66-14-2 of the Act, and the provisions of Article 38-2, Article 39, and Article 40 of the Act (with regard to Article 40 (ii) of the Act, limited to those for securing fairness in Intermediation for Financial Instruments) as applied mutatis mutandis pursuant to Article 66-15 of the Act.
- (4) The provisions specified by a Cabinet Order, referred to in Article 194-7 (2)(iii)-2 of the Act, are the provisions of Article 66-35 of the Act.
- (5) The business specified by a Cabinet Order, referred to in Article 194-7 (2)(iv)



of the Act, is business concerning the investigation set forth in Article 67-8 (1)(xiv) of the Act which is related to the recognition of whether or not the acts conducted by a Member Firm or a Financial Instruments Intermediary which has said Member Firm as its Entrusting Financial Services Provider, etc. fall under the following acts, or business concerning the measures prescribed in Article 68-2 of the Act as provided in the articles of incorporation pursuant to Article 68-2 of the Act which is related to the following acts conducted by a Member Firm or a Financial Instruments Intermediary which has said Member Firm as its Entrusting Financial Services Provider, etc.:

- (i) acts in violation of the provisions of Article 36 (2), Article 37 to Article 37-6 inclusive, Article 38, Article 38-2 or Article 39 of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 66-15 of the Act), Article 40 of the Act (with regard to Article 40 (ii) of the Act, limited to those for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc. and including the cases where it is applied mutatis mutandis pursuant to Article 66-15 of the Act), Article 40-2, Article 40-4, Article 40-5, Article 41-2, Article 42-2, Article 42-7, Article 44 to Article 44-4 inclusive, Article 66-10, and Article 66-11 of the Act (limited to those for securing fairness in Intermediation for Financial Instruments), Article 66-12, Article 66-14, Article 66-14-2, Article 133 (1), Article 157 to Article 159 inclusive, Article 162, Article 163 to Article 167 inclusive, or Article 168 to Article 171 inclusive of the Act, or the provisions of a Cabinet Office Ordinance based on the provisions of Article 161 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 161 (2) of the Act) or Article 162-2 of the Act;
  - (ii) acts in violation of the conditions attached pursuant to the provisions of Article 30-2 (1) of the Act (limited to those pertaining to the restriction on business for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.); and
  - (iii) acts in violation of or contrary to the articles of incorporation or any other rules of an Authorized Financial Instruments Business Association, the fair and equitable principles of transactions provided in said articles of incorporation, or any other rules (among these, limited to those related to securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.).
- (6) The business specified by a Cabinet Order, referred to in Article 194-7 (2)(v) of the Act, is business pertaining to the investigation set forth in Article 78 (2)(iii) of the Act for the recognition of whether the acts conducted by a member or a Financial Instruments Intermediary who has said member as the Entrusting Financial Services Provider, etc. thereof fall under the following acts, or business related to the measures prescribed in Article 79-2 of the Act

as provided in the articles of incorporation pursuant to Article 79-2 of the Act concerning the following acts conducted by a member of a Financial Instruments Intermediary who has said member as the Entrusting Financial Services Provider, etc. thereof:

- (i) acts in violation of the provisions of Article 36 (2), Article 37 to Article 37-6 inclusive, Article 38, Article 38-2, or Article 39 of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 66-15 of the Act), Article 40 of the Act (with regard to Article 40 (ii), limited to those for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc. and including the cases where it is applied mutatis mutandis pursuant to Article 66-15 of the Act), Article 40-2, Article 40-4, Article 40-5, Article 41-2, Article 42-2, Article 42-7, Article 44 to Article 44-4 inclusive, Article 66-10, and Article 66-11 of the Act (limited to those for securing fairness in Intermediation for Financial Instruments), Article 66-12, Article 66-14, Article 66-14-2, Article 133 (1), Article 157 to Article 159 inclusive, Article 162, Article 163 to Article 167 inclusive, or Article 168 to Article 171 inclusive of the Act, or the provisions of a Cabinet Office Ordinance based on the provisions of Article 161 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 161 (2) of the Act) or Article 162-2 of the Act;
  - (ii) acts in violation of the conditions attached pursuant to the provisions of Article 30-2 (1) of the Act (limited to those pertaining to the restriction on business for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.); and
  - (iii) acts in violation or contrary to the articles of incorporation or any other rules of an Authorized Financial Instruments Business Association as defined in Article 78 (2) of the Act, the fair and equitable principles of transactions provided in said articles of incorporation, or any other rules (among these, limited to those related to securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.).
- (7) The business specified by a Cabinet Order, referred to in Article 194-7 (2)(vi) of the Act, is business prescribed in Article 84 (2)(ii) of the Act for the recognition of whether the acts conducted by a Member, etc. fall under the category of the following acts, or business related to the measures prescribed in Article 87 of the Act as provided in the articles of incorporation pursuant to the provisions of Article 87 concerning the following acts conducted by the Member, etc.:
- (i) acts in violation of the provisions of Article 36 (2), Article 37 to Article 37-6 inclusive, Article 38 to Article 39 inclusive, and Article 40 of the Act (with regard to Article 40 (ii) of the Act, limited to those for securing fairness in

- sales and purchases of Securities or Market Transactions of Derivatives conducted on a Financial Instruments Exchange Market), Article 40-2, Article 40-4, Article 40-5, Article 41-2, Article 42-2, Article 42-7, Article 44 to Article 44-4 inclusive, Article 133 (1), Article 157 to Article 159 inclusive, Article 162, Article 163 to Article 167 inclusive, or Article 168 to Article 171 inclusive of the Act, or the provisions of a Cabinet Office Ordinance based on the provisions of Article 161 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 161 (2) of the Act) or Article 162-2 of the Act;
- (ii) acts in violation of the conditions attached pursuant to the provisions of Article 30-2 (1) of the Act (limited to those pertaining to the restriction on business for securing fairness in sales and purchases of Securities or Market Transactions of Derivatives conducted on a Financial Instruments Exchange Market); and
- (iii) acts in violation of or contrary to the articles of incorporation, operational rules or any other rules of a Financial Instruments Exchange, the fair and equitable principles of transactions provided in said articles of incorporation, or any other rules (among these, limited to those related to securing fairness in sales and purchases of Securities or Market Transactions of Derivatives conducted on a Financial Instruments Exchange Market).
- (8) The business specified by a Cabinet Order, referred to in Article 194-7 (2)(vii) of the Act, is business related to the measures prescribed in Article 155-3 (1)(ii) of the Act concerning the following acts conducted by the Participants of Foreign Financial Instruments Exchange (meaning Participants of Foreign Financial Instruments Exchange as prescribed in Article 155-2 (1)(vi) of the Act; the same applies hereinafter):
- (i) acts in violation of the provisions of Article 36 (2), Article 37 to Article 37-6 inclusive, Article 38 to Article 39 inclusive, and Article 40 of the Act (with regard to Article 40 (ii) of the Act, limited to those for securing fairness in sales and purchases of Securities or Foreign Market Transactions of Derivatives conducted on a Foreign Financial Instruments Market), Article 40-2 to Article 41-3 inclusive, Article 42-2, Article 42-7, Article 44 to Article 44-4 inclusive, Article 133 (1), Article 157 to Article 159 inclusive, Article 162, Article 163 to Article 167 inclusive, or Article 168 to Article 171 inclusive of the Act, or the provisions of a Cabinet Office Ordinance based on the provisions of Article 161 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 161 (2) of the Act) or Article 162-2 of the Act;
- (ii) acts in violation of the conditions attached pursuant to the provisions of Article 30-2 (1) of the Act (limited to those pertaining to the restriction on business for securing fairness in sales and purchases of Securities or Foreign

- Market Transactions of Derivatives conducted on a Foreign Financial Instruments Market); and
- (iii) acts in violation of or contrary to the Operational Regulations of a Foreign Financial Instruments Exchange (meaning Operational Regulations as defined in Article 155-2 (2)(i) of the Act and limited to those pertaining to the principles for securing fairness in sales and purchases of Securities or Foreign Market Transactions of Derivatives conducted on a Foreign Financial Instruments Market).
- (9) The authority specified by a Cabinet Order referred to in Article 194-7 (2)(ix) of the Act is the following authority:
- (i) the acceptance of the report under Article 185-7 (12) of the Act; and
- (ii) within the scope of authority under Article 189 (1) of the Act, the authority to order the submission of reports or materials (limited to those pertaining to the authority delegated to the Securities and Exchange Surveillance Commission (hereinafter referred to as the "Commission") pursuant to the provisions of Article 194-7 (1) (excluding item (ix)) of the Act).

(Delegation of the Authority of Inspection, etc. Other Than Inspection, etc. for Securing Fairness in Transactions, etc. to the Commission)

Article 38-2 (1) Within the scope of authority delegated to the Commissioner of the Financial Services Agency pursuant to the provisions of Article 194-7 (1) of the Act or the authority of the Commissioner of the Financial Services Agency under this Cabinet Order (hereinafter such authority is collectively referred to as the "Commissioner's Authority"), the authority under the provisions of Article 26 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), Article 27-22 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) and Article 27-22 (2), Article 27-30 and Article 27-35 of the Act, and the authority under Article 193-2 (6) of the Act (excluding the acceptance of documents specified by a Cabinet Office Ordinance as referred to in paragraph (2)(i) of the following Article) is , except for those listed in the following items, delegated to the Commission; provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority to order the submission of reports or materials under said provisions or the authority for inspection in cases where an urgent necessity is found for the public interest or protection of investors (excluding the authority pertaining to the inspection in a case concerning the administrative surcharge under the provisions of Article 172 (1) and (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172 (4) of the Act), Article 172 (3) and Article 172-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article

172-2 (4) of the Act), Article 172-2 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (5) of the Act), Article 172-2 (6) and the paragraphs of Article 172-3 and Article 172-4 (1) and (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-4 (3) of the Act), Article 172-5 and Article 172-6 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-6 (2) of the Act), Article 172-7 to Article 172-9 inclusive, the paragraphs of Article 172-10, and Article 172-11 (1) of the Act) by himself/herself:

- (i) the authority under Article 26 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) exercised against the person submitting the statement under Article 5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) before the day on which said statement comes into effect as prescribed in Article 8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) (excluding the authority related to the inspection in a case concerning the administrative surcharge under the provisions of Article 172-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (4) of the Act), Article 172-2 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (5) of the Act), and Article 172-2 (6) of the Act);
- (ii) the authority under Article 26 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) exercised against the person who submits the Shelf Registration Statements under Article 23-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) before the day on which the Shelf Registration comes into effect as prescribed in Article 8 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) as applied mutatis mutandis by replacing certain terms pursuant to Article 23-5 (1) of the Act (excluding the authority related to the inspection in a case concerning the administrative surcharge under the provisions of Article 172-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (4) of the Act), Article 172-2 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (5) of the Act), and Article 172-2 (6) of the Act); and
- (iii) the authority under Article 27-22 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) exercised against the Tender Offeror or the Persons in a Specified Relationship thereof or any other persons concerned or witness during the Tender Offer Period prescribed in the main clause of Article 27-5 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act), or the authority under Article 27-22 (2) of the Act

exercised against the person submitting the Target Company's Position Statement, the persons concerned or a witness thereof (excluding the authority related to the inspection in a case concerning the administrative surcharge under the provisions of Article 172-6 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-6 (2) of the Act)).

- (2) Within the scope of the Commissioner's Authority (excluding the authority delegated to the Commission pursuant to the provisions of Article 194-7 (2) of the Act), the authority under the provisions of Article 56-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 65-3 (3) of the Act) to Article 56-2 (4) inclusive of the Act, Article 57-10 (1), Article 57-23, Article 57-26 (2), Article 60-11 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 60-12 (3) of the Act) and Article 63 (7) and (8), Article 66-22, Article 66-45 (1), Article 75, Article 79-4, Article 79-77, Article 103-4, Article 106-6 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-6 (2) of the Act), Article 106-16, Article 106-20 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-20 (2) of the Act), Article 106-27 (including the cases where it is applied mutatis mutandis pursuant to Article 109 of the Act), Article 151 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 153-4 of the Act), Article 155-9, Article 156-5-4, Article 156-5-8, Article 156-15, Article 156-20-12, Article 156-34 and Article 156-58 of the Act is delegated to the Commission; provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority to order the submission of reports or materials under said provisions or the authority for inspection in cases where an urgent necessity is found for the public interest or protection of investors or where it is found to contribute especially to the effective and efficient implementation of the inspection, by himself/herself.

(Delegation of Authority Related to the Disclosure, etc. of Corporate Affairs and Other Related Matters to the Director-General of a Local Finance Bureau)

- Article 39 (1) Within the scope of the Commissioner's Authority, with regard to the authority listed in the following items, such authority concerning Domestic Companies (meaning juridical persons who have their head offices or principal offices in Japan; hereinafter the same applies in this Article, Article 41-2 and Article 44-3 (1)) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Domestic Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the

Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning persons other than a Domestic Company is delegated to the Director-General of the Kanto Finance Bureau:

- (i) the acceptance of the written notice under Article 4 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 23-8 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act)), the Supplements to Shelf Registration Documents and documents attached thereto under Article 23-8 (1) and (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), and the documents pertaining to the application under Article 25 (4) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) (limited to those related to the Supplements to Shelf Registration Documents and the documents attached thereto); and
  - (ii) the approval for not making the documents available for public inspection under Article 25 (4) of the Act (limited to those related to the Supplements to Shelf Registration Documents and the documents attached thereto).
- (2) Within the scope of the Commissioner's Authority, with regard to the authority listed in the following items, such authority concerning a Domestic Company whose amount of stated capital, total amount of funds, or total amount of investment (in cases where the Domestic Company has yet to be established, meaning the amount of stated capital, the total amount of funds, or the total amount of investment after the establishment thereof; the same applies in Article 41-2 (2) and Article 44-3 (1)) is less than five billion yen, or a Domestic Company for which any of the Securities issued thereby are not listed on a Financial Instruments Exchange (excluding those specified by a Cabinet Office Ordinance) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Domestic Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning any other persons is delegated to the Director-General of the Kanto Finance Bureau:
- (i) the acceptance of the statement and the documents attached thereto under Article 5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 5 (5) of the Act and including the cases where they are applied mutatis mutandis pursuant to Article 27 of the Act) and Article 5 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Shelf Registration Statements and the documents attached thereto under Article 23-3 (1) and (2) of the Act (including the cases where it is applied mutatis mutandis

pursuant to Article 27 of the Act), the Written Withdrawal of Shelf Registration under Article 23-7 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Annual Report and the documents attached thereto under the provisions of Article 23-3 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), Article 24 (1) and (3) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), and Article 24 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the written application for approval and the documents attached thereto under Article 4 (1) of this Order (including the cases where it is applied mutatis mutandis pursuant to Article 4-2 (1) of this Order) based on the proviso to Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; the same applies in item (xiii)), the documents under Article 4 (3) of this Order (including the cases where it is applied mutatis mutandis pursuant to Article 4-2 (1) of this Order), the documents and the Supplementary Documents thereof under Article 24 (8) and (9) of the Act (including the cases where they are applied mutatis mutandis pursuant to the provisions of Article 24-2 (4) and Article 24-4-2 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (1) and Article 24-5-2 (1) of the Act), Article 24-4-3 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (2) and Article 24-5-2 (2) of the Act), Article 24-4-4 (6), Article 24-4-5 (3), and Article 24-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act), and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the documents under Article 24 (13) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-4-2 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (1) and Article 24-5-2 (1) of the Act), Article 24-4-4 (6) of the Act and Article 24-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act), and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Documents Substituted for Part of an Annual Report under Article 24 (14) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Confirmation Letter under Article 24-4-2 (1) and (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to the provisions of



Article 24-4-2 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-2 (4), Article 24-4-8 (1), and Article 24-5-2 (1) of the Act), Article 24-4-2 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (1) and Article 24-5-2 (1) of the Act), Article 24-4-8 (1), and Article 24-5-2 (1) of the Act, and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Internal Control Report and the documents attached thereto under Article 24-4-4 (1) and (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-4-4 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) and Article 24-4-4 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Quarterly Report under Article 24-4-7 (1) and (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-4-7 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Foreign Company Quarterly Report and Supplementary Documents and the amendment reports therefor under Article 24-4-7 (6) and (7) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-4-7 (11) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Quarterly Report under Article 24-4-7 (10) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Documents Substituted for Part of a Quarterly Report under Article 24-4-7 (12) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Semiannual Report under Article 24-5 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-5 (3) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Ad-hoc Report under Article 24-5 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Foreign Company Semiannual Report and Supplementary Documents and the amendment reports therefor under the provisions of the Act and Article 24-5 (7) and (8) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-5 (12) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), the Semiannual Report under Article 24-5 (11) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Documents Substituted for Part of a Semiannual Report under Article 24-5 (13) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Documents

- Substituted for Part of an Ad-hoc Report under Article 24-5 (15) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), the Report on Repurchase under Article 24-6 (1) of the Act, the documents pertaining to the application under Article 25 (4) of the Act (excluding the documents set forth in item (i) of the preceding paragraph), and the documents under Article 193-2 (6) of the Act (limited to those specified by a Cabinet Office Ordinance);
- (i)-2 the approval under Article 2-12-4 (1);
  - (ii) the designation of the effective period and the notice to the effect that the notification is to come into effect pursuant to Article 8 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 23-5 (1) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
  - (iii) the order for submission of the documents and the hearing related to said order under the provisions of Article 9 (1) and Article 10 (1) of the Act (including the cases where they are applied mutatis mutandis pursuant to the provisions of Article 24-2 (1) and Article 24-4-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (2) and Article 24-5-3 (2) of the Act), Article 24-4-5 (1), Article 24-4-7 (4), Article 24-5 (5), and Article 24-6 (2) of the Act and the cases where these provisions (excluding Article 24-6 (2) of the Act) are applied mutatis mutandis pursuant to Article 27 of the Act);
  - (iv) the designation of the effective period pursuant to Article 9 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 10 (2) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
  - (v) the designation of the effective period and the notice to the effect that the notification is to come into effect pursuant to Article 8 (3) of the Act as applied mutatis mutandis pursuant to Article 9 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 10 (2) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
  - (vi) the order for suspension of the effectiveness under the provisions of Article 10 (1) and Article 23-10 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 23-10 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this item) and the hearing related to said order under Article 10 (1) of the Act;
  - (vii) the cancellation of the order for suspension under the provisions of Article 10 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) and Article 23-10 (4) of the Act (including

- the cases where it is applied mutatis mutandis pursuant to Article 23-10 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
- (viii) the order for suspension of the effectiveness, extension of the effective period and the hearing related to such dispositions under the provisions of Article 11 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-3 of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) and Article 23-11 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (ix) the cancellation of the disposition under the provisions of Article 11 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-3 of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) and Article 23-11 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (x) the order for suspension of the effectiveness under Article 23-5 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (xi) the order for submission of Amended Shelf Registration Statement and the hearing related to said order under the provisions of Article 23-9 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) and Article 23-10 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 23-10 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
- (xii) the designation of the effective period pursuant to Article 23-9 (2) and (4) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 23-10 (2) of the Act, the cases where Article 23-10 (2) of the Act is applied mutatis mutandis pursuant to Article 23-10 (5) of the Act, and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
- (xii)-2 the approval for the deadline for the submission of Annual Report, Quarterly Report, or Semiannual Report under the provisions of Article 24 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), Article 24-4-7 (1), and Article 24-5 (1) of the Act;
- (xiii) the approval for omitting submission of Annual Reports under the provision to Article 24 (1) of the Act;
- (xiii)-2 the notice and the hearing related to said notice under the provisions of

- Article 24 (12) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-2 (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (1) and Article 24-5-2 (1) of the Act), Article 24-4-4 (6), and Article 24-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act), and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), Article 24-4-7 (9) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), and Article 24-5 (10) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act);
- (xiv) the approval for not making the documents available for public inspection under Article 25 (4) of the Act (excluding the approval set forth in item (ii) of the preceding paragraph);
- (xiv)-2 the decision not to make available for public inspection all or part of the Public Documents (meaning the Public Documents defined in Article 25 (1) of the Act) under Article 25 (6) of the Act and the notice under Article 25 (7) of the Act;
- (xv) the approval under Article 4-2-4 (3);
- (xvi) the order for submission of reports or materials and the inspection under Article 26 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act and excluding the authority delegated to the Commission pursuant to paragraph (1) of the preceding Article) (excluding the orders related to the case concerning an Administrative Surcharge under the provisions of Article 172 (1) and (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172 (4) of the Act), Article 172 (3) and Article 172-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (4) of the Act), Article 172-2 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-2 (5) of the Act), Article 172-2 (6) of the Act, the paragraphs of Article 172-3 and Article 172-4 (1) and (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-4 (3) of the Act));
- (xvii) the approval for omitting an audit certification under the proviso to Article 193-2 (1) of the Act and the proviso to paragraph (2) of that Article;
- (xviii) the authority under Article 193-2 (6) of the Act (excluding the authority delegated by the Commission pursuant to paragraph (1) of the preceding Article and the authority to accept documents specified by a Cabinet Office Ordinance as prescribed in item (i)); and
- (xix) the decision of the period wherein the Registration Statements, Annual Reports (including the amendment reports thereof), or Internal Control

Reports (including the amendment reports thereof) will not be accepted, the decision to the effect that they will not be accepted and the hearing pertaining to such dispositions under Article 193-2 (7) of the Act, and the notice and publication to the effect that said decisions have been made pursuant to paragraph (8) of that Article.

- (3) Within the scope of the Commissioner's Authority, the authority listed in the following items is delegated to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau to whom the Subsidiary Company Submitting Annual Reports submits its Annual Report,:
- (i) the acceptance of a Parent Company, etc. Status Report and the documents attached thereto under Article 24-7 (1) and (2) of the Act (including the cases where they are applied mutatis mutandis pursuant to Article 24-7 (6) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act);
  - (ii) the acceptance of the documents related to the amendment of the documents prescribed in the preceding item pursuant to the provisions of Article 7, Article 9 (1), and Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-7 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) which are submitted to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau (such documents are referred to as the "Amendment Reports" in the following item);
  - (iii) the order for submission of Amendment Reports and the hearing related to said order under the provisions of Article 9 (1) and Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 24-7 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 24-7 (6) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act); and
  - (iv) the approval for the deadline for submitting the Parent Company, etc. Status Report under the proviso to Article 4-5.
- (4) Within the scope of the Commissioner's Authority, the authority to accept documents related to the amendment of the documents prescribed in Article 2 (i) of this Order pursuant to the provisions of Article 7 of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-2 (1) and Article 24-4-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (2) and Article 24-5-2 (2) of the Act), Article 24-4-5 (1), Article 24-4-7 (4), and Article 24-5 (5) of the Act (including the cases where these provisions are applied

mutatis mutandis pursuant to Article 27 of the Act), and Article 24-6 (2) of the Act), Article 9 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-2 (1) and Article 24-4-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (2) and Article 24-5-2 (2) of the Act), Article 24-4-5 (1), Article 24-4-7 (4), and Article 24-5 (5) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), and Article 24-6 (2) of the Act), Article 10 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-2 (1) and Article 24-4-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 24-4-8 (2) and Article 24-5-2 (2) of the Act), Article 24-4-5 (1), Article 24-4-7 (4) and Article 24-5 (5) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act), and Article 24-6 (2) of the Act), Article 23-4 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), Article 23-9 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act), and Article 23-10 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 23-10 (5) of the Act and the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) which are submitted to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau, is delegated to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau.

- (5) Within the scope of the Commissioner's Authority, those authorities listed in the following items are delegated to the Director-General of the Kanto Finance Bureau:
- (i) the acceptance of the written notice under Article 4 (6) of the Act (limited to those specified by a Cabinet Office Ordinance);
  - (ii) the approval for the deadline for the submission of Annual Reports under the proviso to Article 3-4;
  - (iii) the approval for the deadline for the submission of Foreign Company Reports under the proviso to Article 4-2-2; and
  - (iv) the designation of the issuer under Article 5.
- (6) Within the scope of the authority set forth in the preceding paragraphs, the authority in cases where an urgent necessity is found for the public interest or protection of investors or the authority in cases where it is found to contribute especially to the expeditious and appropriate disclosure of corporate affairs and other related matters may be exercised by the Commissioner of the Financial Services Agency, in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau

prescribed in said paragraphs.

(Delegation of Authority Related to Disclosure of a Tender Offer to the Director-General of a Local Finance Bureau, etc.)

Article 40 (1) Within the scope of the Commissioner's Authority, the authority listed in the following items is delegated to the Director-General of the Kanto Finance Bureau:

- (i) the acceptance of the Tender Offer Statement under Article 27-3 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act), the notice made under Article 27-5 (ii) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 27-22-2 (5) and Article 27-22-3 (5) of the Act), the Target Company's Position Statement under Article 27-10 (1) of the Act, the Tender Offeror's Answer under Article 27-10 (11) of the Act, the Written Notice of the Withdrawal of a Tender Offer under Article 27-11 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act), the Tender Offer Report under Article 27-13 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act), and documents related to the amendment of the above-mentioned documents under Article 27-8 (1) to (4) inclusive of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 27-10 (8) and (12), Article 27-13 (3), and Article 27-22-2 (2) and (7) of the Act);
- (ii) the order for public notice or public announcement of the amendments for the Public Notice of the Commencement of the Tender Offer under Article 27-7 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to the provisions of Article 27-8 (12) and Article 27-22-2 (2) and (6) of the Act) and for the Public Notice of a Request for a Period Extension under Article 27-10 (6) of the Act, the setting of a deadline and order for submission of amendments under Article 27-8 (3) and (4) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to the provisions of Article 27-10 (8) and (12), Article 27-13 (3), and Article 27-22-2 (2) and (7) of the Act), the hearing related to the disposition under Article 27-8 (4) of the Act, the decision not to make available for public inspection all or part of the Public Documents (meaning Public Documents defined in Article 27-14 (2) of the Act) under Article 27-14 (5) of the Act, and the notice under Article 27-14 (6) of the Act;
- (iii) the order for submission of reports or materials and the inspection under Article 27-22 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) and Article 27-22 (2) of the Act (excluding the order related to the case concerning an administrative

- surcharge under the provisions of Article 172-5 and Article 172-6 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 172-6 (2) of the Act)) (excluding those delegated to the Commission under Article 38-2 (1) of this Order); and
- (iv) the approval under Article 4-2-4 (3) as applied mutatis mutandis pursuant to the provisions of Article 9-3 (5) and Article 14-3-4 (5).
- (Delegation of Authority Related to Disclosure of Status of Large Volume Holding of Share Certificates to the Director-General of a Local Finance Bureau, etc.)
- (2) Within the scope of the authority set forth in the preceding paragraph, the authority in cases where an urgent necessity is found for the public interest or protection of investors or the authority in cases where it is found to contribute especially to the appropriate implementation of tender offer may be exercised by the Commissioner of the Financial Services Agency, in addition to the Director-General of the Kanto Finance Bureau.

Article 41 (1) Within the scope of the Commissioner's Authority, with regard to the authority listed in the following items, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases where said Resident is an individual, his/her domicile or residence; the same applies hereinafter) (in cases when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau:

- (i) the acceptance of the Statements of Large-Volume Holdings under the provisions of Article 27-23 (1) and Article 27-26 (1) and (4) of the Act, the Statement of Changes under the provisions of Article 27-25 (1) and (3) and Article 27-26 (2) and (5) of the Act, and the notification under Article 27-26 (3) of the Act;
- (ii) the order for submission of amendments and the hearing related to said order under the provisions of Article 9 (1) and Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 27-29 of the Act, the decision not to make available for public inspection all or part of the Public Documents (meaning the Public Documents defined in Article 27-28 (2) of the Act), and the notice under Article 27-28 (5) of the Act; and
- (iii) the order for submission of reports and materials (excluding the order related to a case concerning an administrative surcharge under the provisions of Article 172-7 and Article 172-8 of the Act), and the inspection under Article 27-30 of the Act (excluding those delegated to the Commission



- pursuant to Article 38-2 (1) of this Order).
- (2) Within the scope of the Commissioner's Authority, the acceptance of the documents related to the amendment of documents set forth in item (i) of the preceding paragraph under the provisions of Article 27-25 (4) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-26 (6)) and the provisions of Article 9 (1) and Article 10 (1) of the Act as applied mutatis mutandis pursuant to Article 27-29 (1) of the Act which are submitted to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau, is delegated to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau.
  - (3) The Commissioner's Authority which is listed in item (iii) of paragraph (1) and which is related to a Resident may be exercised by the Director-General of the Kanto Finance Bureau in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau referred to in paragraph (1),.
  - (4) Within the scope of the authority set forth in the preceding three paragraphs, the authority in cases where an urgent necessity is found for the public interest or protection of investors or the authority in cases where it is found to contribute especially to the appropriate disclosure of status of large volume holding may be exercised by the Commissioner of the Financial Services Agency, in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau prescribed in said paragraphs.

(Delegation of Authority for Special Provisions, etc. for Procedures by Use of an Electronic Data Processing System for Disclosure to the Director-General of a Local Finance Bureau, etc.)

Article 41-2 (1) Within the scope of the Commissioner's Authority, with regard to the Authority of Approval, etc. related to the documents set forth in Article 39 (1)(i) (meaning the authority of approval under Article 27-30-4 (1) and (2) of the Act, the authority of approval under Article 27-30-5 of the Act, the authority to accept the notification under Article 14-10 (2) and the authority to accept the documents under Article 14-11 (1); hereinafter the same applies in this Article), such authority concerning Domestic Companies is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Domestic Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning persons other than a Domestic Company is delegated to the Director-General of the Kanto Finance

Bureau.

- (2) Within the scope of the Commissioner's Authority, with regard to the Authority of Approval, etc. for the documents set forth in Article 39 (2)(i) (excluding the authority of approval under Article 27-30-4 (2) of the Act), such authority concerning a Domestic Company whose amount of stated capital, total amount of funds, or total amount of investment is less than five billion yen, or a Domestic Company for which any of the Securities issued thereby are not listed on a Financial Instruments Exchange (excluding the Domestic Company specified by a Cabinet Office Ordinance) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Domestic Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning any other persons is delegated to the Director-General of the Kanto Finance Bureau.
- (3) Within the scope of the Commissioner's Authority, the Authority of Approval, etc. for the documents under Article 39 (3) (excluding the authority of approval under Article 27-30-4 (2) of the Act) is delegated to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau to whom a Subsidiary Company Submitting Annual Reports submits its Annual Report;
- (4) Within the scope of the Commissioner's Authority, the Authority of Approval, etc. (excluding the authority of approval under Article 27-30-4 (2) of the Act) for documents related to the amendment of documents which have been submitted to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in Article 39 (4) is delegated to Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau
- (5) Within the scope of the Commissioner's Authority, the Authority of Approval, etc. related to the written notice under Article 39 (5)(i) and the documents set forth in Article 40 (1)(i) is delegated to the Director-General of the Kanto Finance Bureau.
- (6) Within the scope of the Commissioner's Authority, with regard to the Authority of Approval, etc. related to the documents under paragraph (1)(i) of the preceding Article (excluding the authority of approval under the provisions of Article 27-30-4 (1) and Article 27-30-5 of the Act), such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning

Non-Residents is delegated to the Director-General of the Kanto Finance Bureau.

(7) Within the scope of the Commissioner's Authority, the Authority of Approval, etc. for documents related to the amendment of documents submitted to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau as prescribed in paragraph (2) of the preceding Article (excluding the authority of approval under the provisions of Article 27-30-4 (1) and Article 27-30-5 of the Act) is delegated to said Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau.

(8) Within the scope of the Commissioner's Authority, with regard to the authority for public inspection and notice under Article 27-30-7 (5) and (6) of the Act, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau.

(Delegation of Authority Related to a Financial Services Provider, etc. to a Director-General of a Local Finance Bureau, etc.)

Article 42 (1) Within the scope of the Commissioner's Authority, the authorities listed in the following items (excluding the authority concerning a Registered Financial Institution) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the head office or any other principal business office or office of the applicant, Financial Services Provider, or Notifier of Specially Permitted Services (meaning a Notifier of Specially Permitted Services as defined in Article 63 (3) of the Act; the same applies hereinafter) (in cases of a foreign juridical person or an individual domiciled in a foreign state, the principal business office or office in Japan; hereinafter such offices are collectively referred to as the "Head Office, etc.") (with regard to the authority set forth in item (vi), the location of the business office or office where the Problematic Conduct related to the confirmation referred to in item (vi) has taken place) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau and in cases where said applicant, Financial Services Provider, or Notifier of Specially Permitted Services has no business office or office in Japan, to the Director-General of the Kanto Finance Bureau):

(i) the acceptance of the written application for registration under Article 29-2

- (1) of the Act;
  - (ii) the registration under Article 29-3 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) of the Act) and Article 31 (2) of the Act;
  - (iii) the public inspection of the Financial Services Providers register under Article 29-3 (2) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 31 (5) of the Act);
  - (iv) the refusal of registration under Article 29-4 (1) of the Act;
  - (v) the supplementary note of authorization under Article 30 (2) of the Act;
  - (vi) the confirmation under the proviso to Article 39 (3) of the Act and the acceptance of the written application under paragraph (5) of that Article;
  - (vii) the deletion of registration under Article 55 (1) of the Act and the deletion of the supplementary note of authorization under paragraph (2) of that Article;
  - (viii) the hearing under Article 57 (1) of the Act (limited to those pertaining to the refusal of registration under Article 29 of the Act);
  - (ix) the notice under Article 57 (3) of the Act (limited to those pertaining to the registration under Article 29 of the Act);
  - (x) the supplementary note of Special Financial Services Provider under Article 57-2 (7) of the Act;
  - (xi) the deletion of registration under Article 57-8 (1) of the Act and the deletion of the supplementary note of Special Financial Services Provider under paragraph (2) of that Article;
  - (xii) the acceptance of the notification under Article 63 (2) of the Act; and
  - (xiii) the disposition under Article 187 of the Act (limited to those pertaining to the hearing set forth in item (viii)).
- (2) Within the scope of the Commissioner's Authority, the authorities listed in the following items (excluding to the authority concerning a Registered Financial Institution, Special Financial Services Provider and the Financial Services Provider, an Authorized Operator for On-Exchange Transactions, and a Notifier of Specially Permitted Services designated by the Commissioner of the Financial Services Agency) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location or address of the Head Office, etc. of a Financial Services Provider or Notifier of Specially Permitted Services or the representative person of an Authorized Operator for On-Exchange Transactions in Japan (in cases where said location or address is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau and in cases where said applicant, Financial Services Provider or Notifier of Specially Permitted Services has no business office or office in Japan, to the Director-General of the Kanto Finance Bureau); provided, however, that the foregoing

sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority set forth in item (xii) by himself/herself:

- (i) the authorization under the provisions of Article 30 (1) and Article 31 (6) of the Act;
- (ii) the attachment of conditions for authorization under Article 30-2 (1) of the Act;
- (iii) the acceptance of the written application for authorization under Article 30-3 (1) of the Act;
- (iv) the acceptance of the notification under the provisions of Article 31 (1) and (3), Article 31-2 (3), (5), and (8), Article 31-4 (1) and (2), Article 35 (3) and (6), Article 37-3 (3), Article 42-7 (3), Article 46-6 (1), Article 50 (1), Article 50-2 (1) and (7), Article 60-5, Article 60-7, Article 63 (3) and (6) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 63-3 (2) of the Act), Article 63-2 (2) and (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 63-3 (2) of the Act), and Article 63-2 (4), and Article 63-3 (1) of the Act;
- (v) the acceptance of the written application for registration of change under Article 31 (4) of the Act;
- (vi) the refusal of the registration of change under Article 29-4 (1) of the Act as applied mutatis mutandis pursuant to Article 31 (5) of the Act;
- (vii) the order under the provisions of Article 31-2 (4) and Article 46-3 (3) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 60-6 of the Act), Article 56-3, Article 56-4 (2), and Article 63 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 63-3 (2) of the Act);
- (viii) the approval under the provisions of Article 35 (4), the proviso to Article 44-3 (1), Article 49-4 (2), and Article 56-4 (3) and (4) of the Act;
- (ix) the acceptance of documents and reports under the provisions of Article 46-3 (1) and (2) of the Act (including the cases where these provisions are applied mutatis mutandis pursuant to Article 60-6 of the Act), Article 47-2 and Article 49-3 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 60-6 of the Act);
- (x) the disposition under the provisions of Article 51, Article 52 (1), (2) and (4), Article 53, Article 54, and Article 60-8 (1) of the Act (excluding the part related to the rescission of the permission under Article 60 (1) of the Act) and Article 60-8 (2) of the Act;
- (xi) the public notice under the provisions of Article 54-2 and Article 60-8 (3) of the Act (excluding the part related to the rescission of the permission under Article 60 (1) of the Act);
- (xii) the order for submission of reports and materials and the inspection under the provisions of Article 56-2 (1) of the Act (including the cases where it is

- applied mutatis mutandis pursuant to Article 65-3 (3) of the Act), Article 56-2 (3) and (4) and Article 60-11 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 60-12 (3) of the Act), and Article 63 (7) and (8) of the Act (excluding the authority delegated to the Commission pursuant to the provisions of Article 194-7 (2)(i) and (ii) of the Act and Article 38-2 (2) of this Order);
- (xiii) the hearing under Article 57 (1) of the Act (excluding those related to the refusal of registration under Article 29 of the Act);
- (xiv) the hearing under the provisions of Article 57 (2) and Article 60-8 (5) of the Act (excluding those related to the rescission of permission under Article 60 (1) of the Act);
- (xv) the notice under the provisions of Article 57 (3) (excluding those related to the registration under Article 29 of the Act) and Article 60-8 (4) of the Act (excluding those related to the rescission of permission under Article 60 (1) of the Act);
- (xvi) the appointment of the Acting Representative under the provisions of Article 60-4 (1) and Article 65 (1) of the Act;
- (xvii) the order of payment under the provisions of Article 60-4 (2) and Article 65 (2) of the Act;
- (xviii) the acceptance of the request under Article 65-3 (1) of the Act;
- (xix) the statement of opinions under Article 65-3 (2) of the Act;
- (xx) among the dispositions under Article 187 of the Act, those related to the hearing under item (xiii) or the hearing under item (xiv);
- (xxi) the notice under Article 194-6 (2) and (3) of the Act;
- (xxii) the approval under the provisions of Article 15-13 (iii), Article 15-15, the proviso to Article 16-17, the proviso to Article 16-18, the proviso to Article 16-19, the proviso to Article 17-10 (1), and the proviso to Article 17-10 (3);
- (xxiii) the acceptance of the petition, public notice, notice, investigation, granting of opportunity to state opinions, preparation of a distribution list, and conversion under Article 15-14;
- (xxiv) the consultation under Article 37 (6); and
- (xxv) the notice under Article 37 (7).
- (3) The authority set forth in item (xii) of the preceding paragraph which is related to the branch office or any other business office, office, or facilities of a Financial Services Provider or Notifier of Specially Permitted Services which are other than the Head Office, etc. thereof, the office or other facilities of an Authorized Operator for On-Exchange Transactions (excluding those which are located at the address of the representative person in Japan), a person who conducts transactions with said Financial Services Provider, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services, the Subsidiary Specified Juridical Person defined in Article 56-2 (1)

of the Act, the Holding Company prescribed in Article 56-2 (1) of the Act which has said Financial Services Provider as its Subsidiary Company (meaning a Subsidiary Company as prescribed in Article 29-4 (3) of the Act; the same applies in Article 43 (3) and Article 44 (7) and (8)), a person who has been entrusted with business by said Financial Services Provider, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services, the Parent Financial Institution, etc. or Subsidiary Financial Institution, etc. prescribed in Article 56-2 (3) of the Act of said Financial Services Provider (limited to Specified Financial Services Provider, etc. set forth in Article 56-2 (3) of the Act), or the Parent Bank, etc. or Subsidiary Bank, etc. set forth in Article 56-2 (4) of the Act of said Financial Services Provider (hereinafter collectively referred to as the "Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. (in cases where said person who conducts the transaction or the person entrusted with the business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (4) The authority referred to in item (xii) of paragraph (2) concerning a Special Financial Services Provider or the Financial Services Provider, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services designated by the Commissioner of the Financial Services Agency as prescribed in paragraph (2) (hereinafter referred to as "Special Financial Services Provider, etc." in this paragraph and the following paragraph) which is related to the Branch Office, etc. of said Special Financial Services Provider, etc. and, within the Commissioner's Authority, the authority under the provision of Article 57-10 (1) of the Act (excluding those delegated to the Commission pursuant to Article 38-2 (2)) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. (including Subsidiary Company, etc. (meaning Subsidiary Company, etc. prescribed in Article 57-10 (2) of the Act; the same applies in Article 43-2 (1) and Article 44 (5) and (20)) of a Special Financial Services Provider; the same applies in the following paragraph) (in cases where a person who conducts transactions with said Special Financial Services Provider, etc., or the person who has been entrusted with business by said Special Financial Services Provider, etc. is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local

Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau); provided, however that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (5) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has given the order for submission of reports or materials to, or conducted the inspection of the Branch Office, etc. pursuant to the provisions of the preceding two paragraphs (hereinafter collectively referred to as the "Inspection, etc." in this Article to Article 44 inclusive) finds the necessity for an Inspection, etc. of the Head Office, etc. or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Special Financial Services Provider, etc. (in cases of an Authorized Operator for On-Exchange Transactions, the representative person in Japan; hereinafter the same applies in this paragraph and Article 44 (3) and (4)), he/she may conduct the Inspection, etc. of such Head Office, etc. or such Branch Office, etc. other than the aforementioned Branch Office, etc.
- (6) When the Commissioner of the Financial Services Agency has made the designation under paragraph (2), he/she shall give public notice to that effect. The same applies when he/she has canceled such designation.
- (7) Within the scope of the Commissioner's Authority, the authority listed in the following items (limited to the authority concerning a Financial Services Provider and with regard to the authority listed in item (i) to item (ix) inclusive, in the case where the Association (meaning the Association prescribed in Article 64-7 (1) of the Act; the same applies in Article 43 to Article 43-3 inclusive and Article 44) is made to conduct Registration Work under Article 64-7 (1) and (2) of the Act, the authority concerning such work is excluded) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Financial Services Provider to which a Sales Representative belongs (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):
- (i) the acceptance of the written application for registration under Article 64 (3) of the Act;
  - (ii) the registration under Article 64 (5) of the Act;
  - (iii) the notice under the provisions of Article 64 (6), Article 64-2 (3), and Article 64-5 (3) of the Act;
  - (iv) the refusal of registration under Article 64-2 (1) of the Act;
  - (v) the hearing under Article 64-2 (2) of the Act;
  - (vi) the acceptance of notification under Article 64-4 of the Act;
  - (vii) the rescission of registration or the order for suspension of business under



- Article 64-5 (1) of the Act;
- (viii) the hearing under Article 64-5 (2) of the Act;
- (ix) the deletion of registration under Article 64-6 of the Act; and
- (x) among the dispositions under Article 187 of the Act, those related to the hearing under item (v) or the hearing under item (viii).

(Delegation of Authority Concerning a Major Shareholder of a Financial Services Provider, etc. to the Director-General of a Local Finance Bureau)

Article 42-2 (1) Within the scope of the Commissioner's Authority, with regard to the authority listed in the following items, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of head office or principal office of the relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority set forth in item (iii) by himself/herself:

- (i) the acceptance of the Notification of Holding Subject Voting Rights under Article 32 (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 32-4 and Article 57-26 (1) of the Act);
  - (ii) the acceptance of the notification under Article 32 (3), Article 32-3 (1) (including the cases where it is applied *mutatis mutandis* pursuant to Article 32-4 and Article 57-26 (1) of the Act) and Article 32-3 (2) of the Act; and
  - (iii) the order for submission of reports and materials and the inspection under Article 56-2 (2) and Article 57-26 (2) of the Act (excluding those delegated to the Commission pursuant to the provision of Article 38-2 (2) of this Order).
- (2) Within the scope of the Commissioner's Authority, the authority of the order under Article 32-2 (1) of the Act (including the cases where it is applied *mutatis mutandis* pursuant to Article 32-4 of the Act) and Article 32-2 (2) and (3) of the Act (excluding the authority concerning a Special Financial Services Provider and Financial Services Provider designated by the Commissioner of the Financial Services Agency) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Financial Services Provider, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).
- (3) The authority set forth in item (iii) of paragraph (1) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Financial Services Provider (in cases

where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1),

- (4) The authority set forth in item (iii) of paragraph (1) which is related to the business office or office of a Financial Services Provider who is a Resident or of a Major Shareholder (meaning Major Shareholder prescribed in Article 29-4 (2) of the Act) of the Holding Company prescribed in Article 56-2 (1) of the Act or Designated Parent Company (meaning Designated Parent Company prescribed in Article 57-12 (3) of the Act; the same applies hereinafter), which are other than the head office or principal office thereof (hereinafter such offices are collectively referred to as the "Secondary Office, etc." in this paragraph) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Secondary Office, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau), in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1).

(Delegation of Authority Concerning Financial Institutions to a Director-General of a Local Finance Bureau, etc.)

Article 43 (1) Within the scope of the Commissioner's Authority, the authorities listed in the following items (limited to the authority concerning a Registered Financial Institution) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Bank, a Cooperative Financial Institution, and the Financial Institutions listed in the items of Article 1-9 (in cases of the authority set forth in item (vi), the location of the business office or office where the Problematic Conduct related to the confirmation set forth in item (vi) has taken place) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):

- (i) the acceptance of the written application for registration under Article 33-3 (1) of the Act;
- (ii) the registration in a registry of Financial Institutions under the provisions of Article 33-4 (1) and Article 33-6 (2) of the Act;
- (iii) the public inspection of the registry of Financial Institutions under Article 33-4 (2) of the Act;

- (iv) the refusal of registration under Article 33-5 (1) of the Act;
  - (v) the attachment of conditions for registration under Article 33-5 (2) of the Act;
  - (vi) the confirmation under the proviso to Article 39 (3) of the Act and the acceptance of the written application under paragraph (5) of that Article;
  - (vii) the deletion of registration under Article 55 (1) of the Act;
  - (viii) the hearing under Article 57 (1) of the Act;
  - (ix) the notice under Article 57 (3) of the Act (limited to those related to the registration under Article 33-2 of the Act); and
  - (x) among the dispositions under Article 187 of the Act, those related to the hearing set forth in item (viii).
- (2) Within the scope of the Commissioner's Authority, the authorities listed in the following items (limited to the authority concerning a Registered Financial Institution and excluding that concerning a Registered Financial Institution designated by the Commissioner of the Financial Services Agency) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Registered Financial Institution (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority set forth in item (vi) by himself/herself.
- (i) the acceptance of notification under the provisions of Article 33-6 (1) and (3), Article 37-3 (3), Article 42-7 (3), Article 50 (1), Article 50-2 (1) and (7), Article 63-3 (1), and the provisions of Article 63 (6) and Article 63-2 (3) of the Act as applied mutatis mutandis pursuant to Article 63-3 (2) of the Act;
  - (ii) the acceptance of the documents and reports under Article 48-2 (1) and (2) of the Act;
  - (iii) the order under the provisions of Article 48-2 (3) and Article 56-4 (2) of the Act and Article 63 (5) of the Act as applied mutatis mutandis pursuant to Article 63-3 (2) of the Act;
  - (iv) the disposition under Article 51-2, Article 52-2 (1) to (3) inclusive, and Article 54 of the Act;
  - (v) the public notice under Article 54-2 of the Act (excluding item (ii));
  - (vi) the order for submission of reports and materials and the inspection under Article 56-2 (1) and (3) of the Act (excluding those delegated to the Commission pursuant to the provisions of Article 194-7 (2)(i) of the Act and Article 38-2 (2) of this Order);
  - (vii) the approval under Article 56-4 (3) and (4) of the Act;
  - (viii) the hearing under Article 57 (2) of the Act;
  - (ix) the notice under Article 57 (3) of the Act (excluding those related to the

- registration under Article 33-2 of the Act);
- (x) the appointment of an Acting Representative under Article 65 (1) of the Act;
  - (xi) the order of payment under Article 65 (2) of the Act;
  - (xii) among the dispositions under Article 187 of the Act, those related to the hearing under item (viii);
  - (xiii) the notice under Article 194-6 (2) of the Act;
  - (xiv) the approval under the proviso to Article 16-18;
  - (xv) the consultation under Article 37 (6); and
  - (xvi) the notice under Article 37 (7).
- (3) The authority set forth in item (vi) of the preceding paragraph related to the branch office or other business office or office of a Registered Financial Institution which is other than the Head Office, etc. thereof, a person who conducts transaction with said Registered Financial Institution, a person who has been entrusted with business by the Holding Company prescribed in Article 56-2 (1) of the Act who has said Registered Financial Institution as its Subsidiary Company or by said Registered Financial Institution or the Parent Financial Institution, etc. or Subsidiary Financial Institution, etc. prescribed in Article 56-2 (3) of the Act of said Registered Financial Institution (limited to Specified Financial Services Provider, etc. set forth in Article 56-2 (3) of the Act) (hereinafter collectively referred to as the "Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the relevant Branch Office, etc. (in cases where said person who conducts transaction or the person entrusted with business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.
- (4) The authority referred to in item (vi) of paragraph (2) pertaining to a Registered Financial Institution designated by the Commissioner of the Financial Services Agency as prescribed in paragraph (2) which is related to the Branch Office, etc. of said Registered Financial Institution, is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. (in cases where a person who conducts transactions with said Registered Financial Institution or a person who has been entrusted with business by said Registered Financial Institution is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases

where said location is outside Japan, the Director-General of the Kanto Finance Bureau); provided, however that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (5) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the provisions of the preceding two paragraphs finds the necessity for an Inspection, etc. of the Head Office, etc. or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Registered Financial Institution, he/she may conduct the Inspection, etc. of such Head Office, etc. or such Branch Office, etc. other than the aforementioned Branch Office, etc. of said Registered Financial Institution.
- (6) When the Commissioner of the Financial Services Agency has made the designation under paragraph (2), he/she shall give a public notice to that effect. The same applies when he/she has canceled such designation.
- (7) Within the scope of the Commissioner's Authority, the authorities listed in the following items (limited to the authority concerning a Registered Financial Institution and with regard to the authority listed in item (i) to item (ix) inclusive, in the case where the Association is made to conduct Registration Work under Article 64-7 (1) and (2) of the Act, the authority related to such work is excluded) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Registered Financial Institution to which a Sales Representative belongs (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):
  - (i) the acceptance of the written application for registration under Article 64 (3) of the Act;
  - (ii) the registration under Article 64 (5) of the Act;
  - (iii) the notice under the provisions of Article 64 (6), Article 64-2 (3) and Article 64-5 (3) of the Act;
  - (iv) the refusal of registration under Article 64-2 (1) of the Act;
  - (v) the hearing under Article 64-2 (2) of the Act;
  - (vi) the acceptance of notification under Article 64-4 of the Act;
  - (vii) the rescission of registration or the order for suspension of business under Article 64-5 (1) of the Act;
  - (viii) the hearing under Article 64-5 (2) of the Act;
  - (ix) the deletion of registration under Article 64-6 of the Act; and
  - (x) among the dispositions under Article 187 of the Act, those related to the hearing under item (v) or the hearing under item (viii).

(Delegation of Authority Concerning a Designated Parent Company to the Director-General of a Local Finance Bureau, etc.)

- Article 43-2-1 (1) Within the Commissioner's Authority, the authority under the provision of Article 57-23 of the Act (excluding those delegated to the Commission pursuant to Article 38-2 (2)) which is related to the branch office or business office or office of a Designated Parent Company other than the head office or principal office thereof, a person who conducts transactions with said Designated Parent Company or a person who has been entrusted with business by Subsidiary Company, etc. of said Designated Parent Company or by said Designated Parent Company (hereinafter collectively referred to as the "Branch Office, etc." in this Article) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. (in cases where the person who conducts said transactions or the person who has been entrusted with said business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau); provided, however that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.
- (2) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the preceding paragraph finds the necessity for an Inspection, etc. of the head office or principal office or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Designated Parent Company, he/she may conduct the Inspection, etc. of such head office or principal office or of such Branch Office, etc. other than the aforementioned Branch Office, etc.

(Delegation of Authority Concerning a Financial Instruments Intermediary to the Director-General of a Local Finance Bureau)

- Article 43-2-2 (1) Within the scope of the Commissioner's Authority, the authorities listed in the following items are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the Head Office, etc. of the applicant or a Financial Instruments Intermediary (with regard to the authority set forth in item (vi), the location of the business office or office where the Problematic Conduct related to the confirmation referred to in item (vi) has taken place) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said applicant, Financial Instruments Intermediary, or Notifier of Specially

- Permitted Services has no business office or office in Japan, to the Director-General of the Kanto Finance Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority set forth in item (x) by himself/herself:
- (i) the acceptance of the written application for registration under Article 66-2 (1) of the Act;
  - (ii) the registration under the provisions of Article 66-3 (1) and Article 66-5 (2) of the Act;
  - (iii) the public inspection of the Financial Instruments Intermediaries register under Article 66-3 (2) of the Act;
  - (iv) the refusal of registration under Article 66-4 of the Act;
  - (v) the acceptance of the notification under the provisions of Article 66-5 (1) and (3) and Article 66-19 (1) of the Act;
  - (vi) the confirmation under the proviso to Article 39 (3) of the Act as applied mutatis mutandis pursuant to Article 66-15 of the Act, and the acceptance of the written application under Article 39 (5) of the Act;
  - (vii) the acceptance of documents under Article 66-17 (1) of the Act;
  - (viii) the disposition under Article 66-20 of the Act;
  - (ix) the deletion of registration under Article 66-21 of the Act;
  - (x) the order for submission of reports and materials, and the inspection under Article 66-22 of the Act (excluding those delegated to the Commission pursuant to the provisions of Article 194-7 (2)(iii) of the Act and Article 38-2 (2) of this Order);
  - (xi) the hearing under Article 57 (1) of the Act as applied mutatis mutandis pursuant to Article 66-23 of the Act;
  - (xii) the hearing under Article 57 (2) of the Act as applied mutatis mutandis pursuant to Article 66-23 of the Act;
  - (xiii) the notice under Article 57 (3) of the Act as applied mutatis mutandis pursuant to Article 66-23 of the Act; and
  - (xiv) the disposition under Article 187 of the Act (limited to those related to the hearing referred to in item (xi) and the hearing referred to in item (xii).
- (2) The authority set forth in item (x) of the preceding paragraph which is related to the branch office, other business office or, office of a Financial Instruments Intermediary which is other than the Head Office, etc. thereof, or a person who conducts transactions with said Financial Instruments Intermediary (hereinafter collectively referred to as the "Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. (in cases where said person who conducts the transactions is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the

Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau), in addition to the Director-General of a Local Finance Bureau and Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the provisions of the preceding paragraph finds the necessity for an Inspection, etc. of the Head Office, etc. or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Financial Instruments Intermediary, he/she may conduct the Inspection, etc. of such Head Office, etc. or such Branch Office, etc. other than the aforementioned Branch Office, etc. of said Financial Instruments Intermediary.
- (4) Within the scope of the Commissioner's Authority, the authorities listed in the following items (with regard to the authority listed in item (i) to item (ix) inclusive, in the case where the Association is made to conduct Registration Work under Article 64-7 (1) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act, the authority related to such work is excluded) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Financial Instruments Intermediary to which a Sales Representative belongs (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):
- (i) the acceptance of the written application for registration under Article 64 (3) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (ii) the registration under Article 64 (5) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (iii) the notice under the provisions of Article 64 (6), Article 64-2 (3), and Article 64-5 (3) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (iv) the refusal of registration under Article 64-2 (1) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (v) the hearing under Article 64-2 (2) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (vi) the acceptance of notification under Article 64-4 of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
  - (vii) the rescission of registration or the order for suspension of business under Article 64-5 (1) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;



- (viii) the hearing under Article 64-5 (2) of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act;
- (ix) the deletion of registration under Article 64-6 of the Act as applied mutatis mutandis pursuant to Article 66-25 of the Act; and
- (x) among the dispositions under Article 187 of the Act, those related to the hearing under item (v) or the hearing under item (viii).

(Delegation of Authority Concerning Associations to the Director-General of a Local Finance Bureau, etc.)

Article 43-3 (1) Within the scope of the Commissioner's Authority, the authorities listed in the following items are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location specified in the respective items (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau):

- (i) the acceptance of notification under Article 64-7 (5) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 66-25 of the Act): the location of the Head Office, etc. of a Financial Services Provider, Registered Financial Institution, or Financial Instruments Intermediary to which the Sales Representative related to said notification belongs;
  - (ii) the order under Article 64-7 (7) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 66-25 of the Act): the location of the Head Office, etc. of a Financial Services Provider, Registered Financial Institution, or Financial Instruments Intermediary to which a Sales Representative who falls under any of the items of Article 64-5 (1) of the Act belongs;
  - (iii) the hearing under Article 64-7 (8) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 66-25 of the Act): the location of the Head Office, etc. of a Financial Services Provider, Registered Financial Institution, or Financial Instruments Intermediary to which a Sales Representative who falls under any of the items of Article 64-5 (1) of the Act belongs; and
  - (iv) among the dispositions under Article 187 of the Act, those related to the hearing referred to in the preceding item: the location of the Head Office, etc. of a Financial Services Provider, Registered Financial Institution, or Financial Instruments Intermediary to which a Sales Representative who falls under Article 64-5 (1)(i) or (ii) of the Act belongs.
- (2) Within the scope of the Commissioner's Authority, the authority under Article 67-13 of the Act is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the principal office of an Authorized Financial Instruments Business Association (in cases where said location is within the

jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).

- (3) Within the scope of the Commissioner's Authority, the authorities under the provisions of Article 75 and Article 79-4 of the Act (excluding those delegated to the Commission pursuant to the provisions of Article 194-7 (2)(iv) and (v) of the Act and Article 38-2 (2) of this Order) are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the principal office of an Association (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.
- (4) The authority set forth in the preceding paragraph which is related to the office of an Association which is other than the principal office thereof, the person who has been entrusted with business by said Association or the issuer of the Over-the-Counter Traded Securities registered by an Authorized Financial Instruments Business Association or the Securities for which said Authorized Financial Instruments Business Association makes the Designation as Securities Handled (hereinafter collectively referred to as the "Secondary Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Secondary Office, etc. (in cases where the person entrusted with business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.
- (5) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Secondary Office, etc. pursuant to the provisions of the preceding paragraph finds the necessity for an Inspection, etc. of the principal office or of a Secondary Office, etc. other than the aforementioned Secondary Office, etc. of the relevant Association, he/she may conduct the Inspection, etc. of such principal office or such Secondary Office, etc. other than the aforementioned Secondary Office, etc.

(Delegation of Authority Concerning Certified Investor Protection Organizations to the Director-General of a Local Finance Bureau ,etc.)

Article 43-3-2 (1) Within the scope of the Commissioner's Authority, the authority under Article 79-16 of the Act is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the principal office of a Certified Investor Protection Organization (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

(2) The authority set forth in the preceding paragraph which is related to the office of a Certified Investor Protection Organization which is other than the principal office thereof (hereinafter referred to as the "Secondary Office" in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Secondary Office (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

(3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Secondary Office pursuant to the provisions of the preceding paragraph finds the necessity for an Inspection, etc. of the principal office or of a Secondary Office other than the aforementioned Secondary Office of the relevant Certified Investor Protection Organization, he/she may conduct the Inspection, etc. of such principal office or such Secondary Office other than the aforementioned Secondary Office.

(Delegation of Authority Concerning Financial Instruments Exchanges to the Director-General of a Local Finance Bureau, etc.)

Article 43-4 (1) Within the scope of the Commissioner's Authority, the authorities to accept the notification under the provisions of Article 121 and Article 126 (1) of the Act are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of a Financial Instruments Exchange (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).

(2) Within the scope of the Commissioner's Authority, the authority under Article 151 of the Act (excluding those matters delegated to the Commission pursuant

to the provisions of Article 194-7 (2)(vi) of the Act and Article 38-2 (2) of this Order) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the Financial Instruments Exchange (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

(3) The authority set forth in the preceding paragraph which is related to the branch office, other business office, or office of a Financial Instruments Exchange which is other than the head office or principal office thereof, the Subsidiary Company of said Financial Instruments Exchange, the issuer of the Securities which are listed on said Financial Instruments Exchange, or a person entrusted with business by said Financial Instruments Exchange (hereinafter collectively referred to as the "Branch Office, etc." in this paragraph) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Branch Office, etc. (in cases where the person entrusted with the business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

(4) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the preceding paragraph finds the necessity for an Inspection, etc. of the head office or principal office or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Financial Instruments Exchange, he/she may conduct the Inspection, etc. of such head office or principal office or of such Branch Office, etc. other than the aforementioned Branch Office, etc.

(Delegation of Authority Related to the Shareholders of a Stock Company-Operated Financial Instruments Exchange, etc. to the Director-General of a Local Finance Bureau, etc.)

Article 43-5 (1) Within the scope of the Commissioner's Authority, with regard to the authority listed in the following items, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has

jurisdiction over the location of head office or principal office of the relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising the authority set forth in item (ii) by himself/herself:

(i) the acceptance of notification under the provisions of Article 103-3 (1) and Article 106-15 of the Act; and

(ii) the order for submission of reports and materials or the inspection under the provisions of Article 103-4, Article 106-6 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-6 (2) of the Act), Article 106-16 and Article 106-20 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-20 (2) of the Act) of the Act (excluding those delegated to the Commission pursuant to the provisions of Article 38-2 (2) of this Order).

(2) The authority set forth in item (ii) of the preceding paragraph which is related to the business office or office of a Resident which is other than the head office or principal office thereof (hereinafter collectively referred to as the "Secondary Office, etc." in this paragraph) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Secondary Office, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

(Delegation of Authority Related to a Financial Instruments Exchange Holding Company, etc. to the Director-General of a Local Finance Bureau, etc.)

Article 43-6 (1) Within the scope of the Commissioner's Authority, the authority under Article 106-27 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 109 of the Act) (excluding those delegated to the Commission pursuant to the provisions of Article 38-2 (2) of this Order) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the Financial Instruments Exchange Holding Company, etc. (meaning Financial Instruments Exchange Holding Company, Parent Commodity Exchange, etc. (meaning Parent Commodity Exchange, etc. as defined in Article 102-3 (1) of

the Act) or Commodity Exchange (excluding those which are Financial Instruments Exchanges) which has a Financial Instruments Exchange Holding Company as its Subsidiary Company; hereinafter the same applies in this Article and Article 44) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (2) The authority set forth in the preceding paragraph which is related to the branch office or business office or office of a Financial Instruments Exchange Holding Company, etc. which is other than the head office or principal office thereof or the Subsidiary Company of said Financial Instruments Exchange Holding Company, etc. (hereinafter collectively referred to as the "Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Branch Office, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.
- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the preceding paragraph, finds the necessity for an Inspection, etc. of the head office or principal office or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Financial Instruments Exchange Holding Company, etc., he/she may conduct the Inspection, etc. of such head office or principal office or of such Branch Office, etc. other than the aforementioned Branch Office, etc.

(Delegation of Authority Related to Self-Regulation Organizations to the Director-General of a Local Finance Bureau, etc.)

Article 43-6-2 (1) Within the scope of the Commissioner's Authority, the authority under Article 151 of the Act as applied mutatis mutandis pursuant to Article 153-4 of the Act (excluding those matters delegated to the Commission pursuant to the provisions of Article 194-7 (2)(vi) of the Act and Article 38-2 (2) of this Order) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the principal office of the Self-Regulation Organization (meaning the Self-Regulation Organization prescribed in Article 85 of the Act; hereinafter the same applies in this Article and Article 44) (in cases where said location is within the jurisdictional district of the

Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (2) The authority set forth in the preceding paragraph which is related to the office of a Self-Regulation Organization which is other than the principal office thereof or the person entrusted with business by said Self-Regulation Organization (hereinafter collectively referred to as the "Secondary Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Secondary Office, etc. (in cases where the person entrusted with business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.
- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Secondary Office, etc. pursuant to the preceding paragraph, finds the necessity for an Inspection, etc. of the principal office or of a Secondary Office, etc. other than the aforementioned Secondary Office, etc. of the relevant Self-Regulation Organization, he/she may conduct the Inspection, etc. of such principal office or of such Secondary Office, etc. other than the aforementioned Secondary Office, etc.

(Delegation of Authority Concerning Foreign Financial Instruments Exchanges to the Director-General of a Local Finance Bureau, etc.)

Article 43-7 (1) Within the scope of the Commissioner's Authority, the authority under Article 155-9 of the Act (excluding those matters delegated to the Commission pursuant to the provisions of Article 194-7 (2)(vii) of the Act and Article 38-2 (2) of this Order) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the address of the representative person of a Foreign Financial Instruments Exchange (in cases where said address is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (2) The authority set forth in the preceding paragraph which is related to the

office of a Foreign Financial Instruments Exchange in Japan or a person entrusted with business by Participants of Foreign Financial Instruments Exchange or said Foreign Financial Instruments Exchange (hereinafter collectively referred to as the "Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Office, etc. (in cases where the person entrusted with business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Office, etc. pursuant to the preceding paragraph, finds the necessity for an Inspection, etc. of the representative person of the relevant Foreign Financial Instruments Exchange in Japan or of an Office, etc. other than the aforementioned Office, etc. thereof, he/she may conduct the Inspection, etc. of such representative person in Japan or of such Office, etc. other than the aforementioned Office, etc.

(Delegation of Authority Related to Securities Finance Company to the Director-General of a Local Finance Bureau, etc.)

Article 43-8 (1) Within the scope of the Commissioner's Authority, the authority under Article 156-34 of the Act (excluding those delegated to the Commission pursuant to the provision of Article 38-2 (2) of this Order) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of a Securities Finance Company (in cases where said address is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

- (2) The authority set forth in the preceding paragraph which is related to the branch office or a business office or office of a Securities Finance Company which is other than the head office thereof or a person who has been entrusted with business by said Securities Finance Company (hereinafter collectively referred to as the "Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Branch Office, etc. (in cases where the person entrusted with



business is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau), in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. pursuant to the preceding paragraph, finds the necessity for an Inspection, etc. of the head office or of a Branch Office, etc. other than the aforementioned Branch Office, etc. of the relevant Securities Finance Company, he/she may conduct the Inspection, etc. of such head office or of such Branch Office, etc. other than the aforementioned Branch Office, etc.

(Delegation of Authority Related to Stabilizing Transactions to the Director-General of a Local Finance Bureau, etc.)

Article 43-9 Within the scope of the Commissioner's Authority, the authorities listed in the following items are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of head office of the Financial Services Provider who has conducted the Stabilizing Transaction prescribed in Article 20 (1) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, to the Director-General of the Fukuoka Local Finance Branch Bureau):

- (i) the acceptance of a Written Notification of a Stabilizing Transaction under Article 23; and
- (ii) the acceptance of a Stabilizing Transaction Report under Article 25.

(Delegation of Authority Concerning Sales and Purchases of Specified Securities to the Director-General of a Local Finance Bureau, etc.)

Article 43-10 (1) Within the scope of the Commissioner's Authority, with regard to the authority to accept reports under the provisions of Article 163 (1) or Article 165-2 (1) of the Act, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning Non-Resident is delegated to the Director-General of the Kanto Finance Bureau:

- (2) Notwithstanding the provisions of the preceding paragraph, in cases where the reports referred to in that paragraph are submitted via a Financial

Services Provider or a Registered Financial Institution pursuant to the provisions of Article 163 (2) or Article 165-2 (2) of the Act, the authority to accept such reports is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of said Financial Services Provider or Registered Financial Institution (in cases when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau), and in cases where such reports are submitted via an Authorized Operator for On-Exchange Transactions, said authority to accept reports is delegated to the Director-General of the Kanto Finance Bureau.

(3) Within the scope of the Commissioner's Authority, the authority listed in the following items is delegated to the Director-General of the Kanto Finance Bureau:

- (i) sending copies of the Document Related to Profits under Article 164 (4) of the Act or copies of the Documents Related to Partnership Profits under Article 165-2 (9) of the Act; and
- (ii) the acceptance of a petition under the provisions of Article 164 (5) and Article 165-2 (10) of the Act.

(Delegation of Authority Related to the Exercise of Voting Rights by Proxy to the Director-General of a Local Finance Bureau, etc.)

Article 43-11 Within the scope of the Commissioner's Authority, with regard to the authority to accept documents under Article 36-3 (1), such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases when said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau:

(Delegation of Authority Concerning a Financial Services Provider, etc. of a Commission to the Director-General of a Local Finance Bureau)

Article 44 (1) Within the scope of the Commissioner's Authority, the authorities listed in the following items are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location or address of the Head Office, etc., or the representative person in Japan of a Financial Services Provider, Registered Financial Institution, Authorized Operator for On-Exchange Transactions, Notifier of Specially Permitted Services, Financial

Instruments Intermediary, Association, Financial Instruments Exchange, Financial Instruments Exchange Holding Company, etc., Self-Regulation Organization, Foreign Financial Instruments Exchange, or Securities Finance Company (hereinafter collectively referred to as the " Financial Services Provider, etc." in this Article) (in cases where said address is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself:

- (i) the authority set forth in the items of Article 194-7 (2) of the Act (excluding item (viii)) which has been delegated to the Commission pursuant to the provisions of Article 194-7 (2) of the Act; and
  - (ii) the authority under the provisions of Article 56-2 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 65-3 (3) of the Act), Article 56-2 (3) and (4) and Article 60-11 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 60-12 (3) of the Act), Article 63 (7) and (8), Article 66-22, Article 75, Article 79-4, Article 106-27 (including the cases where it is applied mutatis mutandis pursuant to Article 109 of the Act) and Article 151 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 153-4 of the Act), Article 155-9 and Article 156-34 of the Act which has been delegated to the Commission pursuant to the provision of Article 38-2 (2) of this Order.
- (2) The authority of Commission set forth in the items of the preceding paragraph which is related to the Branch Office, etc. of a Financial Services Provider, Branch Office, etc. of a Registered Financial Institution, Secondary Office, etc. of an Authorized Operator for On-Exchange Transactions, Branch Office, etc. of a Notifier of Specially Permitted Services, Branch Office, etc. of a Financial Instruments Intermediary Service Provider, Secondary Office, etc. of an Association, Secondary Office, etc. of a Financial Instruments Exchange, Branch Office, etc. of a Financial Instruments Exchange Holding Company, Secondary Office, etc. of a Self-Regulation Organization, Secondary Office, etc. of a Foreign Financial Instruments Exchange, or Branch Office, etc. of a Securities Finance Company of a Financial Services Provider, etc. (hereinafter collectively referred to as the "Subject Branch Office, etc." in this Article) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of such Subject Branch Office, etc. (in cases where a person who conducts business with said Financial Services Provider, etc. or a person entrusted with business by said Financial Services Provider, etc. is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases

where said location is outside Japan, the Director-General of the Kanto Finance Bureau) in addition to the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (3) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Subject Branch Office, etc. of a Financial Services Provider, etc. pursuant to the provisions of the preceding paragraph, finds the necessity for an Inspection, etc. of the Head Office, etc. or of a Subject Branch Office, etc. other than the aforementioned Subject Branch Office, etc. of the relevant Financial Services Provider, etc., he/she may conduct the Inspection, etc. of such Head Office, etc. or Subject Branch Office, etc. other than the aforementioned Subject Branch Office, etc.
- (4) When the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of a Financial Instruments Exchange (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) finds, with regard to the sales and purchases of Securities or Market Transactions of Derivatives conducted on the Financial Instruments Exchange Market established by said Financial Instruments Exchange for the Financial Instruments, etc. (meaning Financial Instruments, etc. defined in Article 84 (2) of the Act; hereinafter the same applies in this paragraph) listed on such Financial Instruments Exchange, the necessity to order the Financial Services Provider, Registered Financial Institution, or Authorized Operator for On-Exchange Transactions, or the Head Office, etc. of a Financial Instruments Intermediary, Branch Office, etc. of a Financial Services Provider, Branch Office, etc. of a Registered Financial Institution, Secondary Office, etc. of an Authorized Operator for On-Exchange Transactions, Branch Office, etc. of a Financial Instruments Intermediary who conducts sales and purchases of Securities or Market Transactions of Derivatives related to said Financial Instruments, etc., or the intermediary, brokerage, or agency service therefor (hereinafter collectively referred to as the "Trading Financial Services Provider, etc." in this paragraph) to submit reports and materials, said Director-General of a Local Finance Bureau may order the relevant Trading Financial Services Provider, etc. to submit reports and materials, in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1) and paragraph (2)..
- (5) The provision of paragraph (1) does not apply to the authority of the Commission set forth in the items of that paragraph which are related to a Special Financial Services Provider and the Financial Services Provider,

Registered Financial Institution, Authorized Operator for On-Exchange Transactions, and Notifier of Specially Permitted Services designated by the Commission. In this case, with regard to the application of the provisions of the preceding three paragraphs, the phrases "the Branch Office, etc. of Financial Services Provider, Branch Office, etc. of a Registered Financial Institution, Secondary Office, etc. of an Authorized Operator for On-Exchange Transactions, Branch Office, etc. of a Notifier of Specially Permitted Services, Branch Office, etc. of a Financial Instruments Intermediary, Secondary Office, etc. of an Association, Secondary Office, etc. of a Financial Instruments Exchange, Branch Office, etc. of a Financial Instruments Exchange Holding Company, Secondary Office, etc. of a Self-Regulation Organization, Secondary Office, etc. of a Foreign Financial Instruments Exchange, or Branch Office, etc. of a Securities Finance Company of a Financial Services Provider, etc.," "The authority of Commission set forth in the items of the preceding paragraph which is related to," "the Director-General of a Local Finance Bureau and the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph", "Subject Branch Office, etc.," and "said Financial Services Provider, etc." in paragraph (2) are deemed to be replaced with "the Branch Office, etc. of a Financial Services Provider, Branch Office, etc. of Registered Financial Institution, Secondary Office, etc. of an Authorized Operator for On-Exchange Transactions, or Branch Office, etc. of a Notifier of Specially Permitted Services of a Financial Services Provider, Registered Financial Institution, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services," "Within the Commissioner's authority, the authority under the provision of Article 57-10 (1) of the Act delegated to the Commission pursuant to the provision of Article 38-2 (2), and the authority of Commission set forth in the items of the preceding paragraph which is related to," "the Commission," "Subject Branch Office, etc. (including Subsidiary Company, etc. of a Special Financial Services Provider; the same applies in the following paragraph)" and "said Financial Services Provider, Registered Financial Institution, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services," respectively; the phrases "the Subject Branch Office, etc. of a Financial Services Provider, etc." and "the relevant Financial Services Provider, etc." in paragraph (3) are deemed to be replaced with "the Subject Branch Office, etc. of a Financial Services Provider, Registered Financial Institution, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services" and "the relevant Financial Services Provider, Registered Financial Institution, Authorized Operator for On-Exchange Transactions, or Notifier of Specially Permitted Services," respectively; and the phrase "the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance

Branch Bureau set forth in paragraph (1) and paragraph (2)" in the preceding paragraph is deemed to be replaced with "the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (2)."

- (6) When the Commission has made the designation under the preceding paragraph, it shall give a public notice to that effect. The same applies when it has cancelled such designation.
- (7) The term "Branch Office, etc. of a Financial Services Provider" as used in paragraph (2) and paragraph (4) means the branch office or business office or office of a Financial Services Provider which is other than the Head Office, etc. thereof, a person who conducts transactions with said Financial Services Provider, a Subsidiary Specified Juridical Person as defined in Article 56-2 (1) of the Act, the Holding Company who has said Financial Services Provider as its Subsidiary Company (meaning a Holding Company as prescribed in Article 56-2 (1) of the Act; the same applies in the following paragraph), a person entrusted with business by said Financial Services Provider, the Parent Financial Institution, etc. or Subsidiary Financial Institution, etc. prescribed in Article 56-2 (3) of the Act of said Financial Services Provider (limited to Specified Financial Services Provider, etc. set forth in Article 56-2 (3) of the Act) or the Parent Bank, etc. or Subsidiary Bank, etc. as defined in Article 56-2 (4) of the Act of said Financial Services Provider.
- (8) The term "Branch Office, etc. of a Registered Financial Institution" as used in paragraph (2) and paragraph (4) means the branch office or any business office or office of a Registered Financial Institution which is other than the Head Office, etc. thereof, a person who conducts transactions with said Registered Financial Institution, the Holding Company who has said Registered Financial Institution as its Subsidiary Company or a person entrusted with business by said Registered Financial Institution, or the Parent Financial Institution, etc. or Subsidiary Financial Institution, etc. prescribed in Article 56-2 (3) of the Act of said Registered Financial Institution (limited to Specified Financial Services Provider, etc. set forth in Article 56-2 (3) of the Act).
- (9) The term "Secondary Office, etc. of an Authorized Operator for On-Exchange Transactions " as used in paragraph (2) and paragraph (4) means the office and any other facilities of an Authorized Operator for On-Exchange Transactions in Japan (excluding the facilities which are located at the address of the representative person in Japan), a person who conducts transactions with said Authorized Operator for On-Exchange Transactions, or a person entrusted with business by said Authorized Operator for On-Exchange Transactions.
- (10) The term "Branch Office, etc. of a Notifier of Specially Permitted Services" means the branch office, business office or office, and any other facilities of a Notifier of Specially Permitted Services which are other than the Head Office,

etc. thereof, a person who conducts transactions with said Notifier of Specially Permitted Services or a person entrusted with business by said Notifier of Specially Permitted Services.

- (11) The term "Branch Office, etc. of a Financial Instruments Intermediary" as used in paragraph (2) and paragraph (4) means the branch office or any other business office or office of a Financial Instruments Intermediary Service Provider which is other than the Head Office, etc. thereof, or a person who conducts transactions with said Financial Instruments Intermediary.
- (12) The term "Secondary Office, etc. of an Association" as used in paragraph (2) means the office of an Association other than its principal office, the issuer of Over-the-Counter Traded Securities or Securities Handled, or a person entrusted with business by said Association.
- (13) The term "Secondary Office, etc. of a Financial Instruments Exchange" as used in paragraph (2) means the branch office or any business office or office of a Financial Instruments Exchange which is other than the Head Office, etc. or principal office thereof, the Subsidiary Company of said Financial Instruments Exchange, the issuer of the Securities which are listed on said Financial Instruments Exchange, or a person entrusted with business by said Financial Instruments Exchange.
- (14) The term "Branch Office, etc. of a Financial Instruments Exchange Holding Company" as used in paragraph (2) means the branch office or any business office or office of a Financial Instruments Exchange Holding Company, etc. which is other than the Head Office or principal office thereof or the Subsidiary Company of said Financial Instruments Exchange Holding Company, etc.
- (15) The term "Secondary Office, etc. of a Self-Regulation Organization" as used in paragraph (2) means the offices of a Self-Regulation Organization which are those other than the principle office thereof or a person entrusted with business by said Self-Regulation Organization.
- (16) The term "Secondary Office, etc. of a Foreign Financial Instruments Exchange" as used in paragraph (2) means the business office of a Foreign Financial Instruments Exchange in Japan (excluding the address of the representative person in Japan), the Participants of a Foreign Financial Instruments Exchange, or a person entrusted with business by said Foreign Financial Instruments Exchange.
- (17) The term "Branch Office, etc. of a Securities Finance Company" as used in paragraph (2) means the branch office or any business office of a Securities Finance Company which is other than the head office thereof, or a person entrusted with business by said Securities Finance Company.
- (18) Within the Commissioner's Authority, the authority under the provision of Article 57-23 of the Act delegated to the Commission pursuant to Article 38-2 (2) which is related to the Branch Office, etc. of a Designated Parent Company

is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of said Branch Office, etc. of the Designated Parent Company (in cases where the person who conducts transactions with said Designated Parent Company or the person who has been entrusted with business by said Designated Parent Company is an individual, his/her domicile or residence) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau); provided, however that the foregoing sentence does not preclude the Commissioner of the Financial Services Agency from exercising such authority by himself/herself.

(19) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has conducted an Inspection, etc. of the Branch Office, etc. of a Designated Parent Company pursuant to the preceding paragraph finds the necessity for an Inspection, etc. of the head office or principal office of the relevant Designated Parent Company or of a Branch Office, etc. the relevant Designated Parent Company other than the aforementioned Branch Office, etc. of the relevant Designated Parent Company, he/she may conduct the Inspection, etc. of such head office or principal office or of such Branch Office, etc. . of the relevant Designated Parent Company other than the aforementioned Branch Office, etc.

(20) "Branch Office, etc. of a Designated Parent Company" referred to in the preceding two paragraphs means a branch office or business office or office of a Designated Parent Company other than the head office or principal office thereof, a person who conducts transactions with said Designated Parent Company or a person who has been entrusted with business by Subsidiary Company, etc. of said Designated Parent Company or by said Designated Parent Company.

(Delegation of Authority Related to Investigations Concerning the Administrative Surcharge of the Commission to the Director-General of a Local Finance Bureau, etc.)

Article 44-2 (1) Within the scope of the Commissioner's Authority, the authority set forth in Article 194-7 (2)(viii) of the Act which has been delegated to the Commission pursuant to the provisions of Article 194-7 (2) of the Act is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the address of the person concerned with a case or a witness of a case concerning the administrative surcharge under Article 177 of the Act (such a case is referred to as an "Administrative Surcharge Case" in paragraph (4) and paragraph (5)) (hereinafter such persons are collectively referred to as the "Person Concerned, etc. with a Case" in this



- Article) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Office, the Director-General of the Fukuoka Local Finance Branch Office); provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.
- (2) The authority of the Commission prescribed in the preceding paragraph (limited to those related to Article 177 (1) of the Act) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the residence of the Person Concerned, etc. with a Case (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau,.
- (3) The authority of the Commission prescribed in paragraph (1) (limited to those related to Article 177 (ii) of the Act) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the business office or any other necessary places of the person concerned with a case set forth in Article 177 (ii) of the Act (such business office and places are collectively referred to as the "Business Office, etc. of a Person Concerned with a Case" in the following paragraph and paragraph (5)) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Office, the Director-General of the Fukuoka Local Finance Branch Office), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1),.
- (4) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has asked questions to the Person Concerned, etc. with a Case or collected opinions or reports from such persons, has or conducted an inspection of the Business Office, etc. of a Person Concerned with a Case pursuant to the provisions of the preceding two paragraphs finds the necessity for an inspection of a Business Office, etc. of a Person Concerned with a Case related to the same Administrative Surcharge Case which is located outside his/her jurisdictional district, such Director-General of a Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau may conduct an inspection of said Business Office, etc. of a Person Concerned with a Case.
- (5) When the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has asked questions to a Person Concerned, etc. with a Case or collected opinions or reports from such persons or conducted an inspection of the Business Office, etc. of a Person Concerned with a Case pursuant to the provisions of paragraph (2) and paragraph (3) finds the necessity to ask questions to or collect opinions or

reports from a Person Concerned, etc. with a Case related to the same Administrative Surcharge Case who is other than the aforementioned Person Concerned, etc. with a Case, such Director-General of a Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau may ask questions to or collect opinions or reports from said Person Concerned, etc. with a Case related to the same Administrative Surcharge Case who is other than the aforementioned Person Concerned, etc. with a Case.

(Delegation of Authority of the Commission Related to the Disclosure of Corporate Affairs and Other Matters to the Director-General of a Local Finance Bureau)

Article 44-3 (1) Within the scope of the Commissioner's Authority, with regard to the authority under Article 26 of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27 of the Act) which has been delegated to the Commission under Article 38-2 (1), such authority concerning a Domestic Company whose amount of stated capital, total amount of funds, or the total amount of investment is less than five billion yen, or a Domestic Company for which any of the Securities issued thereby are not listed on a Financial Instruments Exchange (excluding the Domestic Company specified by a Cabinet Office Ordinance) is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Domestic Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), and such authority concerning any other persons is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.

(2) Within the scope of the Commissioner's Authority, the authority under the provisions of Article 27-22 (1) of the Act (including the cases where it is applied mutatis mutandis pursuant to Article 27-22-2 (2) of the Act) and Article 27-22 (2) of the Act which has been delegated to the Commission pursuant to the provision of Article 38-2 (1) of this Order is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.

(3) Within the scope of the Commissioner's Authority, with regard to the authority under Article 27-30 of the Act and the authority under Article 27-35 of the Act which has been delegated to the Commission pursuant to the provisions of Article 38-2 (1) of this Order, such authorities concerning Residents are delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the

relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.

- (4) Within the scope of the authority set forth in the preceding paragraph, the authority related to Residents may be exercised by the Director-General of the Kanto Finance Bureau in addition to the Director-General of a Local Finance Bureau or Director-General of the Fukuoka Local Finance Branch Bureau set forth in that paragraph.

(Delegation of Authority of the Commission Concerning Major Shareholders, etc. of a Financial Instruments Exchange, etc. to the Director-General of a Local Finance Bureau, etc.)

Article 44-4 (1) Within the scope of the Commissioner's Authority, with regard to the authority under the provisions of Article 56-2 (2), Article 57-26 (2), Article 103-4, Article 106-6 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-6 (2) of the Act), Article 106-16, and Article 106-20 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-20 (2) of the Act) of the Act which has been delegated to the Commission pursuant to the provisions of Article 38-2 (2) of this Order, such authority concerning Residents is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office or principal office of the relevant Resident (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau) and such authority concerning Non-Residents is delegated to the Director-General of the Kanto Finance Bureau; provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.

- (2) Within the scope of authority set forth in the preceding paragraph, the authority under the provisions of Article 56-2 (2) of the Act may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the Head Office, etc. of a Financial Services Provider (excluding a Special Financial Services Provider and the Financial Services Provider designated by the Commission) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.

- (3) Within the scope of authority set forth in paragraph (1), the authority under

the provisions of Article 103-4 and Article 106-6 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-6 (2) of the Act) of the Act may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of a Financial Instruments Exchange (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1).

(4) Within the scope of authority set forth in paragraph (1), the authority under the provisions of Article 106-16 and Article 106-20 (1) (including the cases where it is applied mutatis mutandis pursuant to Article 106-20 (2) of the Act) of the Act may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office a Financial Instruments Exchange Holding Company (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1).

(5) The authority of the Commission set forth in paragraph (1) which is related to the business office or office of a Resident which is other than the head office or principal office thereof (hereinafter such office is referred to as the "Secondary Office, etc." in this paragraph) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over the location of the relevant Secondary Office, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau, and in cases where said location is outside Japan, the Director-General of the Kanto Finance Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in paragraph (1).

(Delegation of Authority of the Commission Concerning Petition, etc. for Prohibition Order or Order for Suspension by Court to the Director-General of a Local Finance Bureau, etc.)

Article 44-5 (1) Within the scope of the Commissioner's Authority, the authority set forth in Article 194-7 (4)(i) of the Act which has been delegated to the Commission pursuant to the provisions of Article 194-7 (4) of the Act is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the domicile or residence of the person concerned or witness (hereinafter referred to as "Person Concerned, etc." in

- this Article) pertaining to the petition under the provisions of Article 192 of the Act (referred to as "Petition for Prohibition order, etc." in paragraphs (3) and (4)) (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided, however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.
- (2) Authority of the Commission referred to in the preceding paragraph related to the business office or any other necessary places of the Person Concerned, etc. (hereinafter referred to as "Business Office, etc. of the Person Concerned, etc." in this paragraph and the following paragraph) may be exercised by the Director-General of a Local Finance Bureau who has jurisdiction over said Business Office, etc. of the Person Concerned, etc. (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in the preceding paragraph.
- (3) The Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has taken the disposition prescribed in Article 187 of the Act against a Person Concerned, etc. pursuant to the provisions of the preceding paragraph (hereinafter referred to as "Disposition for Investigation" in this Article) may take such Disposition for Investigation against said Person Concerned, etc. if it is deemed necessary to take Disposition for Investigation relating to the Business Office, etc. of the Person Concerned, etc. pertaining to the same Petition for Prohibition order, etc. outside his/her jurisdictional district.
- (4) The Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has taken the Disposition for Investigation against a Person Concerned, etc. pursuant to the provisions of paragraph (2) may taken a Disposition for Investigation against a Person Concerned, etc. pertaining to the same Petition for Prohibition order, etc. other than said Person Concerned, etc., if it is deemed necessary to take Disposition for Investigation against such Person Concerned, etc. pertaining to the same Petition for Prohibition order, etc. other than said Person Concerned, etc.
- (5) Within the scope of the Commissioner's Authority, the authority set forth in Article 194-7 (4)(ii) of the Act which has been delegated to the Commission pursuant to the provisions of Article 194-7 (4) of the Act is delegated to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the address of the respondent (in cases where said location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau); provided,

however, that the foregoing sentence does not preclude the Commission from exercising such authority by itself.

- (6) The Commission's Authority referred to in the preceding paragraph may be exercised by the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau who has taken Disposition for Investigation against a Person Concerned, etc. pursuant to the provisions of paragraph (1) or (2), in addition to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau set forth in that paragraph.

### **Chapter IX Investigation into a Criminal Case, etc.**

(Scope of Criminal Cases)

Article 45 The crimes specified by a Cabinet Order, referred to in Article 210 of the Act, are the following crimes:

- (i) a crime under Article 197 of the Act
- (ii) a crime under Article 197-2 (i) to (x)-4 inclusive or (xiii) of the Act;
- (iii) a crime under Article 198-3 of the Act;
- (iv) a crime under the provisions of Article 200 (i) to (xii)-2 inclusive, (xiv), (xv), (xx), or (xxi) of the Act;
- (v) a crime under Article 201 (ii) of the Act (limited to the violation of conditions for restriction on business which have been attached for securing fairness in sales and purchases or other transactions of Securities or Derivatives Transactions, etc.); and
- (vi) a crime under the provisions of Article 205 (i) to (iv) inclusive, (vi)-2 to (vi)-4 inclusive, (xi), (xii), (xiv), or (xviii) to (xx) inclusive of the Act.