

# **Cabinet Office Order on Restrictions on Securities Transactions (Tentative translation)**

(Cabinet Office Order No. 59 of August 8, 2007)

Pursuant to the provisions of the Financial Instruments and Exchange Act (Act No. 25 of 1948) and the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965), and for the purpose of enforcement of that Act and Cabinet Order, the Cabinet Office Order on Restrictions on Securities Transactions, etc. is to be enacted as follows.

Chapter I General Provisions (Article 1 to Article 3)

Chapter II Stabilizing Transactions (Article 4 to Article 8)

Chapter III Excessive Volume of Purchases and Sales (Article 9)

Chapter IV Short Selling of Securities (Article 9-2 to Article 15-4)

Chapter V Purchase, etc. Conducted by a Company which is an Issuer of Listed or Other Share Certificates (Article 16 to Article 23)

Chapter VI Purchases and Sales Conducted by Officers and Major Shareholders of a Listed Company (Article 24 to Article 47)

Chapter VII Purchases and Sales by a Corporate Insider Who Has Come to Know a Material Fact, or by a Person Concerned with a Tender Offer Who Has Come to Know a Fact Concerning a Tender Offer (Article 48 to Article 63)

Chapter VIII Indication in Making Solicitation to Many and Unspecified Persons (Article 64 and Article 65)

Supplementary Provisions

## **Chapter I General Provisions**

(Definition)

Article 1 (1) The terms "Securities", "Public Offering of Securities," "Secondary Distribution of Securities," "Issuer," "Financial Instruments Business," "Financial Instruments Business Operator," "Prospectus," "Authorized Financial Instruments Firms Association," "Financial Instruments Market," "Financial Instruments Exchange," "Financial Instruments Exchange Market," "Derivatives Transactions," "Market Derivatives Transactions," "Over-the-Counter Derivatives Transactions," "Foreign Market Derivatives Transactions," and "High-Speed Trader" as used in this Cabinet Office Order mean the Securities, Public Offering of Securities, Secondary Distribution of Securities, Issuer, Financial Instruments Business, Financial Instruments

Business Operator, Prospectus, Authorized Financial Instruments Firms Association, Financial Instruments Market, Financial Instruments Exchange, Financial Instruments Exchange Market, Derivatives Transactions, Market Derivatives Transactions, Over-the-Counter Derivatives Transactions, Foreign Market Derivatives Transactions, and High-Speed Trader specified in Article 2 of the Financial Instruments and Exchange Act (hereinafter referred to as the "Act").

- (2) In this Cabinet Office Order, the meanings of the terms set forth in the following items are as specified respectively in those items:
- (i) Preferred Equity Investment Certificates: Preferred Equity Investment Certificates as set forth in Article 2, paragraph (1), item (vii) of the Act;
  - (ii) Investment Securities: Investment Securities as set forth in Article 2, paragraph (1), item (xi) of the Act;
  - (iii) Investment Equity Subscription Rights Certificates: Investment Equity Subscription Rights Certificates as set forth in Article 2, paragraph (1), item (xi) of the Act;
  - (iv) Foreign Investment Securities: Foreign Investment Securities as set forth in Article 2, paragraph (1), item (xi) of the Act;
  - (v) Options: Options as prescribed in Article 2, paragraph (1), item (xix) of the Act;
  - (vi) Solicitation for Selling, etc. Only for Professional Investors: Solicitation for Selling, etc. Only for Professional Investors as prescribed in Article 2, paragraph (6) of the Act;
  - (vii) Foreign Financial Instruments Market: a Foreign Financial Instruments Market as prescribed in Article 2, paragraph (8), item (iii), sub-item (b) of the Act;
  - (viii) Over-the-Counter Traded Securities: Over-the-Counter Traded Securities as prescribed in Article 2, paragraph (8), item (x), sub-item (c) of the Act;
  - (ix) Discretionary Investment Contract: a Discretionary Investment Contract as prescribed in Article 2, paragraph (8), item (xii), sub-item (b) of the Act;
  - (x) Solicitation for Acquisition Only for Professional Investors: Solicitation for Acquisition only for Professional Investors as prescribed in Article 4, paragraph (3), item (i) of the Act;
  - (xi) Corporate Group: a Corporate Group as prescribed Article 5, paragraph (1), item (ii) of the Act;
  - (xii) Listed Share Certificates, etc.: Listed Share Certificates, etc. as prescribed in Article 24-6, paragraph (1) of the Act;
  - (xiii) Specified Information on Securities, etc.: Specified Information on Securities, etc. as prescribed in Article 27-33 of the Act;
  - (xiv) Financial Instruments Business Operators, etc.: Financial Instruments Business Operators, etc. as prescribed in Article 34 of the Act;

- (xv) Contract for Cumulative Investment: a Contract for Cumulative Investment as prescribed in Article 35, paragraph (1), item (vii) of the Act;
  - (xvi) Entrustment, etc.: Entrustment, etc. prescribed in Article 44, item (i) of the Act;
  - (xvii) Member, etc.: a Member, etc. as prescribed in Article 81, paragraph (1), item (iii) of the Act;
  - (xviii) Over-the-Counter Securities Market: an Over-the-Counter Securities Market as prescribed in Article 67, paragraph (2) of the Act;
  - (xix) Tradable Securities: Tradable Securities as prescribed in Article 67-18, item (iv) of the Act;
  - (xx) Listed Company, etc.: a Listed Company, etc. as prescribed in Article 163, paragraph (1) of the Act;
  - (xxi) Listed Investment Corporation, etc.: Listed Investment Corporation, etc. as prescribed in Article 163, paragraph (1) of the Act;
  - (xxii) Specified Securities: Specified Securities as prescribed in Article 163, paragraph (1) of the Act;
  - (xxiii) Related Securities: Related Securities as prescribed in Article 163, paragraph (1) of the Act;
  - (xxiv) Specified Securities, etc.: Specified Securities, etc. as prescribed in Article 163, paragraph (1) of the Act; and
  - (xxv) Specified Partnerships, etc.: Specified Partnerships, etc. as prescribed in Article 165-2, paragraph (1) of the Act.
- (3) In this Cabinet Office Order, the meanings of the terms set forth in the following items areas specified respectively in those items:
- (i) Stabilizing Transaction: a Stabilizing Transaction as prescribed in Article 20, paragraph (1) the Order for Enforcement of the Financial Instruments and Exchange Act (hereinafter referred to as the "Order");
  - (ii) Short Selling: Short Selling as prescribed in Article 26-2-2, paragraph (1) of the Order;
  - (iii) Margin Transaction: a Margin Transaction as prescribed in Article 1, paragraph (1) of the Cabinet Office Order on Security Deposits and Transactions, Provided in Article 161-2 of the Financial Instruments and Exchange Act ( Ministry of Finance Order No. 75 of 1953; referred to as the "Cabinet Office Order on Security Deposits" in the following item); and
  - (iv) When Issued Transaction: When Issued Transaction as prescribed in Article 1, paragraph (2) of the Cabinet Office Order on Security Deposits;
  - (iv)-2 Beneficiary Securities of Securities in Trust: Beneficiary Securities of Securities in Trust as prescribed in Article 2-3, item (iii) of the Order;
  - (iv)-3 Entrusted Securities: Entrusted Securities as prescribed in Article 2-3, item (iii) of the Order;
  - (v) Market Maker: a Member, etc. who quotes bids and offers for Securities of a

- specific issue on a regular and continuous basis in a Financial Instruments Exchange Market established by a Financial Instruments Exchange, pursuant to the rules specified by the Financial Instruments Exchange;
- (vi) Over-the-Counter Market Maker: the Member of an Authorized Financial Instruments Firms Association who quotes bids and offers for Over-the-Counter Traded Securities of a specific issue on a regular and continuous basis in an Over-the-Counter Securities Market established by the Authorized Financial Instruments Firms Association, pursuant to the rules specified by the Authorized Financial Instruments Firms Association.
- (vii) Share Certificates with Put Option: share certificates for shares with put options as prescribed in Article 2, item (xviii) of the Companies Act (Act No. 86 of 2005);
- (viii) Share Certificates Subject to Call: share certificates for shares subject to call as prescribed in Article 2, item (xix) of the Companies Act;
- (ix) Seller-Related Securities: the Related Securities which indicate Options subject to purchase and sale of Specified Securities (limited to the Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities related to the Options) (limited to the Related Securities set forth in Article 27-4, item (iii) of the Order);
- (x) Seller-Related Share Certificates, etc.: the Related Share Certificates, etc. set forth in Article 33-2, item (iii) of the Order which indicate the Options subject to the purchase and sale of Regulated Share Certificates, etc. (meaning the Regulated Share Certificates, etc. prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies in this item) (limited to the Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Regulated Share Certificates, etc. related to the Options);
- (xi) Cooperative Structured Financial Institution: a Cooperative Structured Financial Institution as prescribed in Article 2, paragraph (1) of the Act on Preferred Equity Investment by Cooperative Structured Financial Institutions (Act No. 44 of 1993; hereinafter referred to as the "Act on Preferred Equity Investment").
- (xii) Amount of Net Assets: the amount obtained by deducting the total amount of book value of the debt from the amount of book value of the total assets (in cases where the amount is less than zero, the amount is zero);
- (xiii) Fixed Assets: Fixed Assets set forth in Article 2, item (xxii) of the Corporation Tax Act (Act No. 34 of 1965).

(Attachment of a Translation)

Article 2 If any document which is to be submitted to the Director-General of the

Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau pursuant to the provisions of the Act (limited to Chapter VI; the same applies in the following Article), the Order (limited to Chapter VI; the same applies in the following Article) or this Cabinet Office Order, cannot be written in Japanese due to special circumstances, a translation of the document must be attached thereto.

(Conversion of a Foreign Currency)

Article 3 If any document which is to be submitted to the Director-General of the Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau pursuant to the provisions of the Act, the Order, or this Cabinet Office Order, includes an amount denominated in a foreign currency, the amount converted into Japanese currency from the foreign currency and the standard used for the conversion must be denoted in the document.

## **Chapter II Stabilizing Transactions**

(Company having a Close Relationship)

Article 4 (1) A company which has a close relationship as specified by Cabinet Office Order with the Issuer of Securities, prescribed in Article 20, paragraph (3), item (iii) of the Order, is an Associated Company (meaning an Associated Company as prescribed in Article 8, paragraph (8) of the Regulation on Terminology, Forms and Preparation Methods of Financial Statements, etc. (Ministry of Finance Order No. 59 of 1963; hereinafter referred to as "Regulation on Financial Statements, etc.)) of the Issuer.

(2) Those specified by Cabinet Office Order, prescribed in Article 20, paragraph (3), item (iv) of the Order, are a Subsidiary Company (meaning a Subsidiary Company as prescribed in Article 8, paragraph (3) of the Regulation on Financial Statements, etc.) of the Issuer.

(Matters to be Stated in the Written Notification of a Stabilizing Transaction)

Article 5 The matters specified by Cabinet Office Order, prescribed in Article 23 of the Order, are the following matters:

- (i) the trade name and the location of the head office of the Financial Instruments Business Operator that effected the stabilization transaction (in cases where the Financial Instruments Business Operator is a foreign juridical person, its principal business office or office in Japan; the same applies in the following item, Article 7, paragraph (1), and Article 8, paragraph (1));
- (ii) if there is a Financial Instruments Business Operator that effected a stabilizing transaction jointly with the Financial Instruments Business

- Operator that effected the stabilizing transaction, its trade name and the location of its head office;
- (iii) the date and time of the commencement of the stabilizing transaction;
  - (iv) whether the Securities subject to the stabilizing transaction are Securities listed on a Financial Instruments Exchange (hereinafter referred to as "Listed Securities" in this Article and the following Article) or Over-the-Counter Traded Securities and the issue name thereof;
  - (v) the concluded price of the stabilizing transaction;
  - (vi) in cases where the Securities subject to the stabilizing transaction are Listed Securities, the following matters:
    - (a) the name or trade name of the Financial Instruments Exchange Market where the stabilizing transaction was effected and the Financial Instruments Exchange which established the Financial Instruments Exchange Market; and
    - (b) the name or trade name of the Financial Instruments Exchange Market which was stated or recorded in the Prospectus or Specified Information on Securities, etc. pursuant to Article 21, item (ii) of the Order, and of the Financial Instruments Exchange which established the Financial Instruments Exchange Market.
  - (vii) in cases where the Securities subject to the stabilizing transaction are Over-the-Counter Traded Securities, the following matters:
    - (a) the name of the Over-the-Counter Securities Market where the stabilizing transaction was effected and of the Authorized Financial Instruments Firms Association which established the Over-the-Counter Securities Market; and
    - (b) the name of the Over-the-Counter Securities Market which was stated or recorded in the Prospectus or Specified Information on Securities, etc. pursuant to Article 21, item (iii) of the Order, and that of the Authorized Financial Instruments Firms Association which established the Over-the-Counter Securities Market.
  - (viii) the issue name, issue price, or distribution price of the Securities for which the Public Offering or Solicitation of Acquisition Only for Professional Investors, or the Secondary Distribution or Solicitation for Selling Only for Professional Investors is intended to be facilitated through a stabilizing transaction (in the case of corporate bond certificates with share options, the issue price and features or the distribution price of the share options) as well as the total issue value or total distribution value thereof;
  - (ix) the period during which a stabilizing transaction may be conducted for the Securities subject to the stabilizing transaction; and
  - (x) any other matters which would serve as reference information.

(Format of Stabilizing Transaction Reports)

Article 6 A Stabilizing Transaction Report (meaning the Stabilizing Transaction Report prescribed in Article 25 of the Order; the same applies in the following Article) must be prepared using appended form 1 in cases where the Securities subject to the stabilizing transaction are Listed Securities, or using appended form 2 in cases where the Securities subject to the stabilizing transaction are Over-the-Counter Traded Securities.

(Place for Submission of the Written Notification of Stabilizing Transaction)

Article 7 (1) A Written Notification of Stabilizing Transaction (meaning the Written Notification of Stabilizing Transaction prescribed in Article 23 of the Order; the same applies in the following paragraph) and a Stabilizing Transaction Report must be submitted to the Director-General of the Local Finance Bureau which has jurisdiction over the location of the head office of the Financial Instruments Business Operator which conducted the stabilizing transaction (in cases where the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Director-General of the Fukuoka Local Finance Branch Bureau).

(2) A copy of the Written Notification of Stabilizing Transaction must be, immediately after the first stabilizing transaction is conducted on the Commencement Day of Stabilizing Transactions (meaning a Commencement Day of Stabilizing Transactions as prescribed in Article 23 of the Order), submitted to each Financial Instruments Exchange whereon the Securities Subject to Stabilizing Transactions (meaning the Securities Subject to Stabilizing Transactions as prescribed in that Article; hereinafter the same applies in this paragraph and the following paragraph.) are listed (in cases where the Securities Subject to Stabilizing Transaction are Over-the-Counter Traded Securities, to each Authorized Financial Instruments Firms Association which registers the Securities Subject to Stabilizing Transaction).

(3) A copy of the Stabilizing Transaction Report must be submitted to the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market or to the Authorized Financial Instruments Firms Association which establishes the Over-the-Counter Securities Market stated in the Stabilizing Transaction Report, by the day following the day on which the purchase and sale of the Securities Subject to Stabilizing Transactions stated in the Stabilizing Transaction Report was conducted.

(Keeping and Making Available for Public Inspection a Written Notification of Stabilizing Transaction)

Article 8 (1) The documents set forth in the items of Article 26, paragraph (1) of the Order must be kept and made available for public inspection at the Local

Finance Bureau which has jurisdiction over the location of the head office of the Financial Instruments Business Operator which has conducted a stabilizing transaction (in cases where the location is within the jurisdictional district of the Fukuoka Local Finance Branch Bureau, the Fukuoka Local Finance Branch Bureau).

- (2) A Financial Instruments Exchange and the Authorized Financial Instruments Firms Association must, pursuant to the provisions of Article 26, paragraph (2) of the Order, provide a copy of the documents set forth in the items of paragraph (1) of that Article for public inspection during its business hours.

### **Chapter III Excessive Volume of Purchases and Sales**

Article 9 (1) Pursuant to the provisions of Article 161, paragraph (1) of the Act, in cases where the Financial Instruments Business Operator, etc. conducts the purchase and sale of Securities based on a contract prescribed in Article 16, paragraph (1), item (viii), sub-item (a) or (b) of the Cabinet Office Order concerning the Definitions Provided in Article 2 of the Financial Instruments and Exchange Act (Ministry of Finance Order No. 14 of 1993; hereinafter referred to as the "Cabinet Office Order on Definitions"), or in Article 123, item (xiii), sub-item (b) to sub-item (e) inclusive of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007), it must not conduct purchases and sales in volumes recognized as excessive, in light of the main purport of the mandate under the contract or in light of the amount of the contract, which are found to disturb the order of a Financial Instruments Exchange Market or an Over-the-Counter Securities Market.

- (2) The provisions of the preceding paragraph apply mutatis mutandis to Market Transactions of Derivatives and Over-the-Counter Transactions of Derivatives.

### **Chapter IV Short Selling of Securities**

(Measures which Ensure the Transfer of Securities)

Article 9-2 The measures specified by Cabinet Office Order, prescribed in Article 26-2-2, paragraph (1) of the Order (including the cases where it applied mutatis mutandis pursuant to paragraphs (6) and (7) of that Article), are the conclusion of a contract for borrowing for the Securities related to the Short Selling or any other measures to ensure the transfer of the Securities.

(Exclusion of Confirmation of a Guarantee of Borrowed Securities)

Article 9-3 (1) The transactions specified by Cabinet Office Order, prescribed in Article 26-2-2, paragraph (5) of the Order, are the following transactions (with regard to the transactions set forth in item (xx) to item (xxxvi) inclusive,



limited to those for which Members, etc. of the Financial Instruments Exchange who have accepted the entrustment of the Short Selling and a person who has received an application for brokerage of entrustment of the Short Selling to be made on a Financial Instruments Exchange Market have confirmed that the Short Selling will be conducted as the transactions):

(i) the transactions set forth in Article 2, paragraph (21), item (i) of the Act;

(ii) a When Issued Transaction;

(iii) the Short Selling transactions for the following Securities:

(a) the Securities set forth in Article 2, paragraph (1), item (i) to item (iii) inclusive of the Act;

(b) the Securities set forth in Article 2, paragraph (1), item (v) of the Act (excluding corporate bond certificates with share options and the Exchangeable Corporate Bond Certificates prescribed in item (ix), sub-item (d));

(c) among the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act, those which have the nature of the Securities set forth in sub-item (a) or sub-item (b); and

(d) Beneficiary Securities of Securities in Trust of which the Entrusted Securities are the Securities set forth in sub-item (c).

(iv) the Short Selling transactions conducted by a Member, etc. of the Financial Instruments Exchange for the Securities listed on a Financial Instruments Exchange (limited to the Foreign Investment Securities and the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act which have the nature of share certificates (hereinafter collectively referred to as the "Foreign Investment Securities, etc." in this item), and which are Beneficiary Securities of Securities in Trust of which the Entrusted Securities are Foreign Investment Securities, etc., and the Securities set forth in item (xx) of that paragraph which indicate the rights pertaining to Foreign Investment Securities, etc.) on the member's own account, which accompany, in relation to the transactions, a transaction for the purchase of the Securities subject to the Short Selling by the Member, etc. in a Foreign Financial Instruments Market (in cases where the Securities pertaining to the Short Selling are Beneficiary Securities of Securities in Trust, the acquisition of the Beneficiary Securities of Securities in Trust by entrusting the same Securities as the Entrusted Securities pertaining to the Beneficiary Securities of Securities in Trust and are already held or to be purchased in a Foreign Financial Instruments Market by the Member, etc. is included, and in cases where the Securities subject to the Short Selling are the Securities set forth in Article 2, paragraph (1), item (xx) of the Act (hereinafter referred to as the "Depository Receipt" in this item), the acquisition of the Depository Receipt by entrusting the same Securities as the Securities related to the

- right indicated on the Depository Receipt and which are already held or to be purchased on a Foreign Financial Instruments Market by the Member, etc. is included) (limited to the transactions set forth in the following items):
- (a) a transaction based on a sell order in cases where sell orders and buy orders are executed continuously in order to assure the smooth distribution of Securities;
  - (b) a transaction to sell in response to a buy order.
- (v) a Short Selling transaction made by a Market Maker on the Market Maker's own account in the Financial Instruments Exchange Market on which the Market Maker quotes sale prices, based on the sale quotes;
- (vi) among transactions for the sale of the purchased Securities (excluding those pertaining to Short Selling that have been purchased in lieu of accepting the entrustment or the brokerage of entrustment of Short Selling through a person applying for the entrustment or brokerage of entrustment of Short Selling which is to be conducted in a Financial Instruments Exchange Market) whose settlement has yet to be completed, the transactions wherein the settlement of the sales is to be made with the purchased Securities;
- (vii) the sale of the loaned Securities (excluding those borrowed) which is a transaction for the sale of the Securities in cases where it is clear that the Securities will be returned prior to the settlement thereof;
- (viii) a Short Selling transaction made through, among the purchases and sales on a Financial Instruments Exchange Market, a purchase and sale conducted outside of the trading session (including the trading sessions of only a morning trading session or afternoon trading session; hereinafter the same applies in this Chapter and the following Chapter) specified in the operational rules of the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market;
- (ix) where the right to acquire share certificates or Investment Securities (hereinafter referred to as "Share Certificates, etc." in this item) attached to the following Securities has been exercised, transactions for the sale of the Share Certificates, etc. of the same Securities as, and within the scope of the volume of, the Share Certificates, etc. to be acquired as a result of the exercise of the right:
- (a) corporate bond certificates with share options;
  - (b) share option certificates;
  - (c) Investment Equity Subscription Rights Certificates;
  - (d) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to the share certificates;
  - (e) the corporate bond certificates listed on a Financial Instruments Exchange (excluding corporate bond certificates with share options);

hereinafter the same applies in this sub-item (e)) or corporate bond certificates which fall under the category of Over-the-Counter Traded Securities, with a special provision that allows the redemption of the corporate bond certificates through the share certificates issued by a company other than the Issuer of the corporate bond certificates (limited to those where the person who holds the corporate bond certificates has the right to have the company, which is the Issuer of the bonds, redeem the corporate bond certificates through the share certificates; hereinafter referred to as "Exchangeable Corporate Bond Certificates"); and

(f) Share Certificates with Put Options;

(x) in cases where the Issuer of Securities exercises the right attached to the Share Certificates subject to Call, the transactions for the sale of the share certificates of the same Securities as, and within the scope of the volume of, the share certificates to be acquired as a result of the exercise of the right;

(xi) with regard to corporate bond certificates (including the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act which have the nature of corporate bond certificates, and excluding corporate bond certificates with share options (including the Securities set forth in that item which have the nature of corporate bond certificates with share options)) with a special provision that allows the redemption of the corporate bond certificates through the Share Certificates, etc. (meaning share certificates or Securities set forth in sub-item (a) of the following item; hereinafter the same applies in this item) issued by a person other than the Issuer of the corporate bond certificates, when it has been decided that the corporate bond certificates will be redeemed by the Share Certificates, etc., the transaction for the sale of the Share Certificates, etc. of the same Securities as, and within the scope of the volume of the Share Certificates, etc. to be redeemed;

(xii) in cases where the Issuer of Securities conducts a share split, split of Preferred Equity Investment (meaning Preferred Equity Investment as prescribed in the Act on Preferred Equity Investment; the same applies hereinafter) for Preferred Equity Investment Certificates, a split of beneficial interest pertaining to the following Securities (hereinafter referred to as "Beneficiary Securities of an Investment Trust, etc." in this Chapter) (including those equivalent thereto in a foreign state) and a split of investment equity (meaning investment equity as prescribed in Article 2, paragraph (14) of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951); the same applies hereinafter) (hereinafter collectively referred to as the "Share Split, etc." in this item), an Allotment of Shares without Contribution (meaning Allotment of Shares without Contribution as prescribed in Article 185 of the Companies Act; the same applies hereinafter), a merger, a company split, a share exchange, or a share transfer, the

- transaction for the sale of the same Securities as, and within the scope of the volume of, the share certificates, Preferred Equity Investment, beneficial interest pertaining to Beneficiary Securities of an Investment Trust, etc. (including those equivalent thereto in a foreign state) and investment equity pertaining to Investment Securities which is allotted through the Share Split, etc., Allotment of Shares without Contribution, merger, company split, share exchange, or share transfer (hereinafter referred to as the "Shares, etc." in this item);
- (a) Beneficiary Securities of an Investment Trust set forth in Article 2, paragraph (1), item (x) of the Act (limited to those pertaining to an investment trust for which it is provided in the basic terms and conditions for the investment trust prescribed in Article 4, paragraph (1) of the Act on Investment Trusts and Investment Corporations that investment is to be made by having the rate of fluctuations in the Amount of Net Assets per unit for the investment trust property correspond to the rate of fluctuations in the quotations on a Financial Instruments Market or any other indicator);
  - (b) beneficiary securities of a foreign investment trust set forth in Article 2, paragraph (1), item (x) of the Act (limited to those similar to Securities set forth in sub-item (a));
  - (c) among the Securities set forth in Article 2, paragraph (1), item (xi) of the Act, Foreign Investment Securities similar to Securities set forth in sub-item (b);
  - (d) among the Securities set forth in Article 2, paragraph (1), item (xiv) of the Act, those similar to Securities set forth in sub-item (a);
  - (e) among the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act, those which have the nature of the Securities set forth in sub-item (d);
  - (f) Beneficiary Securities of Securities in Trust of which the Entrusted Securities are the Securities set forth in sub-item (b), (c) or (e); and
  - (g) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to the Securities set forth in sub-item (b), (c) or (e).
- (xiii) a transaction in which a person who has responded to the Public Offering or Secondary Distribution, Solicitation for Acquisition Only for Professional Investors, or Solicitation for Selling Only for Professional Investors, etc., conducts the sales of the same Securities as, and within the scope of the volume of the Securities to be acquired as a result of the Public Offering or Secondary Distribution, or Solicitation for Acquisition Only for Professional Investors Solicitation for Selling;
- (xiv) a transaction for the sale of the same Securities as, and within the scope

- of the volume of, the Securities purchased through a When Issued Transaction, prior to the transfer of the Securities;
- (xv) the Short Selling (limited to the Short Selling which falls under Article 26-2-2, paragraph (1), item (ii) of the Order; the same applies in item (v) of the following paragraph and paragraph (3), item (iv)) transaction which are conducted for any of the following reasons:
- (a) the entry of a name change on share certificates;
  - (b) an exchange of share certificates for those of which the number of shares indicated thereon is the number of shares per trading unit which is specified by a Financial Instruments Exchange; or
  - (c) the replacement of share certificates with new share certificates due to mutilation or defacement of the share certificates or change of trade names.
- (xvi) the following transactions related to Beneficiary Securities of an Investment Trust, etc.:
- (a) a transaction in which a person who has demanded to exchange the Beneficiary Securities of an Investment Trust, etc. with the Securities which belong to the investment trust property thereof or property similar thereto (limited to the exchange prescribed in Article 12, item (i), sub-item (a) or item (ii), sub-item (c) of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000; hereinafter referred to as the "Enforcement Order of the Investment Trust Act") or those similar thereto), conducts the sale of the same Securities as, and within the scope of the volume of, the Securities to be acquired as a result of the demand (excluding the transaction set forth in item (iii)); and
  - (b) a transaction in which a person who has made an offer for acquisition of Beneficiary Securities of an Investment Trust, etc. (limited to the acquisition prescribed in Article 12, item (ii), sub-item (b) of the Enforcement Order of the Investment Trust Act or those similar thereto) conducts the sale of the Beneficiary Securities of an Investment Trust, etc. of the same Securities as, and within the scope of the volume of, the Beneficiary Securities of an Investment Trust, etc. to be acquired as a result of the offering.
- (xvii) among the transactions in which a Member, etc. of the Financial Instruments Exchange conducts Short Selling on the member's own account with regard to the Beneficiary Securities of an Investment Trust, etc. or Investment Securities listed on the Financial Instruments Exchange, or the transactions in which a High-Speed Trader, which is designated as a person who makes an order for the following transactions with regard to the Beneficiary Securities of an Investment Trust, etc. listed on a Financial Instruments Exchange pursuant to the rules specified by the Financial

Instruments Exchange, conducts Short Selling on the trader's own account with regard to the Beneficiary Securities of an Investment Trust, etc. based on the method specified by the Financial Instruments Exchange, those set forth in the following sub-items:

- (a) a transaction based on a sell order in cases where sell orders and buy orders are executed continuously in order to assure the smooth distribution of Securities; and
- (b) a transaction to sell in response to a buy order.

(xviii) a Margin Transaction;

(xix) in cases where a Member, etc. of a Financial Instruments Exchange has promised to its customer to purchase the Securities held by the customer (excluding those borrowed and the Securities prescribed in Article 26-2 of the Order if the case falls under the case prescribed in the relevant Article) at the following price through a purchase and sale conducted outside the Financial Instruments Exchange Market or the trading session specified in the operational rules of the Financial Instruments Exchange, a Short Selling transaction of the same Securities as, and within the scope of the volume of, the Securities to be conducted by the Member, etc. on the member's own account (excluding the transaction set forth in item (iii) only in cases where sell orders will be executed in accordance with the program set in advance and the transaction managed under a special account):

- (a) the price obtained by dividing the total trading value of the same Securities as the respective Securities in the trading session on the relevant Financial Instruments Exchange Market as of the day on which the purchase will be conducted by the total trading volume thereof (referred to as the "Volume Weighted Average Price" in sub-item (b)); or

- (b) the price obtained by dividing the total sales proceeds of the same Securities as the Securities which the Member, etc. has sold in installments in the Financial Instruments Exchange Market with the aim of achieving the Volume Weighted Average Price, which are of the same Securities as the relevant Securities, by the total sales volume thereof.

(xx) a transaction to be conducted using the relationship between the trading price of the following Securities and the trading price of the share certificates or Investment Securities (hereinafter referred to as "Share Certificates, etc." in this item and the following item) which are to be acquired by exercising the right attached to the Securities, in which a new purchase of the Securities as well as the sale of Share Certificates, etc. of the same Securities as and within the scope of the volume of the Share Certificates, etc. is to be conducted:

- (a) corporate bond certificates with share options;
- (b) share option certificates;

- (c) Investment Equity Subscription Rights Certificates;
  - (d) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to share certificates;
  - (e) Exchangeable Corporate Bond Certificates; and
  - (f) Share Certificates with Put Options.
- (xxi) a transaction of sales of Share Certificates, etc. of the same Securities as, and within the scope of the volume of the Share Certificates, etc. which are to be acquired through the exercise of the rights attached to the following Securities which is to be conducted to reduce any potential risks arising from fluctuations of prices in relation to the outstanding balance of purchase of the respective Securities (including cases where the right to acquire the Securities has been granted by the Issuer of the Securities):
- (a) corporate bond certificates with share options;
  - (b) share option certificates;
  - (c) Investment Equity Subscription Rights Certificates;
  - (d) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act, which indicate the right pertaining to the share certificates;
  - (e) Exchangeable Corporate Bond Certificates; and
  - (f) Share Certificates with Put Options.
- (xxii) the following transactions which are to be conducted by using the relationship between the level of the Agreed Amount or Agreed Figure (meaning an Agreed Figure as prescribed in Article 2, paragraph (21), item (ii) of the Act; the same applies hereinafter) pertaining to the transactions set forth in Article 2, paragraph (21), item (i) of the Act, concerning Securities (hereinafter referred to as the "Securities Futures Transaction" in this item) or the transactions set forth in Article 2, paragraph (21), item (ii) of the Act pertaining to Securities (including foreign market derivatives transactions similar thereto; hereinafter referred to as the "Securities Index Futures Transactions" in this Article) and the level of Securities Index, etc. (meaning the total value of the Securities or Securities Indices (meaning the indices calculated based on the prices of Securities; hereinafter the same applies in this Article) related to Securities Futures Transactions; hereinafter the same applies in this Article) (including equivalent transactions conducted by using the transactions set forth in Article 2, paragraph (21), item (iii) of the Act pertaining to Securities Index, etc. and excluding the transactions set forth in item (iii) of this paragraph):
- (a) a transaction in which new Long-Securities Index Futures Transactions, etc. (meaning the purchase in Securities Futures Transactions or Securities-Index Futures Transactions wherein the person is the party to receive money when the Actual Figure (meaning the Actual Figure as prescribed in Article 2, paragraph (21), item (ii) of the Act; the same

- applies hereinafter) exceeds the Agreed Figure; hereinafter the same applies in this Article), as well as the sales of multiple Securities of different issues (limited to Securities selected so that the fluctuations in the total value of the Securities approximate the fluctuations of the Securities Index, etc. related to the Long-Securities Index Futures Transactions, etc.) within the scope of the transaction contract value thereof is to be conducted; and
- (b) a transaction in which the transaction contract balance, in whole or in part, of a Short-Securities Index Futures Transaction, etc. (meaning the sale of Securities Futures Transactions or Securities Index Futures Transactions wherein the person is the party to pay money when the Actual Figure exceeds the Agreed Figure; hereinafter the same applies in this Article) corresponding to the transaction contract balance of the Long-Securities Index Futures Transactions, etc. is settled in accordance with the method specified by the Financial Instruments Exchange (limited to redemption in the case of Securities Futures Transactions), and sale of multiple Securities of different issues (limited to the Securities selected so that the fluctuations in the total value of the Securities approximate the fluctuations of the Securities Index, etc. related to the Long-Securities Index Futures Transactions, etc. or to the Short-Securities Index Futures Transactions, etc.) are conducted within the scope of the amount of the settlement.
- (xxiii) a transaction for the sale of multiple Securities of different issues (limited to the Securities which are selected so that the fluctuations in the total value of the Securities approximate the fluctuations of the Securities Index, etc. related to the Long-Securities Index Futures Transactions, etc.) within the scope of the transaction contract balance of Long-Securities Index Futures Transactions, etc. (limited to the transaction contract balance remaining after the deduction of the transaction contract balance of the Short-Securities Index Futures Transactions, etc., corresponding to the Long-Securities Index Futures Transactions, etc. and the amount of the transactions set forth in sub-item (a) and sub-item (b) of the preceding item pertaining to the Long-Securities Index Futures Transactions, etc.) which is to be conducted in order to reduce any potential risks arising from fluctuations of prices related to the transaction contract balance of the Long-Securities Index Futures Transactions, etc. (including transactions equivalent thereto which are conducted in connection with the transactions set forth in Article 2, paragraph (21), item (iii) of the Act pertaining to Securities Index and excluding the transactions set forth in item (iii));
- (xxiv) a transaction to be conducted using the relationship between the Exercise Price (meaning the price pertaining to the transaction which is



- established by a unilateral manifestation of intention by one of the parties) and the amount receivable for the transactions set forth in Article 2, paragraph (21), item (iii) of the Act, concerning Securities (hereinafter referred to as the "Securities Options Trading" in this Article) and the trading price of Securities, in which a party acquires the right to purchase Securities or grants the right to sell Securities by newly conducting a Securities Options Trading, and conducts sales of the same Securities as, and within the scope of the volume of, the respective Securities which are to be acquired when the party exercises the right or the right is exercised (excluding the transactions set forth in item (iii));
- (xxv) in cases where a party has acquired the right to purchase or granted the right to sell Securities through a Securities Options Trading, a transaction for the sale of the same Securities as, and within the scope of the volume of, the Securities which are to be purchased in cases where the party exercises the right or the right has been exercised, in order to reduce any potential risks arising from fluctuations in the amount receivable for the Securities Options Trading (limited to the volume remaining after the deduction of the volume of Securities which are to be sold by exercising the right or as a result of the right being exercised in cases where the party has acquired the right to sell or granted the right to purchase the Securities through Securities Options Trading and the volume of the transaction set forth in preceding item related to the same Securities as the respective Securities) (excluding the transactions set forth in item (iii));
- (xxvi) a transaction to be conducted using the relationship between the level of the Agreed Amount of Beneficiary Securities of an Investment Trust, etc. and the level of the Agreed Amount of another Beneficiary Securities of an Investment Trust, etc. to be invested based on the same money rate, value of currency, quotation on a Financial Instruments Exchange Market, or any other indicator (hereinafter collectively referred to as the "Indicator" in this Article) as the Beneficiary Securities of an Investment Trust, etc., in which a new purchase of the Beneficiary Securities of an Investment Trust, etc., as well as the sale of the other Beneficiary Securities of an Investment Trust, etc. within the scope of the purchase value thereof is to be conducted;
- (xxvii) a transaction to be conducted using the relationship between the level of the Agreed Amount and the level of the Indicator of Beneficiary Securities of an Investment Trust, etc. in which a new purchase of the Beneficiary Securities of an Investment Trust, etc. as well as the sale of the Indicator Linked Securities (meaning the Securities which are selected so that the fluctuations in the total value of the Securities approximate the fluctuations of the Indicator pertaining to the Beneficiary Securities of an Investment Trust, etc.; hereinafter the same applies in this item to item (xxxii) inclusive)

- within scope of the purchase value is to be conducted (in cases where the Indicator Linked Securities are multiple Securities of different issues, this is limited to the sales of the multiple Securities of different issues; the same applies in the following item and item (xxxi) and item (xxxii)) (excluding the transactions set forth in item (iii));
- (xxviii) a transaction of the sale of Indicator Linked Securities conducted within the scope of the purchase value thereof in order to reduce any potential risk arising from the fluctuations of prices pertaining to the purchase balance of Beneficiary Securities of an Investment Trust, etc. (excluding the transaction set forth in item (iii));
- (xxix) the following transactions conducted by using the relationship between the level of the Agreed Figure or level of the Indicator pertaining to the Securities Index Futures Transactions and the level of Agreed Amount of Beneficiary Securities of an Investment Trust, etc.:
- (a) a transaction in which new Long-Securities Index Futures Transactions, etc. (meaning the Securities Index Futures Transactions under which the person is the party to receive money when the Actual Figure exceeds the Agreed Figure, which are made in accordance with the Indicator of the Beneficiary Securities of an Investment Trust, etc.; hereinafter the same applies in this Article) or a purchase of Indicator Linked Securities (in cases where the Indicator Linked Securities are multiple Securities of different issues, this is limited to the purchase of the multiple Securities of different issues) as well as the sale of the Beneficiary Securities of an Investment Trust, etc. within the scope of the transaction contract balance or the total amount of purchase value is to be conducted; or
- (b) a transaction in which the transaction contract balance, in whole or in part, of the Short-Securities Index Futures Transactions, etc. (meaning the Securities Index Futures Transactions under which the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, which are made in accordance with the Indicator of Beneficiary Securities of an Investment Trust, etc.; the same applies in the following item) corresponding to the transaction contract balance of the Long-Securities Index Futures Transactions, etc. is settled in accordance with the method specified by a Financial Instruments Exchange and sales of the Beneficiary Securities of an Investment Trust, etc. are made within the scope of the amount of the settlement.
- (xxx) a transaction for the sale of Beneficiary Securities of an Investment Trust, etc. within the scope of the transaction contract balance of a Long-Securities Index Futures Transactions (limited to the transaction contract balance remaining after the deduction of the transaction contract balance of Short-Securities Index Futures Transactions corresponding thereto and the amount

- of the transactions set forth in item (xxii), sub-items (a) and (b) pertaining to the same Long-Securities Index Futures Transactions as the respective Long-Securities Index Futures Transactions) or the total amount of purchase value of the Indicator Linked Securities which are conducted in order to reduce any potential risks arising from fluctuations of prices pertaining to the transaction contract balance of the Long-Securities Index Futures Transactions or the purchase balance of the Indicator Linked Securities;
- (xxx) a transaction to be conducted using the relationship between the price level and the Index level of Beneficiary Securities of an Investment Trust, etc., in which the right to purchase Beneficiary Securities of an Investment Trust, etc. is acquired or the right to sell Beneficiary Securities of an Investment Trust, etc. is granted by newly conducting the transactions set forth in Article 2, paragraph (21), item (iii) of the Act pertaining to the Beneficiary Securities of an Investment Trust, etc. (referred to as "Option Trading of Beneficiary Securities of an Investment Trust, etc." in the following item), and sales of the Indicator Linked Securities are made within the limit of the amount of the Beneficiary Securities of an Investment Trust, etc. to be acquired when a party exercises the right or the right has been exercised (limited to the amount remaining after the deduction of the amount of the transaction set forth in item (xxiv) pertaining to the same Securities of the Beneficiary Securities of an Investment Trust, etc.) (excluding the transactions set forth in item (iii));
- (xxxii) in cases where a party has acquired the right to purchase or granted the right to sell Securities through Option Trading of Beneficiary Securities of an Investment Trust, etc., a transaction for the sale of the Indicator Linked Securities within the value of the Beneficiary Securities of an Investment Trust, etc. to be purchased in cases where the party exercises the right or the right has been exercised, which are conducted in order to reduce any potential risks arising from fluctuations in the price of the Beneficiary Securities of an Investment Trust, etc., (limited to the amount remaining after the deduction of the amount of Beneficiary Securities of an Investment Trust, etc. to be sold by exercising the right or as a result of the right being exercised in cases where the party has acquired the right to purchase or granted the right to sell the Beneficiary Securities of an Investment Trust, etc. through Option Trading of Beneficiary Securities of an Investment Trust, etc., the amount of the transaction set forth in item (xxiv) and item (xxv) pertaining to the same Securities as the Beneficiary Securities of an Investment Trust, etc., and the amount of the transaction set forth in the preceding item pertaining to the Indicator Linked Securities) (excluding the transactions set forth in item (iii));
- (xxxiii) a transaction for the sale of Beneficiary Securities of an Investment

- Trust, etc. on the Financial Instruments Exchange Market in order to equalize the prices of the Beneficiary Securities of an Investment Trust, etc. with the level of the Indicator pertaining to the Beneficiary Securities of an Investment Trust, etc. (in cases of Securities set forth in item (xii), sub-item (f), the Entrusted Securities referred to in sub-item (f) of the same item, and in cases of Securities set forth in sub-item (g) of the same item, the Securities related to the indicated right referred to in sub-item (g) of the same item);
- (xxxiv) a transaction to be conducted using the relationship between the level of the Agreed Amount of Share Certificates issued by the company which has decided a merger, share exchange, or share transfer (hereinafter collectively referred to as the "Merger, etc." in this item) (hereinafter referred to as "Share Certificates of a Merging, etc. Company" in this item) and the level of the Agreed Amount of shares issued by another company which implements a Merger, etc. with the relevant company (hereinafter referred to as "Share Certificates of a Merged, etc. Company" in this item) based on the ratio of Merger, etc., in which a new purchase of Share Certificates of a Merging, etc. Company as well as the sale of Share Certificates of a Merged, etc. Company within the scope of the purchase value is to be conducted (limited to the cases in which the date of Merger, etc. and the ratio of Merger, etc. have been decided, and that fact has been made public);
- (xxxv) a Short Selling transaction for the Securities of which the number is less than the trading unit specified by the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market; and
- (xxxvi) a transaction for the sale of the Securities to be made in order to equalize the price of the Securities in a Financial Instruments Exchange Market with the price of the Securities in a Financial Instruments Exchange Market established by another Financial Instruments Exchange or a Proprietary Trading System (meaning a Proprietary Trading System as prescribed in Article 26-2-2, paragraph (7) of the Order; hereinafter the same applies in this Chapter) established by a Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act.
- (2) The transactions specified by Cabinet Office Order, prescribed in Article 26-2-2, paragraph (5) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article, are the following transactions (with regard to the transactions set forth in item (vii) to item (ix) inclusive, this is limited to the transactions wherein the Member of the Authorized Financial Instruments Firms Association who has accepted the entrustment of the Short Selling and the person who has received an application for brokerage of entrustment of the Short Selling to be made on an Over-the-Counter Securities Market have

confirmed that the Short Selling will be conducted as the transactions):

- (i) the transactions set forth in items (ii), (iii) and (vii), and item (ix) to item (xiv) inclusive of the preceding paragraph;
- (ii) a Short Selling transaction made by an Over-the-Counter Market Maker on the Over-the-Counter Market Maker's own account in the Over-the-Counter Securities Market on which the Over-the-Counter Market Maker quotes sale prices, based on the sale quotes;
- (iii) among transactions for the sale of the purchased Over-the-Counter Traded Securities (excluding Over-the-Counter Traded Securities pertaining to Short Selling that have been purchased in lieu of accepting the entrustment or the brokerage of entrustment of Short Selling through a person applying for the entrustment or brokerage of entrustment of Short Selling which is to be conducted in an Over-the-Counter Securities Market) whose settlement has yet to be completed, the transactions wherein the settlement of the sales is to be made with the purchased Over-the-Counter Traded Securities;
- (iv) among the purchases and sales on an Over-the-Counter Traded Securities Market, a Short Selling transaction of Over-the-Counter Traded Securities to be effected outside the hours of trading of Over-the-Counter Traded Securities through the system for transactions of an Over-the-Counter Traded Securities Market according to the relevant rules specified by the Authorized Financial Instruments Firms Association in which the Over-the-Counter Traded Securities Market is established (hereinafter referred to as "System Trading" in this Chapter);
- (v) a Short Selling transaction which is to be conducted on any of following grounds:
  - (a) the entry of a name change on share certificates;
  - (b) an exchange of share certificates with those of which the number of shares indicated thereon is the number of shares per trading unit which is specified by an Authorized Financial Instruments Firms Association;
  - (c) the replacement of share certificates with new share certificates due to mutilation or defacement of the share certificates or change of trade names;
- (vi) a Margin Transaction;
- (vii) the transactions set forth in items (xx), (xxi) and (xxxiv) of the preceding paragraph;
- (viii) a Short Selling transaction of Over-the-Counter Traded Securities of which the volume is less than the published trading unit specified by the Authorized Financial Instruments Firms Association which establishes the Over-the-Counter Securities Market;
- (ix) a transaction for the sale of certain Over-the-Counter Traded Securities to be made in order to equalize the price of Over-the-Counter Traded Securities

in an Over-the-Counter Securities Market with the price of the Over-the-Counter Traded Securities in an Over-the-Counter Securities Market established by another Authorized Financial Instruments Firms Association or a Proprietary Trading System established by a Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act.

(3) The transactions specified by Cabinet Office Order, prescribed in Article 26-2-2, paragraph (5) of the Order as applied mutatis mutandis pursuant to paragraph (7) of that Article, are the following transactions (with regard to the transactions set forth in item (vi) to item (ix) inclusive, this is limited to the transactions wherein the customer of the Authorized Financial Instruments Firms Association that has accepted the entrustment of the Short Selling and obtained the authorization referred to in Article 30, paragraph (1) of the Act and the person who has received an application for brokerage of entrustment of the Short Selling to be made in an Proprietary Trading System have confirmed that the Short Selling will be conducted as the transactions):

(i) the transactions set forth in paragraph (1), items (ii), (iii) and (vii), item (ix) to item (xiv) inclusive and item (xvi);

(ii) a Short Selling transaction made by a Financial Instruments Business Operator, etc. prescribed in Article 14, paragraph (2) on its own account in the Proprietary Trading System on which the Financial Instruments Business Operator, etc. quotes sale prices, based on the sale quotes;

(iii) among transactions for the sale of the purchased Securities (excluding Securities pertaining to Short Selling that have been purchased in lieu of accepting the entrustment or the brokerage of entrustment of Short Selling through a person applying for the entrustment or brokerage of entrustment of Short Selling which is to be conducted in a Proprietary Trading System) whose settlement has yet to be completed, the transactions wherein the settlement of the sales is to be made with the purchased Securities;

(iv) a Short Selling transaction which is to be conducted on any of following grounds:

(a) the entry of a name change on share certificates;

(b) an exchange of share certificates with those of which the number of shares indicated thereon is the number of shares per trading unit which is specified by a Financial Instruments Firms Association that has obtained the authorization referred to in Article 30, paragraph (1) of the Act;

(c) the replacement of share certificates with new share certificates due to mutilation or defacement of the share certificates or change of trade names;

(v) in cases where a Financial Instruments Business Operator, etc. which is a customer of a Financial Instruments Business Operator that has obtained

the authorization referred to in Article 30, paragraph (1) of the Act has promised to its customer to purchase the Securities held by the customer (excluding those borrowed and the Securities prescribed in Article 26-2 of the Order if the case falls under the case prescribed in the same Article) at the following price through a purchase and sale conducted outside the Financial Instruments Exchange Market or the trading session specified in the operational rules of the Financial Instruments Exchange, a Short Selling transaction of the same Securities as, and within the scope of the volume of, the Securities to be conducted by the Financial Instruments Business Operator, etc. on its own account (excluding the transaction set forth in paragraph (1), item (iii) only in cases where sell orders will be executed in accordance with the program set in advance and the transaction managed under a special account):

- (a) the price obtained by dividing the total trading value of the same Securities as the respective Securities in the trading session on the relevant Financial Instruments Exchange Market as of the day on which the purchase will be conducted by the total trading volume thereof (referred to as the "Volume Weighted Average Price" in sub-item (b)); or
- (b) the price obtained by dividing the total sales proceeds of the same Securities as the Securities which the Financial Instruments Business Operator, etc. has sold in installments in the Financial Instruments Exchange Market or the Proprietary Trading System established by the Financial Instruments Business Operator with the aim of achieving the Volume Weighted Average Price, which are of the same Securities as the relevant Securities, by the total sales volume thereof.
- (vi) the transactions set forth in paragraph (1), item (xx) to item (xxxii) inclusive and item (xxxiv);
- (vii) a transaction for the sale of Beneficiary Securities of an Investment Trust, etc. on the Proprietary Trading System in order to equalize the prices of the Beneficiary Securities of an Investment Trust, etc. with the level of the Indicator pertaining to the Beneficiary Securities of an Investment Trust, etc. (in cases of Securities set forth in paragraph (1), item (xii), sub-item (f), the Entrusted Securities referred to in sub-item (f) of the same item, and in cases of Securities set forth in sub-item (g) of the same item, the Securities related to the indicated right referred to in sub-item (g) of the same item);
- (viii) a Short Selling transaction for the Securities of which the number is less than the trading unit specified by a Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act and establishes the Proprietary Trading System;
- (ix) a transaction for the sale of the Securities to be made in order to equalize the price of the Securities in a Proprietary Trading System with the price of

the Securities in a Proprietary Trading System established by another Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act or Financial Instruments Exchange Market or Over-the-Counter Securities Market.

(Method Equivalent to Price Formation Method in a Financial Instruments Exchange Market or an Over-the-Counter Securities Market)

Article 10 The price formation method specified by Cabinet Office Order, prescribed in Article 26-2-2, paragraph (7) of the Order are the following methods:

- (i) the method set forth in the items of Article 17 of the Cabinet Office Order on Definitions; and
- (ii) the method of auction or a method similar to the method set forth in the preceding item.

(Exclusion of the Clear Indication and Obligation to Confirm in the Case of Short Selling)

Article 11 (1) The transaction specified by Cabinet Office Order, prescribed in Article 26-3, paragraph (5) of the Order, are the transactions set forth in Article 9-3, paragraph (1), item (i) to item (xvii) inclusive.

(2) The transactions specified by Cabinet Office Order, prescribed in Article 26-3, paragraph (5) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article, are the transactions set forth in Article 9-3, paragraph (2), item (i) to item (v) inclusive.

(3) The transactions specified by Cabinet Office Order, prescribed in Article 26-3, paragraph (5) of the Order as applied mutatis mutandis pursuant to paragraph (7) of that Article, are the transactions set forth in Article 9-3, paragraph (3), item (i) to item (iv) inclusive.

(Prices in Cases of Short Selling)

Article 12 (1) The price formation method specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1) of the Order, is the method in which a Market Maker quotes bids and offers on a regular and continuous basis, and is obliged to conduct purchases and sales based on the bids and offers quotes.

(2) The price specified by Cabinet Office Order, prescribed in the main clause of Article 26-4, paragraph (1) of the Order, is the highest bid price issued by a Market Maker in the Financial Instruments Exchange Market which has been published immediately prior to the Short Selling by the Financial Instruments Exchange in which the Financial Instruments Exchange Market in which the respective Short Selling is to be made with regard to the Securities subject to the Short Selling is established (referred to as the "Latest Publicized Highest



Bid Price" in the following paragraph).

- (3) The price specified by Cabinet Office Order, prescribed in the proviso to Article 26-4, paragraph (1) of the Order, is a price different from the Latest Publicized Highest Bid Price on the Financial Instruments Exchange Market which has been publicized immediately prior to the publication of the Latest Publicized Highest Bid Price by the Financial Instruments Exchange that publicized the Latest Publicized Highest Bid Price and which is the highest bid price issued by a Market Maker.
- (4) The time frame specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order is from the opening time of the trading session specified in the operational rules of the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market to the closing time thereof (when there is a morning trading session, afternoon trading session or any other classification of the trading session, these sessions are deemed to be continuing).
- (5) The price to be calculated as specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order is the price to be calculated on the basis of the following prices (when the prices are prices before going ex-dividend or ex-right, the prices obtained by deducting the price of the dividend or right from the prices; hereinafter the same applies in this paragraph) specified by the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market in its operational rules (when the price does not exist, either of the following prices):
  - (i) the closing price prescribed in Article 130 of the Act;
  - (ii) the closing quotation price.
- (6) The ratio specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order, is ten percent.
- (7) A single Financial Instruments Exchange Market specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (ii) of the Order, is the Financial Instruments Exchange Market where the trading volume of Securities (excluding those pertaining to purchases and sales conducted outside the trading session specified in the operational rules of the Financial Instruments Exchange) was the highest in the past six months from the last day of each month (when no relevant Financial Instruments Exchange Market exists, the Financial Instruments Exchange Market where the total trading volume of Securities other than the Securities was the highest in the past six months).

Article 13 (1) The price formation method specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1) of the Order as applied *mutatis mutandis* pursuant to paragraph (5) of that Article, is the method in which an

Over-the-Counter Market Maker quotes bids and offers on a regular and continuous basis and is obliged to conduct purchases and sales based on the bids and offers quotes.

- (2) The price specified by Cabinet Office Order, prescribed in the main clause of Article 26-4, paragraph (1) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article, is the highest bid quotation issued by an Over-the-Counter Market Maker in the Over-the-Counter Securities Market which has been published immediately prior to the Short Selling by the Authorized Financial Instruments Firms Association which establishes the Over-the-Counter Securities Market in which the respective Short Selling is to be made with regard to the Securities subject to the Short Selling (referred to as the "Latest Publicized Highest Bid Price" in the following paragraph).
- (3) The price specified by Cabinet Office Order, prescribed in the proviso to Article 26-4, paragraph (1) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article, is a price different from the Latest Publicized Highest Bid Price on an Over-the-Counter Securities Market which has been publicized immediately prior to the publication of the Latest Publicized Highest Bid Price by the Authorized Financial Instruments Firms Association that publicized the Latest Publicized Highest Bid Price and which is the highest bid price issued by an Over-the-Counter Market Maker.
- (4) The time frame specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article is from the opening time of System Trading specified in the relevant rules specified by the Authorized Financial Instruments Firms Association which establishes the Over-the-Counter Securities Market to the closing time thereof (when there is a morning System Trading session, afternoon System Trading session or any other classification of the System Trading, these sessions are deemed to be continuing).
- (5) The price to be calculated as specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article is the price to be calculated on the basis of the following prices (when the prices are prices before going ex-dividend or ex-right, the prices obtained by deducting the price of the dividend or right from the prices; hereinafter the same applies in this paragraph) specified by the Authorized Financial Instruments Firms Association which establishes the Over-the-Counter Securities Market in its rules (when the price does not exist, either of the following prices):
  - (i) the closing price prescribed in Article 67-19 of the Act;
  - (ii) the closing quotation price.
- (6) The ratio specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied mutatis mutandis pursuant to

paragraph (5) of that Article, is ten percent.

- (7) A single Over-the-Counter Securities Market specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (ii) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article after deemed replacement is the Over-the-Counter Securities Market where the trading volume of Over-the-Counter Securities (excluding purchases and sales conducted outside System Trading hours) was the highest in the past six months from the last day of each month (when no relevant Over-the-Counter Securities Market exists, the Over-the-Counter Securities Market where the total trading volume of Securities other than the Securities was the highest in the past six months).

Article 14 (1) The price formation method specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article is the method set forth in Article 17, item (ii) of the Cabinet Office Order on Definitions or a method similar thereto.

- (2) The price specified by Cabinet Office Order, prescribed in the main clause of Article 26-4, paragraph (1) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article, is the highest bid price issued by a Financial Instruments Business Operator, etc. which presents bids and offers quotes (limited to those in which the price based on the bids is used in the price formation method specified in the preceding paragraph) in the Proprietary Trading System which has been published immediately prior to the Short Selling by the Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act and establishes the Proprietary Trading System in which the respective Short Selling is to be made with regard to the Securities subject to the Short Selling (referred to as the "Latest Publicized Highest Bid Price" in the following paragraph).
- (3) The price specified by Cabinet Office Order, prescribed in the proviso to Article 26-4, paragraph (1) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article, is a price different from the Latest Publicized Highest Bid Price in the Proprietary Trading System which has been publicized immediately prior to the publication of the Latest Publicized Highest Bid Price by the Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act and publicized the Latest Publicized Highest Bid Price and which is the highest bid price issued by the Financial Instruments Business Operator, etc. prescribed in the preceding paragraph.
- (4) The time frame specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied mutatis mutandis pursuant to

paragraph (6) of that Article is from the opening time of the transactions specified in the documents stating the contents and methods of business prescribed in Article 30-3, paragraph (2) of the Act (referred to as "business rules" in the following paragraph) of the Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act and establishes the Proprietary Trading System to the closing time thereof (when there are morning transactions, afternoon transactions or any other classification of the transactions, these transactions are deemed to be continuing).

- (5) The price to be calculated as specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied *mutatis mutandis* pursuant to paragraph (6) of that Article is the price specified by the Financial Instruments Business Operator that has obtained the authorization referred to in Article 30, paragraph (1) of the Act and establishes the Proprietary Trading System in its business rules as being the price equivalent to the price specified in Article 12, paragraph (5) or paragraph (5) of the preceding paragraph:
- (6) The ratio specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (i) of the Order as applied *mutatis mutandis* pursuant to paragraph (6) of that Article, is ten percent.
- (7) A single Financial Instruments Exchange Market or an Over-the-Counter Securities Market specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (1), item (ii) of the Order as applied *mutatis mutandis* pursuant to paragraph (6) of that Article after deemed replacement is the Financial Instruments Exchange Market or Over-the-Counter Securities Market where the trading volume of Securities (excluding those pertaining to purchases and sales conducted outside the trading session specified in the operational rules of the Financial Instruments Exchange or outside System Trading hours) was the highest in the past six months from the last day of each month (when no relevant Financial Instruments Exchange Market exists, the Financial Instruments Exchange Market where the total trading volume of Securities other than the Securities was the highest in the past six months, and when no relevant Over-the-Counter Securities Market exists, the Over-the-Counter Securities Market where the total trading volume of Securities other than the Securities was the highest in the past six months).

(Exclusion of Price Restrictions in Cases of Short Selling)

- Article 15 (1) The transactions specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (4) of the Order, are the following transactions:
- (i) the transactions set forth in the items of Article 9-3, paragraph (1) (excluding item (xviii));
  - (ii) a Margin Transaction (limited to cases in which the volume of sales is

- within 50 times as much as the trading unit specified by the Financial Instruments Exchange) conducted by a person who does not fall under the category of Qualified Institutional Investor as prescribed in Article 2, paragraph (3), item (i) of the Act (including foreign juridical persons similar thereto);
- (2) The transactions specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (4) of the Order as applied mutatis mutandis pursuant to paragraph (5) of that Article, are the following transactions:
- (i) the transactions set forth in the items of Article 9-3, paragraph (2) (excluding item (vi));
  - (ii) a Margin Transaction (limited to cases in which the volume of sales is within 50 times as much as the trading unit specified by an Authorized Financial Instruments Firms Association) conducted by a person who does not fall under the category of a Qualified Institutional Investor as prescribed in Article 2, paragraph (3), item (i) of the Act (including foreign juridical persons similar thereto);
- (3) The transactions specified by Cabinet Office Order, prescribed in Article 26-4, paragraph (4) of the Order as applied mutatis mutandis pursuant to paragraph (6) of that Article, are the transactions set forth in the items of Article 9-3, paragraph (3).

(Provision of Information on Short Selling to a Financial Instruments Exchange)

- Article 15-2 (1) A Member etc. of the Principal Financial Instruments Exchange (meaning Principal Financial Instruments Exchange as prescribed in Article 26-5, paragraph (1) of the Order; hereinafter the same applies in this Article and Article 15-4, paragraph (1)) pertaining to Designated Securities (meaning Designated Securities as prescribed in Article 26-5, paragraph (1) of the Order; hereinafter the same applies in this Article and the following Article) for which the member conducted Short Selling on the member's own account must, pursuant to the provisions of Article 26-5, paragraph (1) of the Order, if any of the cases set forth in the following items apply, provide the member's Outstanding Short Selling Positions and Other Related Information (meaning the Outstanding Short Selling Positions and Other Related Information prescribed in, item (i) of that paragraph; hereinafter the same applies in this Article to Article 15-4 inclusive) pertaining to the Designated Securities to the Principal Financial Instruments Exchange by ten o'clock in the morning on the day on which two business days of the Principal Financial Instruments Exchange have elapsed from the day specified in the respective items:
- (i) when, as a result of the Short Selling, the Outstanding Short Selling Positions Ratio (meaning the Outstanding Short Selling Positions Ratio

- prescribed in paragraph (1), item (vii) of the following Article; hereinafter the same applies in this Article) of the Designated Securities reaches 0.002 or more and the Number of Outstanding Short Selling Positions Expressed in Trading Units exceeds 50: the day on which the Short Selling was conducted;
- (ii) when there are any changes in the Outstanding Short Selling Positions Ratio prescribed in the preceding item (only when the Outstanding Short Selling Positions Ratio after the change is 0.002 or more and the Number of Outstanding Short Selling Positions Expressed in Trading Units after the change exceeds 50, excluding cases in which there are no changes in the figure obtained by rounding down any fraction in each of the Outstanding Short Selling Positions Ratio before the change and the Outstanding Short Selling Positions Ratio after the change to three decimal places and the case set forth in the same item): the day on which the change occurred.
- (iii) in cases where there are changes in the Outstanding Short Selling Positions Ratio or the Number of Outstanding Short Selling Positions Expressed in Trading Units prescribed in item (i), when the Outstanding Short Selling Positions Ratio after the change has ceased to reach 0.002 or more or the Number of Outstanding Short Selling Positions Expressed in Trading Units after the change has ceased to exceed 50: the day on which the change occurred
- (2) A Member, etc. of the Principal Financial Instruments Exchange pertaining to Designated Securities for which the member conducted Short Selling under the entrustment of a customer must, pursuant to the provisions of Article 26-5, paragraph (1) of the Order, immediately provide the trade name or name and the address or location (hereinafter referred to as "Trade Name, etc." in this Article) of the customer, as well as the Outstanding Short Selling Positions and Other Related Information provided by the customer, to the Principal Financial Instruments Exchange.
- (3) A person who has conducted Short Selling on the person's own account with regard to Designated Securities (excluding Member etc. of the Principal Financial Instruments Exchange pertaining to the Designated Securities) must, pursuant to the provisions of Article 26-5, paragraph (2) of the Order, if any of the cases set forth in the items of paragraph (1) apply, immediately provide the person's Trade Name, etc. as well as the person's Outstanding Short Selling Positions and Other Related Information pertaining to the Designated Securities to any single Member, etc. of the Principal Financial Instruments Exchange by ten o'clock in the morning on the day on which two business days of the Principal Financial Instruments Exchange pertaining to the Designated Securities have elapsed from the day specified in the respective items. In this case, the Member, etc. of the Principal Financial Instruments Exchange who was provided with the Outstanding Short Selling Positions and Other Related

Information must immediately provide the Trade Name, etc. of the person as well as the Outstanding Short Selling Positions and Other Related Information to the Principal Financial Instruments Exchange.

- (4) A person who has conducted Short Selling under the entrustment of a customer with regard to Designated Securities (excluding Member etc. of the Principal Financial Instruments Exchange pertaining to the Designated Securities) must, pursuant to the provisions of Article 26-5, paragraph (2) of the Order, immediately provide the Trade Name, etc. of the customer, as well as the Outstanding Short Selling Positions and Other Related Information provided by the customer, to any single Member, etc. of the Principal Financial Instruments Exchange pertaining to the Designated Securities. In this case, the Member, etc. of the Principal Financial Instruments Exchange who was provided with the Outstanding Short Selling Positions and Other Related Information must immediately provide the Trade Name, etc. of the person as well as the Outstanding Short Selling Positions and Other Related Information to the Principal Financial Instruments Exchange.
- (5) The person who has accepted brokerage of entrustment of Short Selling of Designated Securities must, pursuant to the provisions of Article 26-5, paragraph (3) of the Order, immediately provide the Trade Name, etc. of the applicant for the brokerage of entrustment, as well as the Outstanding Short Selling Positions and Other Related Information provided by the applicant for brokerage of entrustment to the other party of the brokerage of entrustment of the Short Selling (when brokerage of entrustment of Short Selling has been accepted for multiple parties, any single party among the multiple parties).
- (6) A person who has applied for the entrustment or the brokerage of entrustment of Short Selling of Designated Securities must, pursuant to the provisions of Article 26-5, paragraph (4) of the Order, if any of the cases set forth in the following items apply, provide the person's Trade Name, etc. as well as the person's Outstanding Short Selling Positions and Other Related Information pertaining to the Designated Securities, to the other party to the application for entrustment or the brokerage of entrustment of Short Selling (when the application for entrustment or the brokerage of entrustment of Short Selling has been made to multiple parties, any single party among the multiple parties) by ten o'clock in the morning on the day on which two business days of the Principal Financial Instruments Exchange pertaining to the Designated Securities have elapsed from the day specified in the respective items:
  - (i) when, as a result of the Short Selling, the Outstanding Short Selling Positions Ratio pertaining to the Designated Securities reaches 0.002 or more and the Number of Outstanding Short Selling Positions Expressed in Trading Units exceeds 50: the day on which the Short Selling was conducted; or

- (ii) when there are any changes in the Outstanding Short Selling Positions Ratio prescribed in the preceding item (only when the Outstanding Short Selling Positions Ratio after the change is 0.002 or more and the Number of Outstanding Short Selling Positions Expressed in Trading Units after the change exceeds 50, excluding cases in which there are no changes in the figure obtained by rounding down any fraction in each of the Outstanding Short Selling Positions Ratio before the change and the Outstanding Short Selling Positions Ratio after the change to three decimal places and the case set forth in the same item): the day on which the change occurred.
  - (iii) in cases where there are changes in the Outstanding Short Selling Positions Ratio or the Number of Outstanding Short Selling Positions Expressed in Trading Units prescribed in item (i), when the Outstanding Short Selling Positions Ratio after the change has ceased to reach 0.002 or more or the Number of Outstanding Short Selling Positions Expressed in Trading Units after the change has ceased to exceed 50: the day on which the change occurred
- (7) The "Number of Outstanding Short Selling Positions Expressed in Trading Units" used in paragraph (1) and the preceding paragraph is the number obtained by dividing the Number of Outstanding Short Selling Positions prescribed in paragraph (2) of the following Article by the trading unit of the Designated Securities for which the Short Selling has been effected which is specified by the Principal Financial Instruments Exchange (any fraction is rounded down).
- (8) In cases where Short Selling under paragraph (6) falls under those specified in the following items, the Outstanding Short Selling Positions Ratio and the Number of Outstanding Short Selling Positions Expressed in Trading Units under that paragraph are calculated for each of the matters specified in the respective items:
- (i) the Short Selling conducted by a person engaged in Trust Business (meaning Trust Business as prescribed in Article 2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004); the same applies hereinafter) as the investment of trust property (excluding the investment trust property prescribed in Article 3, item (ii) of the Act on Investment Trusts and Investment Corporations; hereinafter the same applies in this item and paragraph (1), item (iii), sub-item (a) of the following Article): the respective trust property (in cases of a trust property invested based on instructions of a settlor, the respective settlor);
  - (ii) the Short Selling conducted by a person engaged in Investment Management Business (meaning Investment Management Business as prescribed in Article 28, paragraph (4) of the Act; the same applies hereinafter) (limited to a person who conducts business pertaining to the acts



- set forth in Article 2, paragraph (8), item (xii) of the Act) as the investment (including giving instructions therefor; the same applies in the following item) of Investment Property (meaning investment property as prescribed in Article 35, paragraph (1), item (xv) of the Act; the same applies in the following item and item (iv) as well as paragraph (1), item (iii) of the following Article) on behalf of the counterparty to a Discretionary Investment Contract: the counterparty to the Discretionary Investment Contract;
- (iii) the Short Selling conducted by a person engaged in Investment Management Business (limited to a person who conducts business pertaining to the acts set forth in Article 2, paragraph (8), item (xiv) of the Act) as the investment of Investment Property made on behalf of the person who holds the right indicated on the Securities prescribed in that item or other rights specified by Cabinet Order: the respective Investment Property;
- (iv) the Short Selling conducted by a person engaged in Investment Management Business (limited to a person who conducts business pertaining to the acts set forth in Article 2, paragraph (8), item (xv) of the Act) as the investment of Investment Property made on behalf of the person who holds the rights set forth in sub-item (a) to sub-item (c) inclusive of that item or other rights specified by Cabinet Order prescribed in that item: the respective Investment Property; and
- (v) beyond to what is set forth in the preceding items, the Short Selling designated by the Commissioner of the Financial Services Agency: those matters specified by the Commissioner of the Financial Services Agency.
- (9) The provisions of the preceding paragraphs apply mutatis mutandis to the sale of Over-the-Counter Trade Securities registered by an Authorized Financial Instruments Firms Association.

(Outstanding Short Selling Positions and Other Related Information Provided to a Financial Instruments Exchange)

Article 15-3 (1) The information specified by Cabinet Office Order as information concerning outstanding short selling positions, prescribed in Article 26-5, paragraph (1), item (i) of the Order (including the cases where applied mutatis mutandis pursuant to paragraph (6) of that Article), is the following information:

- (i) the trade name or name of the person who conducted Short Selling with regard to the Designated Securities (in cases where the person is an individual (limited to an individual whose Outstanding Short Selling Positions Ratio prescribed in item (vii) is less than 0.05), a statement to the effect that the person is an individual);
- (ii) the address or location of the person who conducted Short Selling with regard to the Designated Securities (excluding individuals whose

- Outstanding Short Selling Positions Ratio prescribed in item (vii) is less than 0.05) (in cases where the person is an individual, the name of the prefecture and the name of the municipality or the special ward of the person, and in cases where the person is a Non-Resident (meaning a non-resident as prescribed in Article 6, paragraph (1), item (vi) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949); the same applies in the following item and Article 29, paragraph (2)), anything equivalent thereto);
- (iii) in cases where the Short Selling of the Designated Securities is any of the following types of Short Selling, the matters specified in the respective sub-items:
- (a) the Short Selling conducted by a person engaged in Trust Business as the investment of trust property: the name of the trust property, and in cases where the trust property is to be invested based on instructions from a settlor, the trade name or the name and address or the location of the settlor (in cases where the settlor is an individual (limited to an individual whose Outstanding Short Selling Positions Ratio prescribed in item (vii) is not less than 0.05), the name of the prefecture and the name of the municipality or the special ward of the settlor (in cases where the individual is a Non-Resident, anything equivalent thereto), and in cases where the settlor is an individual (limited to an individual whose Outstanding Short Selling Positions Ratio prescribed in item (vii) is less than 0.05), a statement to the effect that the person is an individual);
- (b) the Short Selling conducted by a person engaged in Investment Management Business (limited to a person conducting business pertaining to the acts set forth in Article 2, paragraph (8), item (xii) of the Act) as the investment of Investment Property (including giving instructions therefor; the same applies in sub-item (c)) on behalf of the other party in a Discretionary Investment Contract: the trade name or name and the address or location of the counterparty to the Discretionary Investment Contract (in cases where the counterparty to a Discretionary Investment Contract is an individual (limited to an individual whose Outstanding Short Selling Positions Ratio prescribed in item (vii) is not less than 0.05), the name of the prefecture and the name of the municipality or the special ward of the counterparty (in cases where the individual is a Non-Resident, anything equivalent thereto), and if the entrusting person is an individual (limited to an individual whose Outstanding Short Selling Positions Ratio prescribed in item (vii) is less than 0.05), a statement to the effect that the person is an individual);
- (c) the Short Selling conducted by a person engaged in Investment Management Business (limited to a person conducting business pertaining to the acts set forth in Article 2, paragraph (8), item (xiv) of the Act) as the

- investment of Investment Property on behalf of the person who has the right indicated on Securities prescribed in that item or other rights specified by Cabinet Order: the name of the Investment Property;
- (d) the Short Selling conducted by a person engaged in Investment Management Business (limited to a person conducting business pertaining to the acts set forth in Article 2, paragraph (8), item (xv) of the Act) as the investment of Investment Property made on behalf of the person who holds the rights set forth in sub-item (a) to sub-item (c) inclusive of that item or other rights specified by Cabinet Order prescribed in that item: the name of the respective Investment Property; and
- (e) other types of Short Selling designated by the Commissioner of the Financial Services Agency: the matters designated by the Commissioner of the Financial Services Agency.
- (iv) the issue name of the Designated Securities for which Short Selling has been conducted;
- (v) the date on which the calculation of the outstanding ratio prescribed in item (vii) was conducted;
- (vi) the Number of Outstanding Short Selling Positions of the Designated Securities for which the Short Selling was conducted and the Number of Outstanding Short Selling Positions Expressed in Trading Units prescribed in paragraph (7) of the preceding Article;
- (vii) the Outstanding Short Selling Positions Ratio (meaning the figure obtained by dividing the Number of Outstanding Short Selling Positions set forth in the preceding item by the total number of the issued shares or the number of units in issue of the Designated Securities) (any fraction is rounded down to four decimal places; the same applies in paragraph (1) of the following Article) pertaining to the Designated Securities; and
- (viii) when providing Outstanding Short Selling Positions and Other Related Information in cases falling under paragraph (1), item (ii) or (iii) or paragraph (6), item (ii) or (iii) of the preceding Article, the information set forth in item (v) pertaining to the Outstanding Short Selling Positions and Other Related Information provided immediately prior to the provision thereof and the information set forth in the preceding item (referred to as "Latest Outstanding Short Selling Positions Ratio" in paragraph (1), item (ii) of the following Article).
- (2) The "Number of Outstanding Short Selling Positions" as used in item (vi) of the preceding paragraph means, among the total number of the Designated Securities for which the Short Selling set forth in the items of Article 26-5, paragraph (1) of the Order (including the cases where applied mutatis mutandis pursuant to paragraph (6)-5 of that Article) has been conducted by the close of transactions of Designated Securities on a certain day (excluding

the total number of the Designated Securities which were traded as a part of the transactions set forth in the items of Article 9-3, paragraph (1) (excluding items (i), (viii) and (xviii)), the items of paragraph (2) (excluding items (i), (iv), (vi) and (vii)) or the items of paragraph (3) (excluding items (i) and (vi)) or Article 15, paragraph (1), item (ii) or paragraph (2), item (ii)), the number of Designated Securities or of ownership rights of Designated Securities that must be acquired after the certain day.

- (3) The total number of the issued shares or the number of units in issue as used in paragraph (1), item (vii) is the total number of the issued shares or the number of units in issue as of the calculation date referred to in item (v) of that paragraph; provided, however, that in cases where it is difficult to find out the total number of the issued shares or number of units in issue, the total number of the issued shares or the number of units in issue stated in the Annual Securities Report, etc. (meaning Annual Securities Report as prescribed in Article 24-1, paragraph (1) of the Act, Quarterly Securities Report as prescribed in Article 24-4-7, paragraph (1) of the Act or Semiannual Securities Report as prescribed in Article 24-5, paragraph (1) of the Act; hereinafter the same applies in this paragraph) immediately prior to the calculation date may be used (in cases where no Annual Securities Report, etc. has been submitted, the total number of the issued shares or the number of units in issue calculated based on the particulars contained in the commercial registry or any other document may be used).

(Publication of Information on Short Selling by a Financial Instruments Exchange)

- Article 15-4 (1) A Principal Financial Instruments Exchange must, pursuant to the provisions of Article 26-5, paragraph (5) of the Order, compile the Outstanding Short Selling Positions and Other Related Information provided by Members, etc. of the Principal Financial Instruments Exchange which satisfies either of the following requirements and publish it without delay:
- (i) the Outstanding Short Selling Positions Ratio pertaining to the Outstanding Short Selling Positions and Other Related Information is 0.005 or more; or
  - (ii) the Outstanding Short Selling Positions Ratio pertaining to the Outstanding Short Selling Positions and Other Related Information is less than 0.005 or the Number of Outstanding Short Selling Positions Expressed in Trading Units prescribed in Article 15-2, paragraph (7) pertaining to the Outstanding Short Selling Positions and Other Related Information is no more than 50 and the Latest Outstanding Short Selling Positions Ratio pertaining to the Outstanding Short Selling Positions and Other Related Information is 0.005 or more.
- (2) The publication prescribed in the preceding paragraph must be made via the

Internet or by other appropriate means for a period of one year from the day on which the Outstanding Short Selling Positions and Other Related Information was provided.

- (3) The provisions of the preceding two paragraphs apply mutatis mutandis to an Authorized Financial Instruments Firms Association.

## **Chapter V Purchase Conducted by a Company which is an Issuer of Listed or Other Share Certificates**

(Period in Which Price is Undetermined)

Article 15-5 The period specified by Cabinet Office Order prescribed in Article 26-6, paragraph (1) of the Order (including the cases where applied mutatis mutandis pursuant to paragraph (3) of that Article) is from the day following the day on which a statement pursuant to the provisions of Article 5, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to paragraph (5) of that Article and also including the cases where these provisions are applied mutatis mutandis pursuant to Article 27 of the Act) or an Extraordinary Report pursuant to the provisions of Article 24-5, paragraph (4) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act) is made available for public inspection pursuant to the provisions of Article 25, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act; hereinafter the same applies in this Article) with regard to the Public Offering or Secondary Distribution of Securities (limited to cases in which they are carried out before the determination of the issue price or distribution price of the Securities), whichever is the earliest, to the time at which an amendment of the statement pursuant to the provisions of Article 7, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act) or amendment of the Extraordinary Report pursuant to the provisions of Article 7, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 24-5, paragraph (5) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act) pertaining to the determination of the issue price or the distribution price of the Securities is made available for public inspection pursuant to the provisions of Article 25, paragraph (1) of the Act, whichever is the earliest.

(Those Equivalent to Borrowings)

Article 15-6 Those specified by Cabinet Office Order, prescribed in Article 26-6, paragraph (1) of the Order (including the cases where applied mutatis mutandis pursuant to paragraph (3) of that Article) are purchases or sales on the condition of resale or purchase by transactions similar thereto.

(Exclusion of Restrictions on Settlement of Borrowing of Securities related to the Short Selling)

Article 15-7 The transactions specified by Cabinet Office Order, prescribed in Article 26-6, paragraph (2) of the Order, are the following transactions:

- (i) transactions set forth in Article 2, paragraph (21), item (i) of the Act;
- (ii) the Short Selling transactions for the following Securities:
  - (a) the Securities set forth in Article 2, paragraph (1), item (i) to item (iii) inclusive of the Act;
  - (b) the Securities set forth in Article 2, paragraph (1), item (v) of the Act (excluding corporate bond certificates with share options and Exchangeable Corporate Bond Certificates);
  - (c) Beneficiary Securities of an Investment Trust set forth in Article 2, paragraph (1), item (x) of the Act (limited to those pertaining to an investment trust for which it is provided in the basic terms and conditions for the investment trust prescribed in Article 4, paragraph (1) of the Act on Investment Trust and Investment Corporations that investment is to be made by having the rate of fluctuations in the Amount of Net Assets per unit for the investment trust property correspond to the rate of fluctuations in the quotations on a Financial Instruments Market or any other indicator);
  - (d) beneficiary securities of a foreign investment trust set forth in Article 2, paragraph (1), item (x) of the Act (limited to those similar to Securities set forth in (c));
  - (e) an Investment Corporation Bond set forth in Article 2, paragraph (1), item (xi) of the Act;
  - (f) among the Securities set forth in Article 2, paragraph (1), item (xi) of the Act, Foreign Investment Securities (excluding Securities similar to Investment Equity Subscription Rights Certificates, in cases of securities similar to Investment Securities, limited to those similar to Securities set forth in sub-item (d));
  - (g) among the Securities set forth in Article 2, paragraph (1), item (xiv) of the Act, those similar to Securities set forth in sub-item (c);
  - (h) among the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act, those which have the nature of the Securities set forth in sub-item (a), (b) or (g);
  - (i) Beneficiary Securities of Securities in Trust of which the Entrusted Securities are the Securities set forth in sub-item (d), (f) or (h); and
  - (j) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate the rights pertaining to the Securities set forth in sub-item (d), (f) or (h).

- (iii) a Short Selling transaction made through, among the purchases and sales on a Financial Instruments Exchange Market, a purchase and sale conducted outside of the trading session specified in the operational rules of the Financial Instruments Exchange which establishes the Financial Instruments Exchange Market.

Article 15-8 The transactions specified by Cabinet Office Order, prescribed in Article 26-6, paragraph (2) of the Order as applied mutatis mutandis pursuant to paragraph (3) of that Article, are the following transactions:

- (i) a Short Selling transaction for the Securities set forth in item (ii), sub-item (a) to (j) inclusive of the preceding Article; and
- (ii) a Short Selling transaction of Over-the-Counter Traded Securities made outside System Trading hours among the purchases and sales on an Over-the-Counter Securities Market.

(Subject Transactions)

Article 16 The matters specified by Cabinet Office Order, prescribed in Article 162-2 of the Act, are the matters set forth in the following items:

- (i) the purchase and sale of Listed or Other Share Certificates, etc. (meaning Listed or Other Share Certificates, etc. as prescribed in Article 162-2 of the Act; hereinafter the same applies in this Chapter) conducted by an Issuer of Listed or Other Share Certificates, etc. under the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Articles 163 and 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto (limited to cases where the Issuer is a foreign person; hereinafter the same applies in this Chapter) or the entrustment, etc. thereof;
- (ii) the purchase and sale of Listed or Other Share Certificates, etc. conducted by a Trust Company, etc. (meaning a Trust Company, etc. as prescribed in Article 39, paragraph (1), item (i) of the Act; the same applies in Article 22) on the account of the Issuer of Listed or Other Share Certificates, etc. based on a trust contract under the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent to thereto, or the Entrustment, etc. thereof;

- (iii) the purchase and sale of Listed or Other Share Certificates, etc. conducted by a Financial Instruments Business Operator, etc. based on a Discretionary Investment Contract on behalf of the Issuer of Listed or Other Share Certificates, etc. under the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, or the Entrustment, etc. or instruction thereof;
- (iv) the purchase and sale of Listed or Other Share Certificates, etc. conducted by a Financial Instruments Business Operator, etc. on the account of an Issuer of Listed or Other Share Certificates, etc. based on a contract (excluding those falling under the category of a Discretionary Investment Contract) in which the Financial Instruments Business Operator, etc. obtains consent from the Issuer in deciding whether the Listed or Other Share Certificates, etc. will be purchased or sold, the total amount, and either the volume to be traded or the price at which to trade in an individual transaction and may decide the rest thereof, under the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, or the Entrustment, etc. thereof; and
- (v) Accepting an Entrustment, etc. (meaning Accepting an Entrustment, etc. as prescribed in Article 44-2, paragraph (1), item (i) of the Act) of the transactions set forth in the preceding items by a Financial Instruments Business Operator, etc.

(Requirements for the Purchase of Listed or Other Share Certificates on a Financial Instruments Exchange Market)

Article 17 When an Issuer of Listed or Other Share Certificates, etc. makes a purchase of Listed or Other Share Certificates, etc. or makes an Entrustment, etc. thereof (hereinafter collectively referred to as the "Purchase, etc. of Listed or Other Share Certificates, etc." in this Chapter) pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing



certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto (excluding the cases prescribed in the following Article) in a Financial Instruments Exchange Market, it must satisfy the following requirements:

- (i) that the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. from two or more Financial Instrument Business Operators, etc. in the same day;
- (ii) that the order price for the Purchase, etc. of Listed or Other Share Certificates, etc. is any of the following prices:
  - (a) an order for the Purchase, etc. of Listed or Other Share Certificates, etc. to be made by the time of publication of the trading price at the opening of a trading session of a given day on a Financial Instruments Exchange pursuant to the rules specified by the Financial Instruments Exchange (limited to a Financial Instruments Exchange which establishes the Financial Instruments Exchange Market in which Listed or Other Share Certificates, etc. are to be purchased; hereinafter the same applies in this Chapter) is made at a limit price which does not exceed the closing trading price of the Listed or Other Share Certificates, etc. as of the immediately preceding day which has been published in the Financial Instruments Exchange (including the published closing quotation price as of that day, and in cases where neither the closing trading price nor the closing quotation price as of the immediately preceding day exist, this is the closing trading price or the closing quotation price as of the day on which the closing trading price or the closing quotation price for the nearest day prior to the immediately preceding day has been published) (in cases where the order for the Purchase, etc. of Listed or Other Share Certificates, etc. is made after going ex-dividend or ex-right, and the price in the Financial Instruments Exchange Market published immediately prior to the order by the Financial Instruments Exchange with regard to the Listed or Other Share Certificates, etc. subject to the order is the price before going ex-dividend or ex-right, a price not exceeding the price obtained by deducting the price of dividend or rights from the price in the Financial Instruments Exchange Market published immediately prior to the order by the Financial Instruments Exchange with regard to the Listed or Other Share Certificates, etc. subject to the order);
  - (b) an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made after the time of publication of the trading price at the opening of a trading session of a given day on a Financial Instruments Exchange pursuant to the rules specified by the Financial Instruments Exchange is not an order made at a limit price that exceeds the highest price of the trading prices published by the time the order is to be made on the day

(meaning the trading price pertaining to the Listed or Other Share Certificates, etc. at a Financial Instruments Exchange Market published on the Financial Instruments Exchange; hereinafter referred to as the "Published Price" in this item and item (ii) of the following Article), and an order at the limit price that exceeds the latest Published Price (in cases where a quotation price is published as specified by the Financial Instruments Exchange, the quotation price) is not to be made repeatedly and continuously;

(iii) the total volume of an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made in one day on a Financial Instruments Exchange Market in which the purchase of Listed or Other Share Certificates, etc. is to be made does not exceed any of the following volumes:

(a) the number of trading units obtained by dividing the trading volume of the Listed or Other Share Certificates, etc. on the Financial Instruments Exchange Market during the four weeks prior to the week which includes the day on which the purchase of the Listed or Other Share Certificates, etc. is to be conducted (hereinafter referred to as the "Purchase Day" in this item and Article 19, paragraph (1), item (iii)) (excluding the trading volume in Off-Hours Trading (meaning the purchase and sale of Securities made outside the trading session specified in the operational rules of a Financial Instruments Exchange; hereinafter the same applies in this item)) by the number of days on which the market session of the Financial Instruments Exchange Market has been conducted during the four weeks, expressed in Trading Units (meaning the Trading Units of the Listed or Other Share Certificates, etc. specified by a Financial Instruments Exchange; hereinafter the same applies in this item) (hereinafter referred to as the "Daily Average Number of Trading Units" in this item and item (iii) of the following Article);

(b) the following volumes, according to the category of number of Trading Units obtained by dividing the trading volume of the Listed or Other Share Certificates, etc. on the Financial Instruments Exchange Market (excluding the trading volume in Off-Hours Trading) during the six months prior to the month which includes the Purchase Day of the Listed or Other Share Certificates, etc. by six, expressed in Trading Units (hereinafter referred to as the "Monthly Average Number of Trading Units" in this item and item (iii), sub-item (b) of the following Article):

1. the issues whose Monthly Average Number of Trading Units is 400 Trading Units or more: 10 Trading Units or the number of Trading Units obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of Trading Units is less than 3, this is 3 Trading Units), whichever is smaller;

2. the issues whose Monthly Average Number of Trading Units is 200 or more and less than 400: 5 Trading Units or the number of Trading Units obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of Trading Units is less than 3, this is 3 Trading Units) whichever is smaller; and
3. the issues whose Monthly Average Number of Trading Units is fewer than 200 Trading Units: 3 Trading Units.

(Purchase of Listed or Other Share Certificates of a Market Making Issue on a Financial Instruments Exchange Market)

Article 18 When an Issuer of Listed or Other Share Certificates, etc. makes a Purchase, etc. of Listed or Other Share Certificates, etc. pertaining to a Market Making Issue (meaning an issue for which a Market Maker quotes bids and offers on a regular and continuous basis and notifies the Financial Instruments Exchange that it has the obligation to conduct purchases and sales based on the bids and offers quotes, and which the Financial Instruments Exchange designates; the same applies in Article 23, item (ii)) pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, in a Financial Instruments Exchange Market, it must satisfy the following requirements:

- (i) that the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. from two or more Financial Instruments Business Operators, etc. in the same day;
- (ii) that an order for the Purchase of the Listed or Other Share Certificates, etc. will not be made at a limit price that exceeds the highest price of that day's Published Prices which have been published by the time on that day when the order is to be made, and that the Issuer will make the order at the limit price not exceeding the price published by a Financial Instruments Exchange as the lowest ask price published by a Market Maker (hereinafter referred to as the "Lowest Ask Price" in this item) and will not make an order at the Lowest Ask Price repeatedly and continuously when the Lowest Ask Price has risen immediately after the order;
- (iii) that the total volume of an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made in one day on a Financial Instruments Exchange Market in which the purchase of Listed or Other Share Certificates, etc. is to be made will not exceed any of the following volumes:
  - (a) the Daily Average Number of Trading Units;

(b) the following volumes, according to the category of the Monthly Average Number of Trading Units:

1. the issues whose Monthly Average Number of Trading Units is 400 trading units or more: 10 trading units or the number of trading units obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of trading units is less than 3, this is 3 trading units), whichever is smaller;
2. the issues whose Monthly Average Number of Trading Units is 200 or more and less than 400: 5 trading units or the number of trading units obtained by multiplying the Daily Average Number of Trading Units by 0.50, (when the number of trading units is less than 3, this is 3 trading units) whichever is smaller; and
3. the issues whose Monthly Average Number of Trading Units is fewer than 200 trading units: 3 trading units.

(Requirements for the Purchase of Listed or Other Share Certificates on an Over-the-Counter Securities Market)

Article 19 (1) When an Issuer of Listed or Other Share Certificates, etc. makes a Purchase, etc. of Listed or Other Share Certificates, etc. pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto (excluding the cases prescribed in the following Article) in an Over-the-Counter Securities Market, it must satisfy the following requirements:

- (i) that the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. from two or more Financial Instrument Business Operators, etc. in the same day;
- (ii) that the order price for the Purchase, etc. of Listed or Other Share Certificates, etc. is any of the following prices:
  - (a) an order for the Purchase, etc. of Listed or Other Share Certificates, etc. to be made by the time of publication of the trading price at the opening of a System Trading (meaning the purchase and sale of Listed or Other Share Certificates, etc. through the system for transactions of an Over-the-Counter Traded Securities Market established by an Authorized Financial Instruments Firms Association according to the relevant rules specified by the Authorized Financial Instruments Firms Association; hereinafter the same applies in this Chapter) of a given day in an Authorized Financial Instruments Firms Association (limited to the Authorized Financial

Instruments Firms Association which establishes the Over-the-Counter Securities Market in which the purchase of Listed or Other Share Certificates, etc. is to be conducted; hereinafter the same applies in this Chapter) pursuant to the rules specified by the Authorized Financial Instruments Firms Association is made at a limit price which does not exceed the Closing Trading Price of the Listed or Other Share Certificates, etc. as of the immediately preceding day which has been published in the Authorized Financial Instruments Firms Association (including the published Closing Quotation Price as of that day, and in cases where the Closing Trading Price nor Closing Quotation Price exist, this is the Closing Trading Price or the Closing Quotation Price as of the day on which the Closing Trading Price or Closing Quotation Price for the nearest day prior to the immediately preceding day has been published) (in cases where the order for the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made after going ex-dividend or ex-right, and the price in the Over-the-Counter Securities Market published immediately prior to the order by the Authorized Financial Instruments Firms Association with regard to the Listed or Other Share Certificates, etc. pertaining to the order is the price before going ex-dividend or ex-right, a price not exceeding the price obtained by deducting the price of the dividend or right from the price in the Authorized Financial Instruments Firms Association published immediately prior to the order by the Authorized Financial Instruments Firms Association with regard to the Listed or Other Share Certificates, etc. subject to the order);

- (b) an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made after the time of publication of the trading price at the opening of System Trading of a given day at an Authorized Financial Instruments Firms Association pursuant to the rules specified by the Authorized Financial Instruments Firms Association is not an order made at a limit price that exceeds the highest price of the trading prices published by the time on that day that the order is to be made (meaning the trading price on the Over-the-Counter Securities Market published by the Authorized Financial Instruments Firms Association with regard to Listed or Other Share Certificates, etc.; hereinafter referred to as the "Published Price" in this item and item (ii) of the following Article), and an order at the limit price exceeding the latest Published Price is not made repeatedly and continuously;
- (iii) the total volume of an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made in one day on the Over-the-Counter Securities Market in which the purchase of Listed or Other Share Certificates, etc. is to be made does not exceed any of the following volumes:

- (a) the number of trading units obtained by dividing the trading volume of the Listed or Other Share Certificates, etc. in the Over-the-Counter Securities Market during the four weeks prior to the week which includes the Purchase Day of the Listed or Other Share Certificates, etc. by the number of days on which System Trading in the Over-the-Counter Securities Market has been conducted during the four weeks, expressed in Trading Units (meaning the Trading Units of the Listed or Other Share Certificates, etc. specified by an Authorized Financial Instruments Firms Association; hereinafter the same applies in this item) (hereinafter referred to as the "Daily Average Number of Trading Units" in this item and item (iii) of the following Article);
- (b) the following volumes, according to the category of number of Trading Units obtained by dividing the trading volume of the Listed or Other Share Certificates, etc. in the Over-the-Counter Securities Market during the six months prior to the month which includes the Purchase Day of the Listed or Other Share Certificates, etc. by six, expressed in Trading Units (hereinafter referred to as the "Monthly Average Number of Trading Units" in this item and item (iii), sub-item (b) of the following Article):
1. the issues whose Monthly Average Number of Trading Units is 400 Trading Units or more: 10 Trading Units or the number of Trading Units obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of Trading Units is less than 3, this is 3 Trading Units), whichever is smaller;
  2. the issues whose Monthly Average Number of Trading Units is 200 or more and less than 400: 5 Trading Units or the number of Trading Units obtained by the Daily Average Number of Trading Units by 0.50 (when the number of Trading Units is less than 3, this is 3 Trading Units), whichever is smaller; and
  3. the issues whose Monthly Average Number of Trading Units is fewer than 200 Trading Units: 3 Trading Units.
- (2) The "Closing Trading Price" as used in item (ii), sub-item (a) of the preceding paragraph and Article 23, item (iii), sub-item (a) means the trading price as of the time immediately prior to the time at which System Trading is to close (meaning the time at which System Trading is to close according to the relevant rules specified by the Authorized Financial Instruments Firms Association; hereinafter the same applies in this paragraph and item (iv), sub-item (a) of that Article) and the "Closing Quotation Price" means the average price between the lowest ask price and the highest bid price as of the time immediately prior to the time at which System Trading is to close (if the price includes a fraction less than one yen, the fraction is rounded up to the nearest whole yen).

(Purchase of Listed or Other Share Certificates of an Over-the-Counter Market Making Issue on an Over-the-Counter Securities Market)

Article 20 When an Issuer of Listed or Other Share Certificates, etc. makes a Purchase, etc. of Listed or Other Share Certificates, etc. pertaining to an Over-the-Counter Market Making Issue (meaning the issue for which an Over-the-Counter Market Maker quotes bids and offers on a regular and continuous basis and notifies the Authorized Financial Instruments Firms Association that it has the obligation to conduct purchases and sales based on the bids and offers quotes and which the Authorized Financial Instruments Firms Association designates; the same applies in Article 23, item (iv)) pursuant to the provisions of Article 156 (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, on the Over-the-Counter Securities Market, it must satisfy the following requirements:

- (i) that the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. from two or more Financial Instrument Business Operators, etc. in the same day;
- (ii) that an order for the Purchase, etc. of Listed or Other Share Certificates, etc. will not be made at a limit price that exceeds the highest price of that day's Published Prices which have been published by the time on that day when the order is to be made, and that the Issuer will make the order at the limit price not exceeding the price published by an Authorized Financial Instruments Firms Association as the lowest ask price published by an Over-the-Counter Market Maker (hereinafter referred to as the "Lowest Ask Price" in this item) and will not make an order at the Lowest Ask Price repeatedly and continuously when the Lowest Ask Price has risen immediately after the order;
- (iii) that the total volume of an order for the Purchase, etc. of Listed or Other Share Certificates, etc. made in one day on an Over-the-Counter Securities Market in which the purchase of Listed or Other Share Certificates, etc. is to be made will not exceed any of the following volumes:
  - (a) the Daily Average Number of Trading Units;
  - (b) the following volumes according to the category of the Monthly Average Number of Trading Units:
    1. the issues whose Monthly Average Number of Trading Units is 400 trading units or more: 10 trading units or the number of trading units

obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of trading units is less than 3, this is 3 trading units), whichever is smaller;

2. the issues whose Monthly Average Number of Trading Units is 200 trading units or more and less than 400 trading units: 5 trading units or the number of trading units obtained by multiplying the Daily Average Number of Trading Units by 0.50 (when the number of trading units is less than 3, this is 3 trading units), whichever is smaller; and
3. the issues whose Monthly Average Number of Trading Units is fewer than 200 trading units: 3 trading units.

(Entrustment of Purchase by a Person Other Than an Issuer of Listed or Other Share Certificates)

Article 21 When a person who makes a purchase of Listed or Other Share Certificates, etc. set forth in Article 16, item (ii) to item (iv) inclusive or the Entrustment, etc. thereof, or gives the instructions therefor makes the purchase or Entrustment, etc. thereof, or gives the instructions therefor, the person must satisfy the requirements set forth in the items of Article 17, the items of Article 18, the items of Article 19, paragraph (1), and the items of the preceding Article.

(Name of the Purchaser of Listed or Other Share Certificates)

Article 22 When an Issuer of Listed or Other Share Certificates, etc. makes a Purchase, etc. of Listed or Other Share Certificates, etc. pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, it must make the Purchase, etc. in its own name (when a Trust Company, etc. conducts the Purchase, etc. based on a trust contract and on the account of the Issuer of Listed or Other Share Certificates, etc., by making a clarification to the effect that the Trust Company, etc. will make the Purchase, etc. of Listed or Other Share Certificates, etc. on the account of the Issuer).

(Method Found to be Appropriate for Securing Fairness in Purchases and Sales)

Article 23 When an Issuer of Listed or Other Share Certificates, etc. makes a Purchase, etc. of Listed or Other Share Certificates, etc. by any of the following methods pursuant to the provisions of Article 156, paragraph (1) of the



Companies Act (including the cases where it is applied by replacing certain terms pursuant to Article 163 and Article 165, paragraph (3) of that Act), the provisions of Article 80-2, paragraph (1) of the Act on Investment Trusts and Investment Corporations applied by replacing certain terms pursuant to Article 80-5, paragraph (2) of that Act or the laws and orders of a foreign state equivalent thereto, the provisions of Article 17 to Article 20 inclusive do not apply:

- (i) among the methods of Purchase, etc. of Listed or Other Share Certificates, etc. on a Financial Instruments Exchange Market (excluding the Purchase, etc. of Listed or Other Share Certificates, etc. prescribed in the following item), a method found to be appropriate by the Financial Instruments Exchange as satisfying the following requirements:
  - (a) that the Issuer will make an order for the Purchase, etc. of Listed or Other Share Certificates, etc. at a limit price not exceeding the closing trading price of the Listed or Other Share Certificates, etc. as of the immediately preceding day which has been published in the Financial Instruments Exchange (including the published closing quotation price as of that day, and in cases where neither the closing trading price nor closing quotation price exist, this is the closing trading price or the closing quotation price as of the day on which the closing trading price or closing quotation price for the nearest day prior to the immediately preceding day has been published) (in cases where an order for the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made after going ex-dividend or ex-right, and the price on the Financial Instruments Exchange Market published immediately prior to the order by the Financial Instruments Exchange with regard to the Listed or Other Share Certificates, etc. subject to the order is the price before going ex-dividend or ex-right, a price not exceeding the price obtained by deducting the amount of dividends or rights from the price on the Financial Instruments Exchange Market published immediately prior to the order by the Financial Instruments Exchange with regard to the Listed or Other Share Certificates, etc. subject to the order);
  - (b) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. after having published in advance to the effect that the Purchase, etc. will be made, the method, the price of purchase, and the volume of share certificates or Investment Securities, etc. (meaning Investment Securities and Foreign Investment Securities similar to Investment Securities; the same applies hereinafter) to be purchased, and any other matters that would serve as reference information for investors;
  - (c) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method which ensures fairness among shareholders

- or Investors (meaning Investors as prescribed in Article 2, paragraph (16) of the Act on Investment Trusts and Investment Corporations, including member of a Foreign Investment Corporation prescribed in paragraph (25) of that Article; the same applies hereinafter); and
- (d) that in cases where the Issuer makes a Purchase, etc. of Listed or Other Share Certificates, etc. by a given method, it will not make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method other than the method on the day on which the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made (if the volume of purchased share certificates or Investment Securities, etc. is less than the volume of share certificates or Investment Securities, etc. planned to be purchased as publicized in advance, the Issuer may make the Purchase, etc. of Listed or Other Share Certificates, etc. not by the method within the scope of the shortage volume of share certificates or Investment Securities, etc.).
  - (ii) among the methods of Purchase, etc. of Listed or Other Share Certificates, etc. pertaining to a Market Making Issue on the Financial Instruments Exchange Market, a method which is found to be appropriate by the Financial Instruments Exchange as satisfying the following requirements:
    - (a) that the Issuer will make an order for the Purchase, etc. of Listed or Other Share Certificates, etc. at a limit price not exceeding the price obtained by averaging the latest lowest ask price and highest bid price at the time at which the trading session on a Financial Instruments Exchange Market established by the Financial Instruments Exchange is to close as specified in the rules of the Financial Instruments Exchange of the Listed or Other Share Certificates, etc. publicized on the Financial Instruments Exchange (if the limit price includes a fraction, the fraction is rounded up to the nearest whole yen);
    - (b) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. after having publicized in advance to the effect that the Purchase, etc. will be made, the respective method, the price of purchase, and the volume of share certificates or Investment Securities, etc. to be purchased, and any other matters that would serve as reference information for investors;
    - (c) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method which ensures fairness among shareholders and Investors; and
    - (d) that in cases where the Issuer makes a Purchase, etc. of Listed or Other Share Certificates, etc. by a given method, it will not make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method other than the method on the day on which the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made (if the volume of purchased share

certificates or Investment Securities, etc. is less than the volume of share certificates or Investment Securities, etc. planned to be purchased as publicized in advance, the Issuer may make the Purchase, etc. of Listed or Other Share Certificates, etc. not by the method within the shortage volume of share certificates or Investment Securities, etc.).

- (iii) among the methods of Purchase, etc. of Listed or Other Share Certificates, etc. in an Over-the-Counter Securities Market (excluding the Purchase, etc. of Listed or Other Share Certificates, etc. prescribed in the following item), a method which is found to be appropriate by an Authorized Financial Instruments Firms Association as satisfying the following requirements:
  - (a) that the Issuer will make an order for the Purchase, etc. of Listed or Other Share Certificates, etc. at a limit price not exceeding the closing trading price of the Listed or Other Share Certificates, etc. as of the immediately preceding day which has been published in the Authorized Financial Instruments Firms Association (including the published Closing Quotation Price as of that day, and in cases where neither the closing trading price nor the Closing Quotation Price exist, this is the closing trading price or the Closing Quotation Price as of the day on which the closing trading price and Closing Quotation Price for the nearest day prior to the immediately preceding has been published) (in cases where the order for the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made after going ex-dividend or ex-right, and the price on the Over-the-Counter Securities Market published immediately prior to the order by the Authorized Financial Instruments Firms Association with regard to the Listed or Other Share Certificates, etc. subject to the order is the price before going ex-dividend or ex-right, a price not exceeding the price obtained by deducting the price of dividends or rights from the price on the Authorized Financial Instruments Firms Association published immediately prior to the order by the Authorized Financial Instruments Firms Association with regard to the Listed or Other Share Certificates, etc. subject to the order);
  - (b) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. after having publicized in advance to the effect that the Purchase, etc. will be made, the respective method, the price of purchase, and the volume of share certificates or Investment Securities, etc. to be purchased, and any other matters that would serve as reference information for investors;
  - (c) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method which ensures fairness among shareholders and Investors; and
  - (d) that in cases where the Issuer makes a Purchase, etc. of Listed or Other

Share Certificates, etc. by a given method, the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method other than the method on the day on which the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made (if the volume of purchased share certificates or Investment Securities, etc. is less than the volume of share certificates or Investment Securities, etc. planned to be purchased as publicized in advance, the Issuer may make a Purchase, etc. of Listed or Other Share Certificates, etc. not by the method within the scope of the shortage volume of share certificates or Investment Securities, etc.).

- (iv) among the methods of Purchase, etc. of Listed or Other Share Certificates, etc. pertaining to an Over-the-Counter Market Making Issue on an Over-the-Counter Securities Market, a method which is found to be appropriate by the Authorized Financial Instruments Firms Association as satisfying the following requirements:
  - (a) that the Issuer will make an order for the Purchase, etc. of Listed or Other Share Certificates, etc. at a limit price not exceeding the price obtained by averaging the lowest ask price and the highest bid price at the time at which the System Trading of the Listed or Other Share Certificates, etc. is to close as publicized at the Authorized Financial Instruments Firms Association (if the limit price includes a fraction, the a fraction is rounded up to the nearest whole yen);
  - (b) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. after having publicized in advance to the effect that the Purchase, etc. will be made, the respective method, the price of purchase, and the volume of share certificates or Investment Securities, etc. to be purchased, and any other matters that would serve as reference information for investors;
  - (c) that the Issuer will make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method which ensures fairness among shareholders and Investors; and
  - (d) that in cases where the Issuer makes a Purchase, etc. of Listed or Other Share Certificates, etc. by a given method, the Issuer will not make a Purchase, etc. of Listed or Other Share Certificates, etc. by a method other than the method on the day on which the Purchase, etc. of Listed or Other Share Certificates, etc. is to be made (if the volume of purchased share certificates or Investment Securities, etc. is less than the volume of share certificates or Investment Securities, etc. planned to be purchased as publicized in advance, the Issuer may make the Purchase, etc. of Listed or Other Share Certificates, etc. not by the method within the scope of the shortage volume of share certificates or Investment Securities, etc.).

## **Chapter VI Purchases and Sales Conducted by Officers and Major Shareholders of a Listed Company**

(Voting Rights Excluded from the Voting Rights Acquired or Held, in Consideration of the Manner of Acquisition or Holding thereof or Other Circumstances)

Article 24 The voting rights specified by Cabinet Office Order in consideration of the manner of acquisition or holding thereof or other circumstances, prescribed in Article 163, paragraph (1) of the Act, are the voting rights pertaining to the following shares:

- (i) the shares held as a trust property by a person engaged in Trust Business;
- (ii) the shares acquired by a person engaged in Securities-Related Business (meaning Securities-Related Business as prescribed in Article 28, paragraph (8) of the Act; the same applies in Article 59, paragraph (1), item (xiv), , sub-item (b) 1. and Article 62, item (ii)) through the business of Underwriting of Securities (meaning the Underwriting of Securities as prescribed in Article 2, paragraph (8), item (vi) of the Act) or Secondary Distribution of Securities, or Solicitation for Selling, etc. Only for Professional Investors; and
- (iii) the shares held by a person engaged in the business prescribed in Article 156-24, paragraph (1) of the Act as the person's business.

(Exempted Securities)

Article 25 (1) The Securities specified by Cabinet Office Order, prescribed in Article 27, item (i) of the Order, are the Securities set forth in Article 2, paragraph (1), item (v) of the Act that satisfy all of the following requirements:

- (i) that there exists monetary claim or other assets to be assigned (including the acquisition) directly or indirectly from the owner to a juridical person established or operated for the purpose of the issuance of Securities (referred to as the "Special Purpose Juridical Person" in the following item) (the monetary claim or assets are collectively referred to as the "Assigned Assets" in the following item);
  - (ii) that a Special Purpose Juridical Person will issue the Securities (including those issued for refinancing of the Securities), and use the money obtained through the management, investment, or disposal of the Assigned Assets for the performance of obligations arising from the Securities.
- (2) Real estate and other assets specified by a Cabinet Office Order prescribed in Article 27, item (ii), sub-item (a) of the Order means real estate and other assets as prescribed in Article 105, item (i), sub-item (f) of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Order of the Prime Minister's Office No. 129 of 2000).
- (3) The Investment Corporation specified by a Cabinet Office Order as an

Investment Corporation prescribed in Article 27, item (ii), sub-item (b) of the Order means an Investment Corporation (meaning Investment Corporation as prescribed in Article 2, paragraph (12) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) wherein the total value of the real estate and other assets prescribed in the preceding paragraph accounts for more than 50 percent of the total amount of the assets of the Investment Corporation in the settlement of account for the latest Business Period (meaning Business Period as prescribed in Article 129, paragraph (2) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) (in cases where disclosure (meaning disclosure as prescribed in Article 166, paragraph (4) of the Act; hereinafter the same applies in this paragraph) of the settlement of account was not made, the settlement of account for the Business Period prior to the latest Business Period) or disclosed information (limited to cases in which the latest Business Period does not exist or settlement of account for the latest Business Period was not disclosed and the Business Period prior to the latest Business Period does not exist).

(Transactions Equivalent to the Purchase of Specified Securities)

Article 26 The transactions specified by Cabinet Office Order, prescribed in Article 27-5, item (iv) of the Order, are those specified in the following items according to the category of transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to receive money when the Actual Figure exceeds the Agreed Figure (if the Specified Securities, etc. are Seller Related Securities, the party to pay money; hereinafter the same applies in this Article and the following Article);
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item) concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options (in cases where the Specified Securities, etc. are Seller Related Securities, the party to receive money; hereinafter the same applies in this

- Article and following Articles), or Options equivalent thereto specified by a Financial Instruments Exchange);
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the purchase and sale of Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Specified Securities, etc. related to the Options (in cases where the Specified Securities, etc. are Seller Related Securities, the position as a seller; hereinafter the same applies in this Article, the following Article and Article 35)) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities, etc. related to the Options (in cases where the Specified Securities, etc. are Seller Related Securities, the position as a buyer; hereinafter the same applies in this Article, the following Article and Article 35));
  - (iv) the transactions set forth in Article 2, paragraph (21), item (iv) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or in which the person is the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction;
  - (v) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction or wherein the person is the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (iv) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Specified Securities, etc. rises compared to the one at the time of entering into the agreement for the transaction, or wherein the person is the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (iv) of that paragraph that are related to the Options);
  - (vi) the transactions set forth in Article 2, paragraph (21), item (v) of the Act concerning Specified Securities, etc.: the transactions in which the person is

- the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur;
- (vii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in that item that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in item (v) of that paragraph that are related to the Options);
- (viii) Foreign Market Derivatives Transactions concerning Specified Securities, etc.: anything similar to the transactions specified in the preceding items according to the category of transactions set forth in the respective items;
- (ix) the transactions set forth in Article 2, paragraph (22), item (ii) of the Act concerning Specified Securities, etc.: a transaction in which a person is the party to receive money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto;
- (x) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money in the transactions set forth in item (ii) of that paragraph that are related to the Options when the Actual Figure exceeds the Agreed Figure) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money in the transactions set forth in item (ii) of that paragraph that are related to the Options when the Actual Figure exceeds the Agreed Figure);
- (xi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the purchase and sale of Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of the Specified Securities, etc. that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities, etc. that are related to the Options, or Options similar thereto);
- (xii) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Specified Securities, etc.: the acquisition of Options (limited to



- Options wherein the person who exercises the Options is the party to receive money when the actual price of the Specified Securities, etc. at the actual time of the exercise of the Options exceeds the figure agreed in advance as the price of the Specified Securities, etc. in cases of the exercise of the Options in the transactions that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the actual price of the Specified Securities, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Specified Securities, etc. in cases of the exercise of the Options in the transactions that are related to the Options, or Options similar thereto);
- (xiii) the transactions set forth in Article 2, paragraph (22), item (v) of the Act concerning Specified Securities, etc.: the transactions wherein the person is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for a transaction, or the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, or any other transactions similar thereto;
- (xiv) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto);
- (xv) the transactions set forth in Article 2, paragraph (22), item (vi) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, or any other transactions similar thereto; and
- (xvi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act

related to the transactions set forth in item (vi) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in item (vi) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in item (vi) of that paragraph that are related to the Options, or Options similar thereto).

(Transactions Equivalent to the Sale of Specified Securities)

Article 27 The transactions specified by Cabinet Office Order, prescribed in Article 27-6, item (iv) of the Order, are those specified in the following items according to the category of transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to pay money when the Actual Figure exceeds the Agreed Figure;
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph concerning Specified Securities, etc. (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item): the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange);
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the purchase and sale of Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities, etc. related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of the Specified Securities, etc. related to the Options);

- (iv) the transactions set forth in Article 2, paragraph (21), item (iv) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to pay money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction;
- (v) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Specified Securities, etc. rises compared to the price at the time of entering in to the agreement for the transaction, or the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (iv) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (iv) of that paragraph that are related to the Options);
- (vi) the transactions set forth in Article 2, paragraph (21), item (v) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur;
- (vii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in item (v) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in item (v) of that paragraph that are related to the Options);
- (viii) Foreign Market Derivatives Transactions concerning Specified Securities,

- etc.: anything similar to the transactions specified in the preceding items according to the category of transactions set forth in the respective items;
- (ix) the transactions set forth in Article 2, paragraph (22), item (ii) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to pay money when the Actual Figure exceeds the Agreed Figure or any other transactions similar thereto;
- (x) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph concerning Specified Securities, etc.: acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options similar thereto);
- (xi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the purchase and sale of Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities, etc. related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of the Specified Securities, etc. related to the Options, or Options similar thereto);
- (xii) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the actual price of the Specified Securities, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Specified Securities, etc. in cases of the exercise of the Options in the transactions that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the actual price of the Specified Securities, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Specified Securities, etc. in cases of the exercise of the Options, in the transactions that are related to the Options, or Options similar thereto);
- (xiii) the transactions set forth in Article 2, paragraph (22), item (v) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to pay money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the

- transaction, or the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, or any other transactions similar thereto;
- (xiv) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Specified Securities, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Specified Securities, etc. falls compared to the price at the time of entering into the agreement for the transaction in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto);
- (xv) the transactions set forth in Article 2, paragraph (22), item (vi) of the Act concerning Specified Securities, etc.: the transactions in which the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, or any other transactions similar thereto; and
- (xvi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (vi) of that paragraph concerning Specified Securities, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in that item that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, in the transactions set forth in that item that are related to the Options, or Options similar thereto).

(Cases Included in Purchases or Sales of Specified Securities by Officers and Major Shareholders)

Article 28 The cases specified by Cabinet Office Order, prescribed in the main

clause of Article 163, paragraph (1) of the Act, are the cases where the trustee of a trust of which the beneficiary is an officer (including officer of an Asset Management Company (meaning Asset Management Company as prescribed in Article 2, paragraph (21) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) of a Listed Company, etc. that is an Investment Corporation; hereinafter the same applies in this Chapter except in Article 30, paragraph (1), items (ii) and (iii) and Article 40, paragraph (4), item (ii)) or a Major Shareholder (meaning a Major Shareholder as prescribed in Article 163, paragraph (1) of the Act; hereinafter the same applies in this Chapter and the following Chapter) of a Listed Company, etc. and the manner of investment thereof is specified, makes a Purchase, etc. (meaning a Purchase, etc. prescribed in that paragraph; hereinafter the same applies in this Chapter) or Sale, etc. (meaning Sales, etc. prescribed in that paragraph; hereinafter the same applies in this Chapter) of Specified Securities, etc. of the Listed Company, etc. based on instructions from the officer or Major Shareholder of the Listed Company, etc.

(Matters to Be Stated in the Report on Purchases and Sales and the Office to Which it Must Be Submitted)

- Article 29 (1) The officer or Major Shareholder of the Listed Company, etc. who is to submit the report pursuant to Article 163, paragraph (1) of the Act must prepare the report using appended form 3.
- (2) With regard to the report under the preceding paragraph, in cases where the person who submits the report is a Resident (meaning a Resident as prescribed in the first sentence of Article 6, paragraph (1), item (v) of the Foreign Exchange and Foreign Trade Act), the report must be submitted to the Director-General of the Local Finance Bureau who has jurisdiction over the location of the head office or the principal office of the person (in cases of an individual, the address or residence) (in cases where the 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 the person is a Non-Resident, to the Director General of the Kanto Finance Bureau.
- (3) Notwithstanding the provisions of the preceding paragraph, in the case of submitting the report under paragraph (1) via a Financial Instruments Business Operator, etc. pursuant to the provisions of Article 163, paragraph (2) of the Act, the report must be submitted to the Director-General of the Local Finance Bureau who has jurisdiction over the location of the head office of the Financial Instruments Business Operator, etc. (with regard to a Financial Instruments Business Operator, etc. who is a foreign juridical person, the principal business office or office in Japan) (in cases where the 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 submitting the report via an Authorized Transaction-at-Exchange Operator (meaning an Authorized Transaction-at-Exchange Operator as prescribed in Article 60-4, paragraph (1) of the Act; the same applies in Article 41, paragraph (3)), to the Director General of the Kanto Finance Bureau.

(Cases Where Submission of a Report May Be Omitted)

Article 30 (1) The cases specified by Cabinet Office Order, prescribed in the proviso to Article 163, paragraph (1) of the Act, are the following cases:

- (i) the case where the purchase or sale of share certificates pertaining to shares of a number less than one unit of shares as prescribed in Article 188, paragraph (1) of the Companies Act is conducted;
- (ii) the case where an officer or employee of the Listed Company, etc. (including an officer or employee of another company over which the Listed Company has control directly or indirectly; hereinafter the same applies in this item and the following item) jointly with other officer(s) or employee(s) of the Listed Company, etc. has made a purchase of share certificates or Investment Securities of the Listed Company, etc. (in cases where the Listed Company, etc. purchases share certificates other than those which the Listed Company, etc. has purchased pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Articles 165, paragraph (3) of that Act), it is limited to the cases where the purchase is made by Entrustment, etc. to a Financial Instruments Business Operator, etc.) and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee is to contribute less than one million yen per occasion; the same applies in the following item);
- (iii) the case where an officer or employee of a Listed Company, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates or Investment Securities of the Listed Company, etc. and the person engaged in Trust Business has made a purchase of share certificates or Investment Securities of the Listed Company, etc. based on the instructions from the officer or employee, and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the officer or employee and the trust property for which the settlor is another officer or employee of the Listed Company are jointly invested);
- (iv) the case where an employee of an Associated Company of a Listed

- Company, etc. (excluding Listed Investment Corporation, etc.; hereinafter the same applies in this item to item (vi) inclusive) jointly with another employee of the Associated Company has made a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator (excluding the cases set forth in item (ii)) and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each employee is to contribute less than one million yen per occasion; the same applies in the following item);
- (v) the case where an employee of an Associated Company of a Listed Company, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates of the Listed Company, etc., and the person engaged in Trust Business has made a purchase of share certificates of the Listed Company, etc. based on instructions from the employee (excluding the cases listed in item (iii)), and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the employee and the trust property for which the settlor is another employee of the Associated Company are jointly invested);
- (vi) the case where a Person Who Has a Transaction Relationship with a Listed Company, etc. (meaning the person who has a transaction relationship with the Listed Company, etc. as designated by the Listed Company, etc. (where the person is a juridical person or any other type of organization, including its officers; where the person is an individual, limited to those who have a business relationship with the Listed Company, etc. in relation to its business); hereinafter the same applies in this item) jointly with another Person Who Has a Transaction Relationship with the Listed Company, etc. has made a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each Person Who Has a Transaction Relationship is to contribute less than one million yen per occasion);
- (vi)-2 the case where an officer or employee of an Asset Management Company of a Listed Company, etc. (limited to Listed Investment Corporation, etc.; hereinafter the same applies in this item) or a Corporation in Specified Relationship (meaning Corporation in Specified Relationship as prescribed in Article 166, paragraph (5) of the Act; the same applies hereinafter) therewith jointly with another officer or employee of the Asset Management Company or the Corporation in Specified Relationship has made a purchase of



- Investment Securities of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee is to contribute less than one million yen per occasion);
- (vii) the case in which a purchase of share certificates (including Preferred Equity Investment Certificates; the same applies in item (xv)) or Investment Securities of a Listed Company, etc. has been made by Entrustment, etc. to a Financial Instruments Business Operator pursuant to a Contract for Cumulative Investment, and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where the amount to be paid in for one issue by each customer is to be less than one million yen per month);
  - (viii) the case where the transactions set forth in Article 2, paragraph (21), item (i) of the Act concerning an aggregate of two or more share certificates or Investment Securities of different issues conducted in a Financial Instruments Exchange are conducted;
  - (ix) the case where the purchase and sale of Specified Securities as specified by Cabinet Order, prescribed in Article 159, paragraph (3) of the Act, is conducted;
  - (x) the case where an officer or Major Shareholder of a Listed Company, etc. makes a purchase and sale on condition of repurchase for which the repurchase price is set in advance pertaining to the Specified Securities, etc. issued by the Listed Company, etc., which falls under the category of any of the following Securities (limited to those conducted by the officer or Major Shareholder solely for the officer's or Major Shareholder's own fund procurement):
    - (a) the Securities set forth in Article 2, paragraph (1), item (v) of the Act (excluding corporate bond certificates with share options);
    - (b) Investment Corporation Bonds set forth in Article 2, paragraph (1), item (xi) of the Act;
    - (c) the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act which have the nature of the Securities prescribed in sub-item (a) or Foreign Investment Securities similar to Investment Corporation Bonds.
  - (xi) the case where the share options for subscription prescribed in Article 238, paragraph (1) of the Companies Act are acquired;
  - (xii) the case where a person who holds share options or Investment Equity Subscription Rights (meaning Investment Equity Subscription Rights as prescribed in Article 2, paragraph (17) of the Act on Investment Trusts and Investment Corporations; the same applies hereinafter) has made purchase of share certificates or Investment Securities by exercising the share options

- or Investment Equity Subscription Rights;
  - (xiii) the case where an officer of a Listed Company, etc. provides service to the Listed Company, etc. and purchases share certificates of the Listed Company, etc. that the officer is to acquire in exchange for the satisfaction of the claims to be acquired by the officer as consideration for the provision of service;
  - (xiv) the case where the transactions set forth in Article 2, paragraph (21), item (iv) or Article 2, paragraph (22), item (v) of the Act concerning Specified Securities, etc. are conducted;
  - (xv) the case where the Banks' Shareholdings Purchase Corporation has made a purchase of share certificates or Investment Securities of a Listed Company, etc. (limited to those which fall under the category of a special share purchase prescribed in Article 38, paragraph (2) of the Act on Limits for Share, etc. Holdings by Banks and Other Financial Institutions (Act No. 131 of 2001) (including the purchase of share certificates under the provisions of Article 38-2, paragraph (1) of that Act) and those which fall under the category of purchase of Investment Equity under the provisions of Article 38-6, paragraph (1) of that Act) or a sale of the share certificates or Investment Securities which it has purchased (including the cases where the person to whom the Banks' Shareholdings Purchase Corporation entrusts part of its business pursuant to the provisions of Article 35 of that Act makes a purchase or sale of share certificates or Investment Securities of a Listed Company, etc. under the entrustment).
- (2) The other company over which the Listed Company, etc. has control directly or indirectly as prescribed in item (ii) of the preceding paragraph means a company which falls under any of the following items:
- (i) where a Listed Company, etc. holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. (meaning the Voting Rights Held by All the Shareholders, etc. as prescribed in Article 29-4, paragraph (2) of the Act; the same applies hereinafter) of another company, the other company;
  - (ii) where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company; or
  - (iii) where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company.
- (3) The Associated Company prescribed in paragraph (1), items (iv) and (v) means a company which falls under any of the following items (excluding Listed Companies, etc.):
- (i) where a Listed Company, etc. holds voting rights of not less than 25 percent of the Voting Rights Held by All the Shareholders, etc. of another company,

- the other company;
- (ii) where the net sales of another company to a Listed Company, etc. in the previous business year were not less than 50 percent of the total amount of net sales of the other company, the other company; and
  - (iii) where the purchases of another company from a Listed Company, etc. in the previous business year were not less than 50 percent of the total amount of purchases of the other company, the other company.
- (4) The provision of Article 4-4, paragraph (3) of the Order applies mutatis mutandis to voting rights held by a Listed Company, etc. under the items of paragraph (2) and item (i) of the preceding paragraph, or those held by the company set forth in paragraph (2), item (i) or (ii).

(Office to which Applications Are to Be Submitted)

Article 31 An officer or Major Shareholder of a Listed Company, etc. who intends to file the application under Article 164, paragraph (5) of the Act, must submit a written application to the Director General of the Kanto Finance Bureau.

(Public Inspection of the Copy of a Document Relating to Profit)

Article 32 A copy of the Document Relating to Profit prescribed in Article 164, paragraph (7) of the Act is kept at the Kanto Finance Bureau and made available for public inspection.

(Exclusion of the Restitution of Profits Arising from Purchases and Sales Conducted in a Short Term)

Article 33 The cases specified by Cabinet Office Order, prescribed in Article 164, paragraph (8) of the Act, are the cases set forth in the items of Article 30, paragraph (1).

(Profit Calculation Method)

Article 34 (1) The method to be used for calculating the profits specified by Cabinet Office Order, prescribed in Article 164, paragraph (9) of the Act, is the method by which the amount exceeding the amount equivalent to the fee for Matched Trading Volume from within the amount obtained by deducting the amount set forth in item (ii) from the amount set forth in item (i) based on the statement in the reports under Article 163, paragraph (1) of the Act, is the amount of profit (limited to cases where it is found that an officer or Major Shareholder of a Listed Company, etc. has made Sales, etc. of Specified Securities, etc. of the Listed Company, etc. within six months after having made Purchases, etc. of them, or has made Purchases, etc. of Specified Securities, etc. of the Listed Company, etc. within six months after having made Sales, etc. of them):

- (i) the Value of Sales, etc. (limited to the amount pertaining to the Matched Trading Volume) of Specified Securities, etc.; and
  - (ii) the Value of Purchases, etc. (limited to the amount pertaining to the Matched Trading Volume) of Specified Securities, etc.
- (2) With regard to the calculation prescribed in the preceding paragraph, if it is found that two or more Sales, etc. or Purchases, etc. have been made, the two or more Sales, etc. or Purchases, etc. are allocated as the Sales, etc. of the Specified Securities, etc. under item (i) of that paragraph or the Purchases, etc. of the Specified Securities, etc. under item (ii) of that paragraph, in order starting from the earliest of the Sales, etc. or Purchases, etc. until the volume reaches the Matched Trading Volume (limited to the cases where the Sales, etc. have been made within six months after the Purchases, etc. were made, or where the Purchases, etc. have been made within six months after the Sales, etc. were made). In this case, if two or more Sales, etc. or Purchases, etc. have been made on the same day, the Purchases, etc. are deemed to have been made in the order from the lowest unit price, and the Sales, etc. are deemed to have been made in order from the highest unit price.
- (3) With regard to the application of the preceding paragraph, Purchases, etc. or Sales, etc. exceeding the Matched Trading Volume are deemed to be different Purchases, etc. or Sales, etc. from the aforementioned Purchases, etc. or Sales, etc., and are further subject to the profit calculation (limited to the cases where the Sales, etc. have been made within six months after the Purchases, etc. were made, or where the Purchases, etc. have been made within six months after the Sales, etc. were made).
- (4) The "Matched Trading Volume" as used in the preceding three paragraphs means the volume of Sales, etc. of the Specified Securities, etc. or the volume of Purchases, etc. of the Specified Securities, etc., whichever is smaller.
- (5) The "Value" as used in paragraph (1) means the amount obtained by multiplying the price for Sale, etc. of Specified Securities, etc. or the price for Purchases, etc. of Specified Securities, etc. by the respective volumes.

(Transactions Equivalent to Specified Transactions)

Article 35 The transactions specified by Cabinet Office Order, prescribed in Article 27-7, item (ii) of the Order, are the acquisition of Options (limited to Options wherein the person who exercises acquires the position as a seller in the purchase and sale of the Specified Securities, etc. related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of the Specified Securities, etc. related to the Options) among the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act related to the purchase and sale concerning Specified Securities, etc.

(Amount of Specified Securities, etc. Traded in Specified Transactions)

Article 36 The amount specified by Cabinet Office Order as the amount of Specified Securities traded in the Specified Transactions, prescribed in Article 165, item (i) of the Act, is the amount specified in the following items according to the category of transactions set forth in the respective items:

- (i) the sale of Related Securities (excluding Seller Related Securities; hereinafter the same applies in this Article and the following Article), or the purchase of Seller Related Securities: the amount of Specified Securities pertaining to Options or rights indicated on the Related Securities subject to the sale or on the Seller Related Securities subject to the purchase;
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act pertaining to the purchase and sale of Specified Securities: the amount of Specified Securities subject to the purchase and sale which are effected when the Options acquired or granted are exercised;
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act pertaining to the purchase and sale of Related Securities or Seller Related Securities: the amount of Specified Securities pertaining to Options or rights indicated on Related Securities or on Seller Related Securities subject to the purchase and sale which are effected when the Options acquired or granted are exercised.

(Amount for the Same Type of Specified Securities as the Specified Securities of the Listed Company, etc. Held by an Officer or Major Shareholder)

Article 37 The amount specified by Cabinet Office Order as the amount for the same type of Specified Securities as the Specified Securities of the Listed Company, etc. held by an officer or Major Shareholder of the Listed Company, etc., prescribed in Article 165, item (i) of the Act, is the amount specified in the following items according to the category of transactions set forth in the respective items:

- (i) the sale of Specified Securities: the amount obtained by deducting the amount set forth in the following sub-item (h) to sub-item (m) inclusive from the amount obtained by adding the amount set forth in the following sub-item (a) to sub-item (g) inclusive to the amount of Specified Securities of a Listed Company, etc. owned by an officer or Major Shareholder which are of the same type as the Specified Securities subject to sale by the officer or Major Shareholder:
  - (a) in cases where the relevant officer or Major Shareholder has made a purchase of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities

- through a Margin Transaction, and the settlement of the officer's or Major Shareholder's debt pertaining to the credit has not been completed, the amount of the type of Specified Securities subject to the Margin Transaction (in cases of Related Securities, the amount of the type of Specified Securities pertaining to Options or rights indicated on the Related Securities; hereinafter the same applies in this Article);
- (b) in cases where the relevant officer or Major Shareholder has made purchase of the relevant type of Specified Securities of the Listed Company or of Related Securities pertaining to the type of Specified Securities through a When Issued Transaction, and the officer or Major Shareholder has not received the delivery thereof, the amount of the same type of Specified Securities subject to the When-Issued Transaction;
- (c) in cases where the relevant officer or Major Shareholder has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Specified Securities or Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Specified Securities or Related Securities related to the Options) subject to the purchase and sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities, the amount of the type of Specified Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised;
- (d) in cases where the relevant officer or Major Shareholder holds Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities pertaining to Options or rights indicated in the Related Securities;
- (e) in cases where the relevant officer or Major Shareholder has made borrowings by a loan for consumption or undertakes a deposit by a deposit for consumption with regard to Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities pertaining to Options or rights indicated on the Seller Related Securities subject to the borrowings or deposit;
- (f) in cases where the relevant officer or Major Shareholder has made a sale of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a When Issued Transaction and has not made delivery thereof, the amount of the type of Specified Securities pertaining to Options or rights indicated on the Seller Related Securities subject to the When Issued Transaction;

- (g) in cases where the relevant officer or Major Shareholder has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Seller Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Seller Related Securities related to the Options) subject to the purchase and sale of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities pertaining to Options or rights indicated on the Seller Related Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised;
- (h) in cases where the relevant officer or Major Shareholder has made borrowings by a loan for consumption or undertakes a deposit by a deposit for consumption of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities, the amount of the type of Specified Securities subject to the borrowings or deposit;
- (i) in cases where the relevant officer or Major Shareholder has made a sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities of the type of Specified Securities through a When Issued Transaction and the officer or Major Shareholder has not made the delivery thereof, the amount of the type of Specified Securities subject to the When-Issued Transaction;
- (j) in cases where the relevant officer or Major Shareholder has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Specified Securities or Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Specified Securities or Related Securities related to the Options) subject to the purchase and sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities, the amount of the type of Specified Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised;
- (k) in cases where the relevant officer or Major Shareholder has made a purchase of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a Margin Transaction and the settlement of the officer's or Major Shareholder's debt pertaining to the credit has not been completed, the amount of the type of

Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the Margin Transaction;

- (l) in cases where the relevant officer or Major Shareholder has made a purchase of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a When Issued Transaction and has not received the delivery thereof, the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the When Issued Transaction;
- (m) in cases where the relevant officer or Major Shareholder has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Seller Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Seller Related Securities related to the Options) subject to purchase and sale of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised.
- (ii) the sale of Related Securities or the purchase of Seller Related Securities: the amount obtained by deducting the amount set forth in sub-item (h) to sub-item (m) inclusive of the preceding item from the amount obtained by adding the amount set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by an officer or Major Shareholder which are of the same type as the Specified Securities related to the Options or rights indicated on the Related Securities subject to sale or Seller Related Securities subject to purchase by the officer or Major Shareholder;
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act pertaining to the purchase and sale of Specified Securities: the amount obtained by deducting the amount set forth in sub-item (h) to sub-item (m) inclusive of item (i) from the amount obtained by adding the amount set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by the relevant officer or Major Shareholder which are of the same type as the Specified Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised; and
- (iv) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act pertaining to the purchase and sale of



Related Securities or Seller Related Securities: the amount obtained by deducting the amount set forth in sub-item (h) to sub-item (m) inclusive of item (i) from the amount obtained by adding the amount set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by the relevant officer or Major Shareholder which are of the same type as the Specified Securities pertaining to Options or rights indicated on the Related Securities or Seller Related Securities subject to the purchase and sale effected when the Options which the officer or Major Shareholder acquired or granted are exercised.

(Volume of Specified Securities to Be Used as a Basis for Calculating the Amount Paid or Received in Sales)

Article 38 The volume specified by Cabinet Office Order as the volume of Specified Securities to be used as a basis for calculating the amount paid or received in the Sales, etc. concerning Specified Securities, etc., prescribed in Article 165, item (ii) of the Act, is the volume specified in the following items according to the category of transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) or paragraph (22), item (ii) of the Act concerning Specified Securities: the volume obtained by dividing the transaction contract value pertaining to the transaction by the Agreed Figure for one Specified Security (the figure obtained by dividing the Agreed Figure by the notional number of Specified Securities subject to the transaction);
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item) or the transactions set forth in paragraph (22), item (iii) of that Article related the transaction set forth in item (ii) of that paragraph concerning Specified Securities: the volume obtained by dividing the transaction contract value pertaining to the transactions set forth in paragraph (21), item (ii) or paragraph (22), item (ii) of that Article which are effected when the Options acquired or granted are exercised by the Agreed Figure for Exercise of Rights (meaning the Agreed Figure pertaining to a transaction which is established by a unilateral manifestation of intention by one of the parties to the transaction) for one Specified Security;
- (iii) the transactions set forth in Article 2, paragraph (21), item (iv) or paragraph (22), item (v) of the Act concerning Specified Securities: the volume obtained by dividing the notional principal amount pertaining to the transaction by the market value of one Specified Security;

- (iv) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph or the transactions set forth in paragraph (22), item (iii) of that Article related to the transactions set forth in item (v) of that paragraph concerning Specified Securities: the volume obtained by dividing the notional principal amount pertaining to the transactions set forth in paragraph (21), item (iv) or paragraph (22), item (v) of that Article which are effected when the Options acquired or granted are exercised by the market value of one Specified Security;
- (v) the transactions set forth in Article 2, paragraph (21), item (v) or paragraph (22), item (vi) of the Act concerning Specified Securities: the volume obtained by dividing the notional principal amount by the market value of one Specified Security;
- (vi) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph or the transactions set forth in paragraph (22), item (iii) of that Article related to the transactions set forth in item (vi) of that paragraph concerning Specified Securities: the volume obtained by dividing the notional principal amount pertaining to the transactions set forth in paragraph (21), item (v) or paragraph (22), item (vi) of that Article which are effected when the Options acquired or granted are exercised by the market value of one Specified Security;
- (vii) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Specified Securities: the volume obtained by dividing the notional principal amount pertaining to the transaction which is effected when the Options acquired or granted are exercised by the Agreed Figure for Exercise of Rights (meaning the Agreed Figure pertaining to a transaction which is established by a unilateral manifestation of intention by one of the parties to the transaction) for one Specified Security;
- (viii) the transactions set forth in Article 2, paragraph (21), item (ii) or paragraph (22), item (ii) of the Act concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the transaction contract value pertaining to the transaction by the Agreed Figure for one Related Security (the figure obtained by dividing the Agreed Figure by the notional number of Related Securities pertaining to the transaction) by the volume of Specified Securities pertaining to Options or rights indicated on the one Related Security;
- (ix) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item) or the transactions set

- forth in paragraph (22), item (iii) of that Article related to the transactions set forth in item (ii) of that paragraph concerning Specified Securities: the volume obtained by multiplying the number obtained by dividing the transaction contract value pertaining to the transactions set forth in paragraph (21), item (ii) or paragraph (22), item (ii) of that Article which are effected when the Options acquired or granted are exercised, by the Agreed Figure for Exercise of Rights (meaning the Agreed Figure pertaining to a transaction which is established by a unilateral manifestation of intention by one of the parties to the transaction) for one Related Security by the volume of the Specified Securities related to the Options or rights indicated on the one Related Security;
- (x) the transactions set forth in Article 2, paragraph (21), item (iv) or paragraph (22), item (v) of the Act concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the notional principal amount pertaining to the transaction by the market value of one Related Security by the volume of Specified Securities related to the Options or rights indicated on the one Related Security;
  - (xi) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph or the transactions set forth in paragraph (22), item (iii) of that Article related to the transactions set forth in item (v) of that paragraph concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the notional principal amount pertaining to the transactions set forth in paragraph (21), item (iv) or paragraph (22), item (v) of that Article which are effected when the Options acquired or granted are exercised, by the Agreed Figure for Exercise of Rights for one Related Security by the volume of the Specified Securities pertaining to the Options or rights indicated on the one Related Security;
  - (xii) the transactions set forth in Article 2, paragraph (21), item (v) or paragraph (22), item (vi) of the Act concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the notional principal amount pertaining to the transaction by the market value of one Related Security by the volume of Specified Securities related to the Options or rights indicated on the one Related Security;
  - (xiii) the transaction set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph, or the transactions set forth in paragraph (22), item (iii) of that Article related to the transactions set forth in item (vi) of that paragraph concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the notional principal amount pertaining to the transactions set forth in paragraph (21), item (v) or paragraph (22), item (vi) of that Article

which are effected when the Options acquired or granted are exercised by the market value of one Related Security by the volume of the Specified Securities related to the Options or rights indicated on the one Related Security; and

- (xiv) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Related Securities: the volume obtained by multiplying the number obtained by dividing the notional principal amount pertaining to the transaction effected when the Options acquired or granted are exercised by the Agreed Figure for Exercise of Rights (meaning the Agreed Figure pertaining to a transaction established by a unilateral manifestation of intention by one of the parties to the transaction) for one Related Security by the volume of the Specified Securities related to the Options or rights indicated on the one Related Security.

(Volume of the Same Type of Specified Securities as the Specified Securities of the Listed Company Held by an Officer or Major Shareholder)

Article 39 The volume specified by Cabinet Office Order as the volume of the same type of Specified Securities as the Specified Securities of the Listed Company, etc. held by an officer or Major Shareholder of the Listed Company, etc., prescribed in Article 165, item (ii) of the Act, is the volume specified in the following items according to the category of transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) to item (v) inclusive of the Act, the transactions set forth in paragraph (22), item (ii) to item (vi) inclusive of that Article, or Foreign Market Derivatives Transactions (limited to the those similar to the transactions set forth in paragraph (21), item (ii) to item (v) inclusive of that Article) concerning Specified Securities: the volume obtained by deducting the volume set forth in sub-item (c) and sub-item (d) from the volume obtained by adding the volume set forth in the following sub-item (a) and sub-item (b) to the volume obtained by dividing the amount of Specified Securities of the Listed Company, etc. owned by an officer or Major Shareholder which are of the same type as the Specified Securities subject to a transaction by the officer or Major Shareholder by the market value of one Specified Security as of the day on which the respective transaction was made:
- (a) the volume obtained by dividing the amounts set forth in Article 37, item (i), sub-item (a) to sub-item (g) inclusive by the market value of one Specified Security;
- (b) beyond the relevant officer or Major Shareholder has conducted the transaction prescribed in Article 27-5, item (iv) of the Order concerning the same type of Specified Securities as the Specified Securities of the Listed

- Company, etc. and has not completed the settlement of the transaction, the volume of Specified Securities prescribed in the preceding Article subject to the transaction;
- (c) the volume obtained by dividing the amounts set forth in Article 37, item (i), sub-item (h) to sub-item (m) inclusive by the market value of one Specified Security;
  - (d) in cases where the relevant officer or Major Shareholder has conducted the transaction prescribed in Article 27-6, item (iv) of the Order concerning the same type of Specified Securities as the Specified Securities of the Listed Company, etc. and has not completed the settlement of the transaction, the volume of the Specified Securities prescribed in the preceding Article subject to the transaction.
  - (ii) the transactions set forth Article 2, paragraph (21), item (ii) to item (v) inclusive of the Act, the transactions set forth in paragraph (22), item (ii) to item (vi) inclusive of that Article, or Foreign Market Derivatives Transactions (limited to those similar to the transactions set forth in paragraph (21), item (ii) to item (v) of that Article), concerning Related Securities: the volume obtained by deducting the volume set forth in sub-item (c) and sub-item (d) of the preceding item from the volume obtained by adding the volume set forth in sub-item (a) and sub-item (b) of that item to the volume obtained by dividing the amount of the Specified Securities of the Listed Company, etc. owned by the relevant officer or Major Shareholder which are of the same type as the Specified Securities pertaining to the Options or rights indicated on the Related Securities subject to transaction by the officer or Major Shareholder by the market value for one Specified Security as of the day on which the respective transaction was made.

(Report on Purchases and Sales Concerning Partners in Specified Partnerships)

- Article 40 (1) The persons specified by Cabinet Office Order, prescribed in the main clause of Article 165-2, paragraph (1) of the Act, are members of the organizations prescribed in Article 27-8 of the Order.
- (2) The cases specified by Cabinet Office Order, prescribed in Article 165-2, paragraph (1) of the Act, are the cases where the trustee of a trust in which all of the partners of Specified Partnerships, etc. are beneficiaries thereof and of which the manner of investment is specified, makes Purchases, etc. or Sales, etc. of Specified Securities, etc. of the Listed Company, etc. based on instructions from the partners of the Specified Partnerships, etc.
  - (3) The partners specified by Cabinet Office Order, prescribed in Article 165-2, paragraph (1) of the Act, means the following partners:
    - (i) a partner who gives instructions for Purchases, etc. or Sales, etc. concerning

- Specified Securities of the Listed Company, etc. to the trustee of a trust; and
- (ii) a partner who executes the operations of Specified Partnerships, etc. where Purchases, etc. or Sales, etc. concerning Specified Securities, etc. of a Listed Company, etc. are exercised pursuant to a Discretionary Investment Contract.
- (4) The cases specified by Cabinet Office Order, prescribed in the proviso to Article 165-2, paragraph (1) of the Act, are the following cases:
- (i) a case where the purchase or sale of share certificates pertaining to shares of a number less than the one unit of shares prescribed in Article 188, paragraph (1) of the Companies Act is conducted;
  - (ii) a case where a partner of a Specified Partnership, etc. (limited to those where all partners of the Specified Partnership are officers or employees of a Listed Company, etc. (including the officer or employee of another company over which the Listed Company, etc. has control directly or indirectly; hereinafter the same applies in this item) and which are based on a contract under which a joint purchase of share certificates of the Listed Company, etc. is promised; the same applies in the following item) has made purchase of share certificates of the Listed Company, etc. (in cases where the Listed Company, etc. purchases share certificates other than those which the Listed Company, etc. has purchased pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Articles 165, paragraph (3) of that Act), this is limited to the cases where the purchase is made by Entrustment, etc. to a Financial Instruments Business Operator, etc.) and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee is to contribute less than one million yen per occasion; the same applies in the following item);
  - (iii) a case where a partner of a Specified Partnership, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates of the relevant Listed Company, etc. and the person engaged in Trust Business has made purchase of the share certificates of the Listed Company, etc. according to the instructions from the partner of a Specified Partnership, etc. and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the partner of the Specified Partnership, etc. and the trust property for which the settlor is another partner of the Specified Partnership, etc. are jointly invested);
  - (iv) a case where a partner of a Specified Partnership, etc. (limited to those where all partners of the Specified Partnership, etc. are employees of an

- Associated Company of a Listed Company, etc. and which are based on a contract under which the joint purchase of share certificates of the Listed Company, etc. is promised; the same applies in the following item) has made a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, etc. and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each employee is to contribute less than one million yen per occasion; the same applies in the following item);
- (v) a case where a partner of a Specified Partnership, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates of a Listed Company, etc. and the person engaged in Trust Business has made a purchase of share certificates of the Listed Company, etc. according to the instructions from the partner of the Specified Partnership, etc. and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the partner of the Specified Partnership, etc. and the trust property for which the settlor is another partner of the Specified Partnership, etc. are jointly invested);
  - (vi) a case where a partner of a Specified Partnership, etc. (limited to those where all partners of the Specified Partnerships are Persons Who Have a Transaction Relationship with a Listed Company, etc. (meaning a person who has a transaction relationship with a Listed Company, etc. as designated by the Listed Company, etc. (where the person is a juridical person or any other type of organization, including its officers; where the person is an individual, limited to those who have a business relationship with the Listed Company, etc. in relation to its business)); hereinafter the same applies in this item) and which are based on a contract under which a joint purchase of share certificates of the Listed Company, etc. is promised) has made a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, etc. and the purchase is found to have been made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each Person Who Has a Transaction Relationship is to contribute less than one million yen per occasion);
  - (vii) a case in which a purchase of share certificates (including Preferred Equity Investment Certificates) of a Listed Company, etc. has been made by Entrustment, etc. to a Financial Instruments Business Operator pursuant to a Contract for Cumulative Investment, and the purchase is found to have been made continuously according to a certain plan, without depending on an

- individual investment decision (limited to cases where the amount to be paid in for one issue by each customer is to be less than one million yen per month);
- (viii) a case where the transactions set forth in Article 2, paragraph (21), item (i) of the Act concerning an aggregate of two or more share certificates of different issues to be conducted on a Financial Instruments Exchange is conducted;
  - (ix) a case where the purchase and sale of Specified Securities as specified by Cabinet Order as prescribed in Article 159, paragraph (3) of the Act is conducted;
  - (x) a case where a partner of a Specified Partnership, etc. makes a purchase and sale on condition of repurchase for which the repurchase price is set in advance pertaining to the Specified Securities, etc. issued by a Listed Company, etc. which fall under any of the following Securities (limited to those conducted by the partner of the Specified Partnership, etc. solely for fund procurement of the Specified Partnership, etc.):
    - (a) the Securities set forth in Article 2, paragraph (1), item (v) of the Act (excluding corporate bond certificates with share options); or
    - (b) the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act which have the nature of the Securities prescribed in sub-item (a).
  - (xi) the case where the share options for subscription prescribed in Article 238, paragraph (1) of the Companies Act are acquired;
  - (xii) the case where a person who holds share options has made a purchase of share certificates by exercising the share options;
  - (xiii) the case where the transactions set forth in Article 2, paragraph (21), item (iv) or paragraph (22), item (v) of the Act concerning Specified Securities, etc. are conducted.
- (5) The other company over which the Listed Company, etc. has control directly or indirectly prescribed in item (ii) of the preceding paragraph means a company which falls under any of the items of Article 30, paragraph (2).
- (6) The Associated Company prescribed in paragraph (4), item (iv) means a company (excluding a Listed Company, etc.) which falls under any of the items of Article 30, paragraph (3).

(Matters To Be Stated in the Reports on Purchases and Sales Related to Partners of Specified Partnerships and the Offices to Which They Are to Be Submitted)

Article 41 (1) The partner of a Specified Partnership, etc. who is to submit the report pursuant to Article 165-2, paragraph (1) of the Act must prepare the report using appended form 4.

(2) With regard to the report under the preceding paragraph, in cases where the



Specified Partnership, etc. is a partnership formed under a partnership contract prescribed in Article 667, paragraph (1) of the Civil Code (Act No. 89 of 1896), the Investment LPS prescribed in Article 165-2, paragraph (1) of the Act, or the Limited Liability Partnership prescribed in that paragraph, the report must be submitted to the Director-General of the Local Finance Bureau who has jurisdiction over the location of the principal office or other office equivalent thereto of the Specified Partnership, etc. (in cases where the 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 the Specified Partnership, etc. is an organization specified in Article 27-8 of the Order, to the Director General of the Kanto Finance Bureau.

- (3) Notwithstanding the provisions of the preceding paragraph, in cases where submitting the report under paragraph (1) via a Financial Instruments Business Operator, etc. pursuant to the provisions of Article 165-2, paragraph (2) of the Act, it must be submitted to the Director-General of the Local Finance Bureau who has jurisdiction over the location of the head office of the Financial Instruments Business Operator, etc. (with regard to a Financial Instruments Business Operator, etc. who is a foreign juridical person, the principal business office or office in Japan) (in cases where the 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 submitting the report via an Authorized Transaction-at-Exchange Operator, it must be submitted to the Director General of the Kanto Finance Bureau.

(Limited Liability Members)

Article 42 The persons specified by Cabinet Office Order, prescribed in Article 165-2, paragraph (4) of the Act, are members of the organizations prescribed in Article 27-8 of the Order who are liable to perform the obligations of the organizations only within the scope of value of the contribution made thereby.

(Office to Which a Written Application Is Submitted)

Article 43 The Reporting Partner (meaning a Reporting Partner prescribed in Article 165-2, paragraph (9) of the Act) who intends to file an application under Article 165-2, paragraph (10) of the Act must submit a written application to the Director-General of the Kanto Finance Bureau.

(Public Inspection of a Copy of the Documents Relating to a Partnership's Profit)

Article 44 A copy of the documents relating to a partnership's profit prescribed

in Article 165-2, paragraph (12) of the Act is kept at the Kanto Finance Bureau and made available for public inspection.

(Exclusion of the Restitution of Profits Arising from Purchases and Sales

Conducted in a Short Term Concerning Partners of Specified Partnerships)

Article 45 The cases specified by Cabinet Office Order, prescribed in Article 165-2, paragraph (13) of the Act, are the cases set forth in the items of Article 40, paragraph (4).

(Calculation Method for Profit Arising from the Assets of Specified Partnerships)

Article 46 (1) The method to be used for calculating the profits specified by Cabinet Office Order, prescribed in Article 165-2, paragraph (14) of the Act, is the method by which the amount exceeding the amount equivalent to the fee for Matched Trading Volume in the amount obtained by deducting the amount set forth in item (ii) from the amount set forth in item (i) according to the statement in the reports prescribed in Article 165-2, paragraph (1) of the Act is the amount of profit (limited to cases where it is found that with regard to the assets of Specified Partnerships, etc., a partner of the Specified Partnerships, etc. has made Sales, etc. of Specified Securities, etc. of the Listed Company, etc. within six months after having made Purchases, etc. of them, or has made Purchases, etc. of Specified Securities, etc. of the Listed Company, etc. within six months after having made Sales, etc. of them):

(i) the Value of Sales, etc. of Specified Securities, etc. (limited to those pertaining to the Matched Trading Volume);

(ii) the Value of Purchase, etc. of Specified Securities, etc. (limited to those pertaining to the Matched Trading Volume).

(2) With regard to the calculation prescribed in the preceding paragraph, if it is found that two or more Purchases, etc. or Sales, etc. have been made, the two or more Sales, etc. or Purchases, etc. are allocated as the Sales, etc. of Specified Securities, etc. under item (i) of that paragraph or the Purchases, etc. of Specified Securities under item (ii) of that paragraph, in order starting from the earliest of the Sales, etc. or Purchases, etc. until the volume reaches the Matched Trading Volume (limited to the cases where the Sales, etc. have been made within six months after the Purchases, etc. were made, or the Purchases, etc. have been made within six months after the Sales, etc. were made). In this case, if two or more Purchases, etc. or Sales, etc. have been made on the same day, the Purchases, etc. are deemed to have been made in order from lowest unit price, and the Sales, etc. are deemed to have been made in order from highest unit price.

(3) With regard to the application of the preceding paragraph, Purchases, etc. or

Sales, etc. exceeding the Matched Trading Volume are Purchases, etc. or Sales, etc. different from the aforementioned Purchases, etc. or Sales, etc., and are further subject to profit calculation (limited to the cases where the Sales, etc. have been made within six months after the Purchases, etc. were made, or the Purchases, etc. have been made within six months after the Sales, etc. were made).

- (4) The "Matched Trading Volume" as used in the preceding three paragraphs means the volume of Sales, etc. of the Specified Securities, etc. or the volume of Purchases, etc. of the Specified Securities, etc., whichever is smaller.
- (5) The "Value" as used in paragraph (1) means the amount obtained by multiplying the price for the Sale, etc. of Specified Securities, etc. or the price for the Purchase, etc. of Specified Securities, etc. by the respective volumes.

(Prohibited Acts by Partners of Specified Partnerships)

Article 47 (1) The amount specified by Cabinet Office Order as the amount of Specified Securities traded in the Specified Transactions, prescribed in Article 165-2, paragraph (15), item (i) of the Act, is the amount specified in the items of Article 36 according to the category of transactions set forth in the respective items.

- (2) The amount specified by Cabinet Office Order as the amount of the same type of Specified Securities as the Specified Securities of the Listed Company, etc. held by a partner of a Specified Partnership, etc., prescribed in Article 165-2, paragraph (15), item (i) of the Act, is the amount specified in the following items according to the category of transactions set forth in the respective items:

- (i) the sale of Specified Securities: the amount obtained by deducting the amount set forth in sub-item (h) to sub-item (m) inclusive from the amount obtained by adding the amount set forth in the following sub-item (a) to sub-item (g) inclusive to the amount of Specified Securities of the Listed Company, etc. owned by the relevant partner of a Specified Partnership, etc. which are of the same type as the Specified Securities subject to sale by the partner of a Specified Partnership, etc.:

- (a) in cases where the relevant partner of the Specified Partnership, etc. has made a purchase of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities through a Margin Transaction, and the settlement of the partner's debt pertaining to the credit has not been completed, the amount of the type of Specified Securities subject to the Margin Transaction (in cases of Related Securities, the amount of the type of Specified Securities related to the Options or rights indicated on the Related Securities; hereinafter the same applies in this Article);

- (b) in cases where the relevant partner of the Specified Partnership, etc. has made a purchase of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities through a When Issued Transaction, and the partner has not received delivery of them, the amount of the type of Specified Securities subject to the When-Issued Transaction;
- (c) in cases where the relevant partner of the Specified Partnership, etc. has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Specified Securities or Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Specified Securities or Related Securities related to the Options) subject to the purchase and sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities the amount of the type of Specified Securities subject to the purchase and sale effected when the Option acquired or granted is exercised;
- (d) in cases where the relevant partner of the Specified Partnership, etc. holds Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities related to the Options or rights indicated on the Related Securities;
- (e) in cases where the relevant partner of a Specified Partnership, etc. has made borrowings by a loan for consumption or undertaken a deposit by deposit for consumption with regard to the Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the borrowings or deposit;
- (f) in cases where the relevant partner of the Specified Partnership, etc. has made sale of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a When Issued Transaction and has not made the delivery thereof, the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the When Issued Transaction;
- (g) in cases where the relevant partner of the Specified Partnership, etc. has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of the Seller Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the

Options acquires the position as a buyer in the purchase and sale of Seller Related Securities related to the Options) subject to the purchase and sale of the Seller Related Securities pertaining to the relevant type of Specified Securities as the Listed Company, the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the purchase and sale which are effected when the Options acquired or granted are exercised;

(h) in cases where the relevant partner of the Specified Partnership, etc. has made borrowings by loan for consumption or undertaken a deposit by deposit for consumption with regard to the relevant type of Specified Securities of the Listed Company, etc. or to Related Securities pertaining to the type of Specified Securities, the amount of the type of Specified Securities subject to the borrowings or deposit;

(i) in cases where the relevant partner of the Specified Partnership, etc. has made sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities through a When Issued Transaction and the partner has not made the delivery thereof, the amount of the type of Specified Securities subject to the When-Issued Transaction;

(j) in cases where the relevant partner of the Specified Partnership, etc. has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Specified Securities or Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Specified Securities or Related Securities related to the Options) subject to the purchase and sale of the relevant type of Specified Securities of the Listed Company, etc. or of Related Securities pertaining to the type of Specified Securities, the amount of the type of Specified Securities subject to the purchase and sale which are effected when the Options acquired or granted is exercised;

(k) in cases where the relevant partner of the Specified Partnership, etc. has made a purchase of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a Margin Transaction and the settlement of the partner's debt pertaining to the credit has not been completed, the amount of the type of Specified Securities pertaining to Options or rights indicated on the Seller Related Securities subject to the Margin Transaction;

(l) in cases where the relevant partner of the Specified Partnership, etc. has made a purchase of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc. through a When

- Issued Transaction and has not received the delivery thereof, the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the When Issued Transaction;
- (m) in cases where the relevant partner of the Specified Partnership, etc. has made an acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of the Seller Related Securities related to the Options) or has made a grant of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Seller Related Securities related to the Options) subject to the purchase and sale of Seller Related Securities pertaining to the relevant type of Specified Securities of the Listed Company, etc., the amount of the type of Specified Securities related to the Options or rights indicated on the Seller Related Securities subject to the purchase and sale effected when the Options acquired or granted are exercised;
- (ii) the sale of Related Securities or the purchase of Seller Related Securities: the amount obtained by deducting the amounts set forth in sub-item (h) to sub-item (m) inclusive of the preceding item from the amount obtained by adding the amounts set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by the relevant partner of the Specified Partnership, etc. which are of the same type as the Specified Securities pertaining to the Options or rights indicated on the Related Securities subject to sale or on the Seller Related Securities subject to purchase by the partner of the Specified Partnership, etc.;
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act subject to the purchase and sale of Specified Securities: the amount obtained by deducting the amounts set forth in sub-item (h) to sub-item (m) inclusive of item (i) from the amount obtained by adding the amounts set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by the relevant partner of the Specified Partnership, etc. which are of the same type as the Specified Securities subject to the purchase and sale effected when the Options acquired or granted are exercised;
- (iv) the transactions set forth in Article 2, paragraph (21), item (iii) or paragraph (22), item (iii) of the Act related to the purchase and sale of Related Securities or Seller Related Securities: the amount obtained by deducting the amounts set forth in sub-item (h) to sub-item (m) inclusive of item (i) from the amount obtained by adding the amounts set forth in sub-item (a) to sub-item (g) inclusive of that item to the amount of Specified Securities of the Listed Company, etc. owned by the relevant partner of the

Specified Partnership, etc. which are of the same type as the Specified Securities pertaining to the Options or rights indicated on the Related Securities or on the Seller Related Securities subject to the purchase and sale effected when the Options acquired or granted are exercised.

- (3) The volume specified by Cabinet Office Order as the volume of Specified Securities to be used as the basis for calculating the amount to be paid or received in Sales, etc. of the Specified Securities, etc., prescribed in Article 165-2, paragraph (15), item (ii) of the Act, is one of the volumes specified in the items of Article 38 according to the category of transactions set forth in the respective items.
- (4) The volume specified by Cabinet Office Order as the volume of the same type of Specified Securities as the Specified Securities of the Listed Company held by a partner of a Specified Partnership, etc., prescribed in Article 165-2, paragraph (15), item (ii) of the Act, is one of the amounts specified in the following items according to the category of transactions set forth in the respective items:
- (i) the transactions set forth in Article 2, paragraph (21), item (ii) to item (v) inclusive of the Act, the transactions set forth in paragraph (22), item (ii) to item (vi) inclusive of that Article, or Foreign Market Derivatives Transactions (limited those similar to the transactions set forth in paragraph (21), item (ii) to item (v) inclusive of that Article) concerning Specified Securities: the volume obtained by deducting the volume set forth in sub-item (c) and sub-item (d) from the volume obtained by adding the volume set forth in the following sub-item (a) and sub-item (b) to the volume obtained by dividing the amount of Specified Securities of the Listed Company, etc. owned by the relevant partner of the Specified Partnership, etc. which are of the same type as the Specified Securities subject to transaction by the relevant partner of the Specified Partnership, etc. by the market value of one Specified Security as of the day on which the transaction was made:
- (a) the volume obtained by dividing the amount set forth in paragraph (2), item (i), sub-item (a) to sub-item (g) inclusive by the market value of one Specified Security;
- (b) in cases where the relevant partner of the Specified Partnership, etc. has made a transaction prescribed in Article 27-5, item (iv) of the Order pertaining to the relevant type of Specified Securities of the Listed Company, etc. and the settlement of the transaction has not been completed, the volume of the Specified Securities prescribed in the preceding paragraph subject to the transaction;
- (c) the volume obtained by dividing the amount set forth in paragraph (2), item (i), sub-item (h) to sub-item (m) inclusive by the market value of one Specified Security;

- (d) in cases where the relevant partner of the Specified Partnership, etc. has made a transaction prescribed in Article 27-6, item (iv) of the Order pertaining to the relevant type of Specified Securities of the Listed Company, etc. and the settlement of the transaction has not been completed, the volume of the Specified Securities prescribed in the preceding paragraph subject to the transaction; and
- (ii) the transactions set forth in Article 2, paragraph (21), item (ii) to item (v) inclusive of the Act, the transactions set forth in paragraph (22), item (ii) to item (vi) inclusive of that Article, or Foreign Market Derivatives Transactions (limited those similar to the transactions set forth in paragraph (21), item (ii) to item (v) inclusive of that Article) concerning Related Securities: the volume obtained by deducting the volume set forth in sub-item (c) and sub-item (d) of the preceding item from the volume obtained by adding the volume set forth in sub-item (a) and sub-item (b) of that item to the volume obtained by dividing the amount of the Specified Securities of the Listed Company, etc. owned by the relevant partner of the Specified Partnership, etc. which are of the same type as the Specified Securities related to the Options or rights indicated on the Related Securities subject to transaction by the partner of the Specified Partnership, etc.

**Chapter VII Purchases and Sales by a Corporate Insider Who Has Come to Know a Material Fact, or by a Person Concerned with a Tender Offer Who Has Come to Know a Fact Concerning a Tender Offer**

(Ordinary Equity Investor of a Cooperative Structured Financial Institution Who Is Deemed a Corporate Insider)

Article 48 The person specified by Cabinet Office Order, prescribed in Article 166, paragraph (1), item (ii) of the Act, is an ordinary equity investor of a credit cooperative which has acquired the rights specified in Article 41, paragraph (3) of the Small and Medium-Sized Enterprise Cooperatives Act (Act No. 181 of 1949) (including the cases where it is applied by replacing certain terms pursuant to paragraph (5) of that Article) or of a federation of cooperatives which conducts the business specified in Article 9-9, paragraph (1), item (i) of that Act, or an ordinary equity investor of the labor bank and the federation of labor banks which has acquired the rights specified in Article 59-3 of the Labor Bank Act (Act No. 227 of 1953).

(Criteria for Regarding a Material Fact Pertaining to an Institutional Decision of a Listed Company as Minor)

Article 49 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in



Article 166, paragraph (2) of the Act and related to the matters set forth in item (i) of that paragraph, are those specified in the following items according to the category of matters set forth in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (i), sub-item (a) of the Act: that the solicitation falls under any of the following sub-items:
  - (a) the total amount to be paid in for solicitation of persons to subscribe for shares issued or treasury shares to be disposed of by a stock company as prescribed in Article 199, paragraph (1) of the Companies Act (including persons who subscribe for Preferred Equity Investment issued by a Cooperative Structured Financial Institution) (in cases of solicitation of persons to subscribe for treasury shares to be disposed of, solicitation to be made under the laws and orders of a foreign state (limited to cases where the Listed Company, etc. is a foreign company) which is equivalent thereto is included) or for solicitation of persons to subscribe for share options for subscription as prescribed in Article 238, paragraph (1) of that Act is expected to be less than 100 million yen (in cases of solicitation of securities indicated in foreign currency, an amount equivalent to 100 million yen) (excluding the cases where Preferred Equity Investment is issued at its face value as the issue value to a preferred equity investor as prescribed in the Act on Preferred Equity Investment (referred to as "Preferred Equity Investor" in sub-item (b)) according to the number of Preferred Equity Investments held by the preferred equity investor);
  - (b) in cases where Preferred Equity Investment is issued at its face value as the issue value to a Preferred Equity Investor according to the number of Preferred Equity Investments held by the Preferred Equity Investor, the ratio of the number of Preferred Equity Investments to be issued per unit of Preferred Equity Investment held by the Preferred Equity Investor is less than 0.1.
- (ii) the matter set forth in Article 166, paragraph (2), item (i), sub-item (e) of the Act: that the allotment falls under any of the following sub-items:
  - (a) in cases where an Allotment of Shares without Contribution is to be carried out, the ratio of the number of shares to be allotted per share by the Allotment of Shares without Contribution is less than 0.1;
  - (b) in cases where an Allotment of Share Options without Contribution (meaning Allotment of Share Options without Contribution as prescribed in Article 277 of the Companies Act; the same applies hereinafter) is to be carried out, the total amount payable upon the exercise of share options to be allotted by the Allotment of Share Options without Contribution is expected to be less than 100 million yen (in cases where share options pertaining to share option certificates indicated in foreign currency are to be allotted, an amount equivalent to 100 million yen) and the ratio of the

- number of shares underlying the share options to be allotted per share by the Allotment of Share Options without Contribution is less than 0.1;
- (iii) the matter set forth in Article 166, paragraph (2), item (i), sub-item (f) of the Act: that the ratio of the number of shares increased per share (in case of Preferred Equity Investment, one unit) through a split of shares (including Preferred Equity Investment; hereinafter the same applies in this item) is less than 0.1;
- (iv) the matter set forth in Article 166, paragraph (2), item (i), sub-item (g) of the Act: that the figure obtained by dividing the amount of dividend of surplus per share or per unit by the amount of dividend of surplus per share or per unit pertaining to the period that corresponds to each of their preceding business years is more than 0.8 and less than 1.2;
- (v) the matter set forth in Article 166, paragraph (2), item (i), sub-item (h) of the Act: that in cases of a company which is to become a Wholly Owning Parent Company in Share Exchange (meaning a Wholly Owning Parent Company in Share Exchange as prescribed in Article 767 of the Companies Act; the same applies in Article 55-5, paragraph (1), item (ii)), the share exchange falls under either of the following sub-items:
- (a) in cases where the book value of the total assets of a company (excluding a Subsidiary Company (meaning a Subsidiary Company as prescribed in Article 166, paragraph (5) of the Act; hereinafter the same applies in this Article, Article 52, and Article 53); hereinafter the same applies in this item) which is to become a Wholly Owned Subsidiary Company in Share Exchange (meaning a Wholly Owned Subsidiary Company in Share Exchange as prescribed in Article 768, paragraph (1), item (i) of the Companies Act) as of the last day of the latest business year is less than the amount equivalent to 30 percent of the Amount of Net Assets of the company (in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as of the last day of the latest business year, and the net sales of the company which is to become a Wholly Owned Subsidiary Company in Share Exchange as of the last day of the latest business year are less than the amount equivalent to ten percent of the net sales of the company (in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs), a share exchange to be conducted with the company to become a Wholly Owned Subsidiary Company in a Share Exchange; or
- (b) a share exchange to be conducted with a Subsidiary Company.
- (vi) the matter set forth in Article 166, paragraph (2), item (i), sub-item (j) of the Act: that the merger falls under either of the following sub-items:
- (a) the amount of increase in assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed

- Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (a)) as a result of the merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year, and the amount of increase in net sales of the company as a result of the merger both in the business year that includes the scheduled date of the merger and in the following business year is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company; or
- (b) a merger with a Subsidiary Company of which the Listed Company, etc. holds all of the issued shares or equity (excluding the case of dissolution as a result of merger).
- (vii) the matter set forth in Article 166, paragraph (2), item (i), sub-item (k) of the Act: that the company split falls under either of the following sub-items:
- (a) in cases where a company has its business succeeded to in whole or in part as the result of a company split, the book value of the assets subject to the split as of the last day of the latest business year is expected to be less than 30 percent of the Amount of Net Assets of the company (in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (a)) as of that day, and both in the business year that includes the scheduled date of the company split and in the following business year, the amount of the reduction in net sales of the company as a result of the split is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company; or
- (b) in cases where a company succeeds to a business in whole or in part as a result of a company split, the amount of increase in assets of the company (in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (b)) as a result of the split is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the company, and both in the business year that includes the scheduled date of the split and in the following business year, the amount of increase in net sales of the company as a result of the company split is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company.
- (viii) the matter set forth in Article 166, paragraph (2), item (i), sub-item (l) of the Act: that the transfer or acquisition of transfer of business in whole or in part falls under any of the following sub-items:
- (a) in cases where a company transfers the business in whole or in part, the book value of the assets subject to the transfer of business as of the last

- day of the latest business year is expected to be less than 30 percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (a)) as of that day, and the amount of reduction in net sales of the company as a result of the transfer of business both in the business year that includes the scheduled date of the transfer and in the following business year is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company;
- (b) in cases where a company accepts transfer of the business in whole or in part, the amount of increase in assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (b)) as a result of the relevant acceptance of transfer of business is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the company, and the amount of increase in net sales of the company as a result of the acceptance of transfer of business both in the business year that includes the scheduled date of the split and in the following business year is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company; or
- (c) the acceptance of transfer of business in whole or in part from the Subsidiary Company of which the Listed Company, etc. holds all of the issued shares or equity.
- (ix) the matter set forth in Article 166, paragraph (2), item (i), sub-item (n) of the Act: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled commencement date of sales of new products or of business which uses new technology, the amount of increase in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of commercialization of the new products or new technology is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company, and the total amount of expenditures specially for the commencement of the sales of new products or business using new technology is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business year of the company;
- (x) the matter set forth in Article 28, item (i) of the Order: that the business

alliance or cancellation of a business alliance falls under either of the following sub-items:

- (a) in cases where a business alliance is formed, in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of the business alliance, the amount of increase in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as a result of the business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) and in the cases set forth in 1. to 3. below, the cases fall under those specified in 1. to 3. below:
1. the case where a company newly acquires shares (including Preferred Equity Investment) or equity of a counterpart company (including Cooperative Structured Financial Institutions; hereinafter the same applies in 1. and 2. below) as a result of a business alliance: the acquisition value of shares or equity of the counterpart company (including Cooperative Structured Financial Institution) which the company will newly acquire is expected to be less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs), whichever is larger;
  2. the case where shares or equity is newly acquired by the other party as a result of a business alliance: the number of shares which are newly acquired by the other party is expected to be less than five percent of the total number of issued shares (including issued Preferred Equity Investment) of the company (including Cooperative Structured Financial Institution) as of the last day of the latest business year;
  3. the case where the company incorporates a new company jointly with another company (including Cooperative Structured Financial Institutions) as a result of a business alliance (excluding the case where the incorporation of a new company falls under the incorporation of a Subsidiary Company): each figure obtained by multiplying the book value of the total assets as of the last day of each business year of the new company which commences within three years from the scheduled date of incorporation of the new company by the Investment Ratio (meaning the figure obtained by dividing the number

of shares or the value of equity held by the company by the total number of issued shares, or total value of equity; hereinafter the same applies in this Article) at the time of incorporation of the new company is expected be less than the amount equivalent to 30 percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in 3.) as of the last day of the latest business year, and the figure obtained by multiplying the net sales for each of the business years of the new company by the Investment Ratio is expected to be less than the amount equivalent to ten percent of the amount of net sales of the company in the latest business year.

(b) the case where a business alliance is to be cancelled, in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of the cancellation of a business alliance, the amount of decrease in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as a result of the cancellation of the business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs), and in the cases specified in 1. to 3. below, the cases fall under those specified in 1. to 3. below:

1. the case where the company has acquired shares (including Preferred Equity Investment; hereinafter the same applies in 1. and 2. below) or equity of the counterpart company (including Cooperative Structured Financial Institutions) as a result of the business alliance: the book value of shares or equity of the counterpart company (including Cooperative Structured Financial Institutions) which the company has acquired is less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as of the last day of the latest business year, whichever is larger;
2. the case where the shares have been acquired by the other party as a result of a business alliance: the number of shares acquired by the other party is less than five percent of the total number of issued shares (including issued Preferred Equity Investment) of the company (including Cooperative Structured Financial Institutions) as of the last

- day of the latest business year;
3. the case where the company has incorporated a new company jointly with another company (including Cooperative Structured Financial Institutions) as a result of the business alliance: the figure obtained by multiplying the book value of the total assets of the new company as of the last day of the latest business year of the new company by the Investment Ratio is less than the amount equivalent to 30 percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in 3.) as of the last day of the latest business year, and the figure obtained by multiplying the net sales in the latest business year of the new company by Investment Ratio is less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the company.
- (xi) the matter set forth in Article 28, item (ii) of the Order: that the transfer or acquisition of shares or equity involving any changes in a Subsidiary Company is the transfer or acquisition of shares or equity involving changes in the following Subsidiary Companies (excluding the specific subsidiary company prescribed in Article 29, item (viii) of the Order (hereinafter referred to as a "Linked Subsidiary Company")):
- (a) the Subsidiary Company of which the book value of total assets as of the last day of the latest business year of the Subsidiary Company or a company which will become a new Subsidiary Company is less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of a company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs), and the net sales in the latest business year of the Subsidiary Company or the company which will become a new Subsidiary Company is less than the amount equivalent to ten percent of the net sales in the latest business year of a company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs);
- (b) the Subsidiary Company of which the book value of the total assets as of the last day of each business year of the Subsidiary Company which commences within three years from the scheduled date of incorporation of the newly incorporated Subsidiary Company is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed

- Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in sub-item (b)), and the net sales in each of the business years is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company.
- (xii) the matter set forth in Article 28, item (iii) of the Order: that the transfer or acquisition of Fixed Assets falls under either of the following sub-items:
- (a) in the case where the company transfers Fixed Assets, the book value of the Fixed Assets as of the last day of the latest business year of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) is less than 30 percent of the Amount of Net Assets as of that day of the company; or
- (b) in the case where the company acquires Fixed Assets, the acquisition value of the Fixed Assets is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the company.
- (xiii) the matter set forth in Article 28, item (iv) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of suspension or abolition of business in whole or in part, the amount of decrease in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of the suspension or abolition is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company;
- (xiv) the matter set forth in Article 28, item (ix) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of the commencement of a new business (including commercialization of sales of new products or provision of new services; hereinafter the same applies in this item and Article 52, paragraph (1), item (xi) and paragraph (2), item (xi)), the amount of increase in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of the commencement of a new business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company, and the total amount of special expenditures for the commencement of a new business is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business



year of the company.

- (2) A "specified Listed Company, etc." as used in the preceding item, the following Article and Article 51 means Listed Company, etc. whose net sales (excluding net sales of manufactured goods and net sales of merchandise) with respect to an Associated Company (meaning Associated Company as prescribed in Article 8, paragraph (8) of the Regulation on Financial Statements, etc.) account for 80 percent or more of the total amount of net sales in the profit and loss statement of the latest business year contained in the latest Annual Securities Report (meaning Annual Securities Report as prescribed in Article 24, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act) and limited to those made available for public inspection pursuant to the provisions of Article 25, paragraph (1) of the Act (including the cases where applied mutatis mutandis pursuant to Article 27 of the Act)) pertaining to the Listed Company, etc. or any document similar thereto (limited to those that must be submitted in relation to the Tradable Securities prescribed in Article 67-18, item (iv) of the Act according to the relevant rules specified by the Authorized Financial Instruments Firms Association and are made available for public inspection).

(Criteria for Regarding a Material Fact Pertaining to a Fact that Has Occurred to a Listed Company as Minor)

Article 50 The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the matters set forth in item (ii) of that paragraph, are specified in the following items according to the category of matters set forth in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (ii), sub-item (a) of the Act: that the amount of damage arising from a disaster or in the course of performing operations is expected to be less than the amount equivalent to three percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as of the last day of the latest business year;
- (ii) the fact set forth in Article 166, paragraph (2), item (ii), sub-item (c) of the Act: that a fact that may be a grounds for delisting or recession of registration of Securities or Preferred Shares (meaning the type of shares which have a precedence on a dividend of surplus; hereinafter the same applies in this item and item (x)) as set forth in Article 2, paragraph (1), item (v) of the Act (excluding a fact which may be a grounds for delisting of share certificates other than Preferred Shares and Preferred Equity Investment Certificates) has occurred;

- (iii) the fact set forth in Article 28-2, item (i) of the Order: that the fact falls under either of the following sub-items:
- (a) in cases where an action has been filed, the value of the subject-matter of suit is less than the amount equivalent to 15 percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as of the last day of the latest business year, and in a case where a claim was defeated in the action, where the action was approved as filed immediately after the filing of the action, in each business year which commences within three years from the day of commencement of the business year which includes the filing date of the action, the amount of reduction in net sales of the company as a result of the defeat is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the company; or
  - (b) in cases where a judgment has been made regarding an action or where a suit pertaining to an action has concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judgment, etc." in sub-item (b)), when a Judgment, etc. regarding the filing of an action which falls under the criteria set forth in sub-item (a) has been made or when the part of the suit regarding the filing of an action which does not fall under the criteria set forth in sub-item (a) has been concluded other than by judicial decision, the amount of property to be delivered by a company as a result of the Judgment, etc. is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year, and in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judgment, etc., the amount of reduction in net sales of the company as a result of the Judgment, etc. is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the company.
- (iv) the fact set forth in Article 28-2, item (ii) of the Order: that the fact falls under either of the following sub-items:
- (a) in cases where a petition seeking a provisional disposition order has been filed, if the provisional disposition order was issued as filed in the petition immediately after the filing of the petition, in each business year which commences within three years from the day of commencement of the business year which includes the date of the petition, the amount of reduction in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same

- applies in this item) as a result of the provisional disposition order is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company; or
- (b) in cases where a judicial decision has been made regarding a petition seeking a provisional disposition order or where the procedures pertaining to the petition have been concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judicial Decision, etc." in sub-item (b)), in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judicial Decision, etc., the amount of reduction in net sales of the company as a result of the Judicial Decision, etc. is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company.
- (v) the fact set forth in Article 28-2, item (iii) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the day of disposition under laws and orders, the amount of reduction in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of a disposition under laws and orders is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the company;
- (vi) the fact set forth in Article 28-2, item (viii) of the Order: that the amount for which there is a risk of default with regard to accounts receivable, loaned money, any other claims, or the rights to obtain reimbursement is expected to be less than the amount equivalent to three percent of the Amount of Net Assets of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as of the last day of the latest business year;
- (vii) the fact set forth in Article 28-2, item (ix) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the date of suspension of a transaction with a Major Trading Partner (meaning a Major Trading Partner as prescribed in that item; the same applies in Article 53, paragraph (1), item (vi) and paragraph (2), item (vi)), the amount of reduction in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of the suspension of the transaction is expected to be less

- than the amount equivalent to ten percent of the net sales in the latest business year of the company;
- (viii) the fact set forth in Article 28-2, item (x) of the Order: that the amount of exemption from obligation or the amount of assumption or performance of obligations is to be less than the amount equivalent to ten percent of the total amount of obligations of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs) as of the last day of the latest business year;
- (ix) the fact set forth in Article 28-2, item (xi) of the Order: that in each business year which commences within three years from the day of commencement of the business year in which mining or collection of a discovered resource is commenced, the amount of increase in net sales of the company (including Cooperative Structured Financial Institutions, in the case of a specified Listed Company, etc., the Corporate Group to which the company belongs; hereinafter the same applies in this item) as a result of business using the resource is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the company; and
- (x) the fact set forth in Article 28-2, item (xii) of the Order: that a fact which is a cause for rescission of the Designation as Tradable Securities (meaning the designation of Securities as Tradable Securities by an Authorized Financial Instruments Firms Association pursuant to its rules; hereinafter the same applies in this item) pertaining to Preferred Stocks (excluding facts which are a cause for rescission of the Designation as Tradable Securities of share certificates other than Preferred Stock) has occurred.

(Forecasts of Net Sales of a Listed Company Which Are to Be Material Facts)

Article 51 The criteria specified by Cabinet Office Order as those that may have a material influence on investors' investment decisions, referred to in Article 166, paragraph (2), item (iii) of the Act, which are related to Net Sales, etc. (meaning Net Sales, etc. as prescribed in Article 166, paragraph (2), item (iii) of the Act; hereinafter the same applies in this Article) or dividends of a Listed Company, etc. or Net Sales, etc. of the Corporate Group to which the Listed Company, etc. belongs are set forth in the following items (in cases where the Listed Company, etc. is a specified Listed Company, etc., with regard to Net Sales, etc. of the Listed Company, etc., items (i) to (iii) inclusive are excluded, and with regard to Net Sales, etc. of the Corporate Group to which the Listed Company, etc. belongs, item (iv) is excluded) according to the category of matters set forth in the respective items:

- (i) net sales: that the figure obtained by dividing the new forecasts thereof

- newly prepared or the figure in the settlement of account for the business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.1, or not more than 0.9;
- (ii) current profits: that the figure obtained by dividing the new forecasts thereof newly prepared or the results in the settlement of account for the business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the results of the preceding business year which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria), and that the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the results in the settlement of account for the respective business year and the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) by the Amount of Net Assets or the amount of stated capital as of the last day of the preceding business year, whichever is larger, is not less than five percent;
- (iii) net profit: that the figure obtained by dividing the new forecasts thereof newly prepared or the results in the settlement of account for the business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the results of the preceding business year which have been publicized for lack of relevant forecasts, the cases are all deemed to fall under this criteria), and that the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the results in the settlement of account for the business year and the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) by the Amount of Net Assets or the amount of stated capital as of the last day of the preceding business year, whichever is larger, is not less than 0.25 percent;
- (iv) dividend of surplus: that the figure obtained by dividing the new forecasts thereof newly prepared or the results in the settlement of account for the business year (including a figure fixed not through the settlement of accounts) by the latest publicized forecasts (or the publicized results of the dividend of surplus for the period corresponding to the preceding business year in the case of a lack of relevant forecasts) is not less than 1.2, or not more than 0.8 (in cases where the latest publicized forecasts or the results of the preceding business year which have been publicized for lack of relevant

forecasts, the cases are all deemed to fall under this criteria).

(Criteria for Regarding a Material Fact Pertaining to Institutional Decision of a Subsidiary Company as Minor)

Article 52 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the matters set forth in item (v) of that paragraph (excluding those prescribed in the following paragraph), are specified in the following items according to the category of facts set forth in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (v), sub-item (a) of the Act: that the share exchange falls under either of the following sub-items:
  - (a) the amount of increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a share exchange is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and the amount of increase in net sales of the Corporate Group is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group; or
  - (b) the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a share exchange is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and the amount of decrease in net sales of the Corporate Group is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.
- (ii) the matter set forth in Article 166, paragraph (2), item (v), sub-item (b) of the Act: that the share transfer falls under either of the following sub-items:
  - (a) the amount of increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a share transfer is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and the amount of increase in net sales of the Corporate Group is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group; or
  - (b) the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a share transfer is

expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and the amount of decrease in net sales of the Corporate Group is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.

- (iii) the matter set forth in Article 166, paragraph (2), item (v), sub-item (c) of the Act: that the merger falls under either of the following sub-items:
  - (a) the amount of increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the merger and in the following business year, the amount of increase in the net sales of the Corporate Group as a result of the merger is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group; or
  - (b) the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the merger and in the following business year, the amount of decrease in the net sales of the Corporate Group as a result of the merger is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.
- (iv) the matter set forth in Article 166, paragraph (2), item (v), sub-item (d) of the Act: that the company split falls under either of the following sub-items:
  - (a) in cases where a company succeeds to the business in whole or in part as a result of a company split, the amount of increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of the split is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the split and in the following business year, the amount of increase in the net sales of the Corporate Group as a result of the split is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group; or

- (b) in cases where a company has its business succeeded to in whole or in part as a result of a company split, the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of the split is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the split and in the following business year, the amount of decrease in the net sales of the Corporate Group as a result of the split is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group.
- (v) the matter set forth in Article 166, paragraph (2), item (v), sub-item (e) of the Act: that the transfer or acceptance of transfer of business in whole or in part falls under either of the following sub-items:
  - (a) the amount of increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of the acceptance of a transfer of business in whole or in part is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the acceptance of transfer of business and in the following business year, the amount of the increase in the net sales of the Corporate Group as a result of the acceptance of transfer of business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group; or
  - (b) the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a transfer of business in whole or in part is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the transfer of business and in the following business year, the amount of decrease in the net sales of the Corporate Group as a result of the transfer of business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group.
- (v)-2 the matter set forth in Article 166, paragraph (2), item (v), sub-item (f) of the Act: that the amount of decrease in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of a dissolution (excluding dissolution as a result of merger; hereinafter the same applies in this item and item (v)-2 of the following paragraph) is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of



the last day of the latest business year of the Corporate Group, and both in the business year of the Corporate Group that includes the scheduled date of the dissolution and in the following business year, the amount of decrease in the net sales of the Corporate Group as a result of the dissolution is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group;

(vi) the matter set forth in Article 166, paragraph (2), item (v), sub-item (g) of the Act: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled commencement date of sales of new products or business which uses new technology, the amount of increase in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of commercialization of new products or new technology is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group, and the total amount of special expenditures for the commencement of sales of new products or business which uses new technology is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business year of the Corporate Group;

(vii) the matter set forth in Article 29, item (i) of the Order: that the business alliance or cancellation of a business alliance falls under any of the following sub-items:

(a) in cases where a business alliance is formed, in each business year which commences within three years from the day of commencement of the business year of the Corporate Group to which the relevant Listed Company, etc. belongs which includes the scheduled date of the business alliance, the amount of increase in the net sales of the Corporate Group as a result of the business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group, and in the cases set forth in 1. to 3. below, the cases fall under those specified in the relevant 1. to 3.:

1. a case where the company will newly acquire shares (including Preferred Equity Investment; hereinafter the same applies in 1. and 2. below) or equity of the counterpart company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the acquisition value of shares or equity of the counterpart company which the company will newly acquire is expected to be less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, whichever is larger;

2. a case where shares are newly acquired by the other party as a result of a business alliance: the acquisition value of shares which are newly acquired by the other party is expected to be less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, whichever is larger; and
  3. a case where the company incorporates a new company jointly with another company (including Cooperative Structured Financial Institutions) as a result of a business alliance (excluding a case where the incorporation of a new company falls under the incorporation of a Second-Tier Subsidiary Company (meaning a Second-Tier Subsidiary Company as prescribed in Article 29, item (ii) of the Order; hereinafter the same applies in this Article)): the figure obtained by multiplying the book value of the total assets as of the last day of each business year of the new company which commences within three years from the scheduled date of incorporation of the new company by the Investment Ratio (meaning the figure obtained by dividing the number of shares or the value of equity held by the company (including the number of shares or the value of equity held by another company which belongs to the Corporate Group to which the relevant Listed Company, etc. belongs as a result of the business alliance) by the total number of issued shares, or total value of equity; hereinafter the same applies in this Article) at the time of incorporation of a new company is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group, and the figure obtained by multiplying the net sales for each of the business years of the new company by the Investment Ratio is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.
- (b) in cases where a business alliance is cancelled, in each business year which commences within three years from the day of commencement of the business year of the Corporate Group to which the relevant Listed Company, etc. belongs which includes the scheduled date of the cancellation of a business alliance, the amount of decrease in the net sales of the Corporate Group as a result of the cancellation of a business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group, and in the cases set forth in 1. to 3. below, that the cases fall under those specified in the relevant 1. to 3.:

1. a case where the company has acquired shares (including Preferred Equity Investment; hereinafter the same applies in 1. and 2. below) or equity of the counterpart company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the book value of shares or equity of the counterpart company which the company has acquired is less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, whichever is larger;
  2. a case where shares have been acquired by the counterpart company as a result of a business alliance: the other party's acquisition value of shares which have been acquired by the other party is less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, whichever is larger; and
  3. a case where a company has incorporated a new company jointly with another company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the figure obtained by multiplying the book value of the total assets of the new company as of the last day of the latest business year of the new company by the Investment Ratio is less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, and the figure obtained by multiplying the net sales in the latest business year of the new company by the Investment Ratio is less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.
- (viii) the matter set forth in Article 29, item (ii) of the Order: that the transfer or acquisition of shares or equity involving changes in a Subsidiary Company is the one which involves changes in the following Second-Tier Subsidiary Companies:
- (a) a Second-Tier Subsidiary Company for which the book value of the total assets as of the last day of the latest business year of the Second-Tier Subsidiary Company or the company which will newly become a Second-Tier Subsidiary Company is less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the Listed Company, etc. belongs, and for which the net sales in the latest business year of the Second-Tier Subsidiary Company or of the company which will newly become a Second-Tier Subsidiary Company are expected to be less than the amount

- equivalent to ten percent of the net sales in the latest business year of the Corporate Group; or
- (b) a Second-Tier Subsidiary Company for which the book value of the total assets as of the last day of each business year of the Second-Tier Subsidiary Company which commences within three years from the scheduled date of incorporation of a Second-Tier Subsidiary Company which will be newly incorporated is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the Listed Company, etc. belongs, and for which the net sales of the each business year are expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group.
  - (ix) the matter set forth in Article 29, item (iii) of the Order: that the amount of decrease or increase in the assets of the Corporate Group to which the relevant Listed Company, etc. belongs as a result of transfer or acquisition of Fixed Assets is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group;
  - (x) the matter set forth in Article 29, item (iv) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of suspension or abolition of business in whole or in part, the amount of decrease in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the suspension or abolition is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group;
  - (xi) the matter set forth in Article 29, item (vi) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of commencement of new business, the amount of increase in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the commencement of new business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group, and that the total amount of special expenditures for the commencement of the new business is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business year of the Corporate Group; and
  - (xii) the matter set forth in Article 29, item (viii) of the Order: that in cases where Purchases and Sales, etc. (meaning the Purchases and Sales, etc. prescribed in Article 166, paragraph (1) of the Act; hereinafter the same applies in this Chapter) concerning Specified Securities, etc. other than

Subsidiary Linked Shares (meaning the shares specified in the articles of incorporation of the relevant Listed Company, etc. for which the dividend of surplus prescribed in Article 29, item (viii) of the Order is decided based on the dividend of surplus of a specific Subsidiary Company; the same applies hereinafter) are made, the decision regarding the dividend of surplus of a Linked Subsidiary Company has been made.

(2) In cases where Purchases and Sales, etc. concerning Subsidiary Linked Shares are conducted, the criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 116, paragraph (2) of the Act and related to the matter set forth in item (v) of that paragraph concerning Linked Subsidiary Companies, are specified in the following items according to the category of matters set forth in the respective items:

(i) the matter set forth in Article 166, paragraph (2), item (v), sub-item (a) of the Act: that the share exchange falls under either of the following sub-items:

(a) the amount of increase in the assets of the relevant Linked Subsidiary Company as a result of a share exchange is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the amount of increase in the net sales of the Linked Subsidiary Company is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company; or

(b) the amount of decrease in the assets of the relevant Linked Subsidiary Company as a result of a share exchange is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the amount of decrease in the net sales of the Linked Subsidiary Company is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.

(ii) the matter set forth in Article 166, paragraph (2), item (v), sub-item (b) of the Act: that the share transfer falls under either of the following sub-items:

(a) the amount of increase in the assets of the relevant Linked Subsidiary Company as a result of a share transfer is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the amount of increase in the net sales of the Linked Subsidiary Company is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked

- Subsidiary Company; or
- (b) the amount of decrease in the assets of the relevant Linked Subsidiary Company as a result of a share transfer is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the amount of decrease in the net sales of the Linked Subsidiary Company is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
  - (iii) the matter set forth in Article 166, paragraph (2), item (v), sub-item (c) of the Act: that the merger falls under either of the following sub-items:
    - (a) the amount of increase in the assets of the relevant Linked Subsidiary Company as a result of a merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company that includes the scheduled date of the merger and in the following business year, the amount of increase in the net sales of the Linked Subsidiary Company as a result of the merger is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company; or
    - (b) the amount of decrease in the assets of the relevant Linked Subsidiary Company as a result of a merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company that includes the scheduled date of the merger and in the following business year, the amount of decrease in the net sales of the Linked Subsidiary Company as a result of the merger is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
  - (iv) the matter set forth in Article 166, paragraph (2), item (v), sub-item (d) of the Act: that the company split falls under either of the following sub-items:
    - (a) in cases where a company succeeds to the business in whole or in part as a result of a company split, the amount of increase in the assets of the relevant Linked Subsidiary Company as a result of the split is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company which includes the scheduled date of the split and in the following business year, the amount of increase in the net sales of the

- Linked Subsidiary Company as a result of the split is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company; or
- (b) in cases where a company has its business succeeded to in whole or in part as a result of a company split, the amount of decrease in the assets of the relevant Linked Subsidiary Company as a result of the split is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company which includes the scheduled date of the split and in the following business year, the amount of decrease in the net sales of the Linked Subsidiary Company as a result of the split is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
- (v) the matter set forth in Article 166, paragraph (2), item (v), sub-item (e) of the Act: that the transfer or acceptance of transfer of business in whole or in part falls under either of the following sub-items:
- (a) the amount of increase in the assets of the relevant Linked Subsidiary Company as a result of an acceptance of transfer of business in whole or in part is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company which includes the scheduled date of the acceptance of transfer of business and in the following business year, the amount of increase in the net sales of the Linked Subsidiary Company as a result of the acceptance of transfer of business is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company; or
- (b) the amount of decrease in the assets of the relevant Linked Subsidiary Company as a result of transfer of business in whole or in part is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and both in the business year of the Linked Subsidiary Company which includes the scheduled date of the transfer of business and in the following business year, the amount of decrease in the net sales of the Linked Subsidiary Company as a result of the transfer of business is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
- (v)-2 the matter set forth in Article 166, paragraph (2), item (v), sub-item (f) of the Act: that the amount of decrease in the assets of the relevant Linked

Subsidiary Company as a result of a dissolution is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and that both in the business year of the Linked Subsidiary Company which includes the scheduled date of the dissolution and in the following business year, the amount of decrease in the net sales of the Linked Subsidiary Company as a result of the dissolution is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company;

- (vi) the matter set forth in Article 166, paragraph (2), item (v), sub-item (g) of the Act: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled commencement date of sales of new products or business which uses new technology, the amount of increase in net sales as a result of commercialization of the new products or new technology is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the relevant Linked Subsidiary Company, and that the total amount of special expenditures for the commencement of the sales of new products or business which uses new technology are expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business year of the Linked Subsidiary Company;
- (vii) the matter set forth in Article 29, item (i) of the Order: that the business alliance or cancellation of a business alliance falls under either of the following sub-items:

- (a) in cases where a business alliance is formed, in each business year which commences within three years from the day of commencement of the business year of the relevant Linked Subsidiary Company which includes the scheduled date of the business alliance, the amount of increase in the net sales of the Linked Subsidiary Company as a result of the business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company, and in the cases set forth in 1. to 3. below, the cases fall under those specified in the relevant 1. to 3.;

- 1. a case where the company newly acquires shares (including Preferred Equity Investment; hereinafter the same applies in 1. and 2. below) or equity of the counterpart company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the acquisition value of shares or equity of the counterpart company which the company newly acquires is expected to be less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the



- Linked Subsidiary Company, whichever is larger;
2. a case where shares are newly acquired by the other party as a result of a business alliance: the number of shares which are newly acquired by the other party is expected to be less than five percent of the total number of issued shares (including issued Preferred Equity Investment) as of the last day of the latest business year of the Linked Subsidiary Company; and
  3. a case where a company incorporates a new company with another company (including Cooperative Structured Financial Institutions) as a result of a business alliance (excluding a case where the incorporation of a new company falls under the incorporation of a Second-Tier Subsidiary Company): the figure obtained by multiplying the book value of the total assets as of the last day of each business year of the new company which commences within three years from the scheduled date of incorporation of the new company by the Investment Ratio at the time of incorporation of a new company is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the figure obtained by multiplying the net sales for each of the business years of the new company by the Investment Ratio is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
- (b) in cases where a business alliance is cancelled, in each business year which commences within three years from the day of commencement of the business year of the Linked Subsidiary Company which includes the scheduled date of the cancellation of a business alliance, the amount of decrease in the net sales of the Linked Subsidiary Company as a result of the cancellation of a business alliance is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company, and in the cases set forth in 1. to 3. below, the cases fall under those specified in the relevant 1. to 3.:
1. a case where the company has acquired shares (including Preferred Equity Investment; hereinafter the same applies in 1. and 2. below) or equity of the counterpart company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the book value of shares or equity of the counterpart company which the company has acquired is less than the amount equivalent to ten percent of the Amount of Net Assets or the amount of stated capital as of the last day of the latest business year of the Linked Subsidiary Company, whichever is larger;

2. a case where shares have been acquired by the other party as a result of a business alliance: the number of shares which have been acquired by the other party is less than five percent of the total number of issued shares (including issued Preferred Equity Investment) as of the last day of the latest business year of the Linked Subsidiary Company; and
  3. a case where a company has incorporated a new company jointly with another company (including Cooperative Structured Financial Institutions) as a result of a business alliance: the figure obtained by multiplying the book value of the total assets of the new company as of the last day of the latest business year of the new company by the Investment Ratio is less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and the figure obtained by multiplying the net sales in the latest business year of the new company by the Investment Ratio is less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
- (viii) the matter set forth in Article 29, item (ii) of the Order: that the transfer or acquisition of shares or equity involving changes in a Second-Tier Subsidiary Company is one which involves the changes in the following Second-Tier Subsidiary Companies:
- (a) a Second-Tier Subsidiary Company for which the book value of the total assets as of the last day of the latest business year of the Second-Tier Subsidiary Company or of a company which will newly become a Second-Tier Subsidiary Company is less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and for which the net sales in the latest business year of the Second-Tier Subsidiary Company or the company which will newly become a Second-Tier Subsidiary Company are expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company; or
  - (b) a Second-Tier Subsidiary Company for which the book value of the total assets as of the last day of each business year of the Second-Tier Subsidiary Company which commences within three years from the scheduled date of incorporation of the Second-Tier Subsidiary Company which will newly be incorporated is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and for which the net sales of each the business year are expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company.

- (ix) the matter set forth in Article 29, item (iii) of the Order: that the amount of decrease or increase in the assets of the relevant Linked Subsidiary Company as a result of the transfer or acquisition of Fixed Assets is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company;
- (x) the matter set forth in Article 29, item (iv) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled suspension or abolition date of business in whole or in part, the amount of decrease in net sales as a result of the suspension or abolition of business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company;
- (xi) the matter set forth in Article 29, item (vi) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the scheduled date of commencement of new business, the amount of increase in net sales as a result of the commencement of new business is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the relevant Linked Subsidiary Company, and that the total amount of special expenditures for the commencement of new business is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest business year of the Linked Subsidiary Company;
- (xii) the matter set forth in Article 29, item (viii) of the Order: that the figure obtained by dividing the amount of dividend of surplus per share by the amount of dividend of surplus per share pertaining to the period corresponding to the preceding business year is more than 0.8 and less than 1.2 (limited to cases where the amount of dividend of surplus per share in the latest business year of the Linked Subsidiary Company and the amount of dividend of surplus per share in the latest business year which the Listed Company, etc. determined based on the dividend of surplus of the Linked Subsidiary Company are the same).

(Criteria for Regarding a Material Fact Pertaining to Fact Occurred in a Subsidiary Company as Minor)

Article 53 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the matter set forth in item (vi) of that paragraph (excluding those prescribed in the following paragraph), are specified in the following items according to the category of facts set forth

in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (vi), sub-item (a) of the Act: that the amount of damage arising from a disaster or in the course of performing operations is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs;
- (ii) the fact set forth in Article 29-2, item (i) of the Order: that the fact falls under either of the following sub-items:
  - (a) in cases where an action has been filed, the value of the subject matter of suit is less than the amount equivalent to 15 percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, and in a case where a claim was defeated in the action, where the action was approved as filed immediately after the filing of the action, in each business year which commences within three years from the day of commencement of the business year which includes the filing date of the action, the amount of reduction in net sales of the Corporate Group as a result of the defeat is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group; or
  - (b) in cases where a judgment has been made regarding an action or where a suit pertaining to an action has concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judgment, etc." in sub-item (b)), when a Judgment, etc. regarding the filing of an action which falls under the criteria set forth in sub-item (a) has been made or when the part of the suit regarding the filing of an action which does not fall under the criteria set forth in sub-item (a) has been concluded other than by judicial decision, the amount of property to be delivered by the relevant Subsidiary Company (including Cooperative Structured Financial Institutions) as a result of the Judgment, etc. is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs, and in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judgment, etc., the amount of reduction in net sales of the Corporate Group as a result of the Judgment, etc. is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group.
- (iii) the fact set forth in Article 29-2, item (ii) of the Order: that the fact falls under either of the following sub-items:

- (a) in cases where a petition seeking a provisional disposition order has been filed, if the provisional disposition order was issued as filed in the petition immediately after the filing of the petition, in each business year which commences within three years from the day of commencement of the business year which includes the date of the petition, the amount of reduction in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the provisional disposition order is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group; or
- (b) in cases where a judicial decision has been made regarding a petition seeking a provisional disposition or where the procedures pertaining to the petition have been concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judicial Decision, etc." in sub-item (b)), in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judicial Decision, etc., the amount of reduction in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the Judicial Decision, etc. is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group.
- (iv) the fact set forth in Article 29-2, item (iii) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the day of disposition under laws and orders, the amount of reduction in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the disposition is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Corporate Group;
- (v) the fact set forth in Article 29-2, item (vii) of the Order: that the amount for which there is a risk of default with regard to accounts receivable, loaned money, any other claims, or the rights to obtain reimbursement is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs;
- (vi) the fact set forth in Article 29-2, item (viii) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the date of suspension of a transaction with a Major Trading Partner, the amount of reduction in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of the suspension of the transaction is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group;

- (vii) the fact set forth in Article 29-2, item (ix) of the Order: that the amount of exemption from obligation or the amount of assumption or performance of obligations is less than the amount equivalent to ten percent of the total amount of obligations as of the last day of the latest business year of the Corporate Group to which the relevant Listed Company, etc. belongs;
  - (viii) the fact set forth in Article 29-2, item (x) of the Order: that in each business year which commences within three years from the day of commencement of the business year in which mining or collection of a discovered resource is commenced, the amount of increase in net sales of the Corporate Group to which the Listed Company, etc. belongs as a result of business using the resource is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Corporate Group.
- (2) In cases where Purchases and Sales, etc. concerning Subsidiary Linked Shares are conducted, the criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the fact set forth in item (vi) of that paragraph concerning Linked Subsidiary Companies, are specified in the following items according to the category of facts set forth in the respective items:
- (i) the fact set forth in Article 166, paragraph (2), item (vi), sub-item (a) of the Act: that the amount of damage arising from a disaster or in the course of performing operations is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company;
  - (ii) the fact set forth in Article 29-2, item (i) of the Order: that the fact falls under either of the following sub-items:
    - (a) in cases where an action has been filed, the value of the subject matter of suit is less than the amount equivalent to 15 percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and in a case where a claim was defeated in the action, where the action was approved as filed immediately after the filing of the action, in each business year which commences within three years from the day of commencement of the business year which includes the filing date of the action, the amount of reduction in net sales as a result of the relevant defeat is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company; or
    - (b) in cases where a judgment has been made regarding an action or where a suit pertaining to an action has concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judgment, etc." in sub-item

- (b)), when a Judgment, etc. regarding the filing of an action which falls under the criteria set forth in sub-item (a) has been made or when the part of the suit regarding the filing of an action which does not fall under the criteria set forth in sub-item (a) has been concluded other than by judicial decision, the amount of property to be delivered by the Subsidiary Company (including Cooperative Structured Financial Institutions) as a result of the Judgment, etc. is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company, and in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judgment, etc., the amount of reduction in net sales as a result of the Judgment, etc. is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked Subsidiary Company.
- (iii) the fact set forth in Article 29-2, item (ii) of the Order: that the fact falls under either of the following sub-items:
- (a) in cases where a petition seeking a provisional disposition order has been filed, if the provisional disposition order was issued as filed in the petition immediately after the filing of the petition, in each business year which commences within three years from the day of commencement of the business year which includes the date of the petition, the amount of reduction in net sales as a result of the provisional disposition order is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company; or
- (b) in cases where a judicial decision regarding a petition seeking a provisional disposition order or the procedures pertaining to the petition have been concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judicial Decision, etc." in sub-item (b)), in each business year which commences within three years from the day of commencement of the business year which includes the date of the Judicial Decision, etc., the amount of reduction in net sales as a result of the Judicial Decision, etc. is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company.
- (iv) the fact set forth in Article 29-2, item (iii) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the day of disposition under laws and orders, the amount of reduction in net sales as a result of the disposition is expected to be less than the amount equivalent to ten percent of the amount of the net sales in the latest business year of the Linked

Subsidiary Company;

- (v) the fact set forth in Article 29-2, item (vii) of the Order: that the amount for which there is a risk of default with regard to accounts receivable, loaned money, any other claims, or the rights to obtain reimbursement is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest business year of the Linked Subsidiary Company;
- (vi) the fact set forth in Article 29-2, item (viii) of the Order: that in each business year which commences within three years from the day of commencement of the business year which includes the date of suspension of a transaction with a Major Trading Partner, the amount of reduction in net sales as a result of the suspension of the transaction is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company;
- (vii) the fact set forth in Article 29-2, item (ix) of the Order: that the amount of exemption from obligations or the amount of assumption or performance of obligations is less than the amount equivalent to ten percent of the total amount of obligations as of the last day of the latest business year of the Linked Subsidiary Company; and
- (viii) the fact set forth in Article 29-2, item (x) of the Order: that in each business year which commences within three years from the day of commencement of the business year in which mining or collection of a discovered resource is commenced, the amount of increase in net sales as a result of business using the resource is expected to be less than the amount equivalent to ten percent of the net sales in the latest business year of the Linked Subsidiary Company.

(Second-Tier Subsidiary Companies)

Article 54 The company specified by Cabinet Office Order as a company controlled by a Subsidiary Company, prescribed in Article 29, item (ii) of the Order, is, among the companies which are regarded as a Subsidiary Company of a Listed Company, etc. under Article 8, paragraph (3) of the Regulation on Financial Statements, etc., a company whose decision-making organ is controlled by the Subsidiary Company under that paragraph and paragraph (4) of that Article.

(Forecasts of Net Sales of a Subsidiary Company Which Are to Be Material Facts)

Article 55 (1) A Subsidiary Company which has issued the Securities set forth in Article 2, paragraph (1), item (v), (vii) or (ix) of the Act and listed them on a Financial Instruments Exchange, or any other Subsidiary Company specified



by Cabinet Office Order as prescribed in Article 166, paragraph (2), item (vii) of the Act is the Issuer of the Securities set forth in the items of Article 27-2 of the Order (excluding Securities set forth in Article 2, paragraph (1), item (xi) of the Act and those pertaining to the Securities) and the Linked Subsidiary Company (limited to the cases where it conducts Purchases and Sales, etc. concerning Subsidiary Linked Shares).

(2) The criteria specified by Cabinet Office Order as those that may have a material influence on investors' investment decisions, prescribed in Article 166, paragraph (2), item (vii) of the Act, are set forth in the following items according to the category of matters set forth in the respective items:

- (i) net sales: that the figure obtained by dividing the new forecasts thereof newly prepared or the figure in the settlement of account for the respective business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.1, or not more than 0.9;
- (ii) current profits: that the figure obtained by dividing the new forecasts thereof newly prepared or the results in the settlement of account for the business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the results of the preceding business year which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria), and the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the results in the settlement of account for the business year and the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) by the Amount of Net Assets or the amount of stated capital as of the last day of the preceding business year, whichever is larger, is not less than five percent;
- (iii) net profit: that the figure obtained by dividing the new forecasts thereof newly prepared or the results in the settlement of account for the business year by the latest publicized forecasts (or publicized actual figures of the preceding business year in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the results of the preceding business year which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria), and the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the results in the settlement of account for the business year and the latest publicized forecasts (or publicized actual figures of the preceding

business year in the case of a lack of relevant forecasts) by the Amount of Net Assets or the amount of stated capital as of the last day of the preceding business year, whichever is larger, is not less than five percent.

(Criteria for Regarding a Material Fact Pertaining to an Institutional Decision of a Listed Investment Corporation as Minor)

Article 55-2 The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the matters set forth in item (ix) of that paragraph, are specified in the following items according to the category of matters set forth in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (ix), sub-item (b) of the Act: that the total amount to be paid in for the solicitation of persons to subscribe for investment equity issued by an Investment Corporation prescribed in Article 82, paragraph (1) of the Act on Investment Trusts and Investment Corporations is expected to be less than 100 million yen (in cases of solicitation of Investment Securities indicated in foreign currency, an amount equivalent to 100 million yen)
- (ii) the matter set forth in Article 166, paragraph (2), item (ix), sub-item (d) of the Act: that the total amount to be paid in upon the exercise of Investment Equity Subscription Rights to be allotted by Allotment of Investment Equity Subscription Rights without Contribution (meaning Allotment of Investment Equity Subscription Rights without Contribution as prescribed in Article 88-13 of the Act on Investment Trusts and Investment Corporations; hereinafter the same applies in this item and Article 59, paragraph (1), item (xiii) and Article 63, paragraph (1), item (xiii)) is expected to be less than 100 million yen (in cases where Investment Equity Subscription Rights pertaining to Investment Equity Subscription Rights Certificates indicated in foreign currency are to be allotted, an amount equivalent to 100 million yen) and the ratio of the number of units of investment equity underlying the Investment Equity Subscription Rights allotted per unit by the Allotment of Investment Equity Subscription Rights without Contribution is less than 0.1
- (iii) the matter set forth in Article 166, paragraph (2), item (ix), sub-item (e) of the Act: that the ratio of the number of units of investment equity increased per unit through a split of investment equity is less than 0.1;
- (iv) the matter set forth in Article 166, paragraph (2), item (ix), sub-item (f) of the Act: that the figure obtained by dividing the amount of money distributed per unit by the amount of money distributed per unit pertaining to the previous Business Period is more than 0.8 but less than 1.2;
- (v) the matter set forth in Article 166, paragraph (2), item (ix), sub-item (g) of the Act: that the amount of increase in assets of an Investment Corporation

as a result of the merger is expected to be less than the amount equivalent to 30 percent of the Amount of Net Assets as of the last day of the latest Business Period of the Investment Corporation, and the amount of increase in operating profit of the Investment Corporation as a result of the merger both in the Business Period that includes the scheduled date of the merger and in the following Business Period (in cases where the Business Period of the Investment Corporation is six months, the specified Business Period (meaning two consecutive Business Periods; the same applies hereinafter) which commences on the day of commencement of the Business Period that includes the scheduled date of the merger and the following specified Business Period) is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation (in cases where the Business Period of the Investment Corporation is six months, the total amount of operating profit in the two latest Business Periods);

(Criteria for Regarding a Material Fact Pertaining to a Fact that Has Occurred to a Listed Investment Corporation as Minor)

Article 55-3 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the facts set forth in item (x) of that paragraph, are specified in the following items according to the category of facts set forth in the respective items:

- (i) the fact set forth in Article 166, paragraph (2), item (x), sub-item (a) of the Act: that the amount of damage arising from a disaster or in the course of performing operations is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest Business Period of the Investment Corporation;
- (ii) the fact set forth in Article 166, paragraph (2), item (x), sub-item (b) of the Act: that a fact that may be a grounds for delisting or recession of registration of Investment Corporation Bonds as set forth in Article 2, paragraph (1), item (xi) of the Act (excluding a fact which may be a grounds for delisting of investment equity) has occurred;
- (iii) the fact set forth in Article 29-2-3, item (i) of the Order: that the fact falls under either of the following sub-items:
  - (a) in cases where an action has been filed, the value of the subject-matter of suit is less than the amount equivalent to 15 percent of the Amount of Net Assets as of the last day of the latest Business Period of an Investment Corporation, and in a case where a claim was defeated in the action, where the action was approved as filed immediately after the filing of the action, in each Business Period which commences within three years from the day

- of commencement of the Business Period which includes the filing date of the action, the amount of reduction in operating profit of the Investment Corporation as a result of the relevant defeat is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation; or
- (b) in cases where a judgment has been made regarding an action or where a suit pertaining to an action has concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judgment, etc." in sub-item (b)), when a Judgment, etc. regarding the filing of an action which falls under the criteria set forth in sub-item (a) has been made or when the part of the suit regarding the filing of an action which does not fall under the criteria set forth in sub-item (a) has been concluded other than by judicial decision, the amount of property to be delivered by an Investment Corporation as a result of the Judgment, etc. is expected to be less than the amount equivalent to three percent of the Amount of Net Assets as of the last day of the latest Business Period of the Investment Corporation, and in each Business Period which commences within three years from the day of commencement of the Business Period which includes the date of the Judgment, etc., the amount of reduction in operating profit of the Investment Corporation as a result of the Judgment, etc. is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation.
- (iv) the fact set forth in Article 29-2-3, item (ii) of the Order: that the fact falls under either of the following sub-items:
- (a) in cases where a petition seeking a provisional disposition order has been filed, if the provisional disposition order was issued as filed in the petition immediately after the filing of the petition, in each Business Period which commences within three years from the day of commencement of the Business Period which includes the date of the petition, the amount of reduction in operating profit of an Investment Corporation as a result of the provisional disposition order is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation; or
- (b) in cases where a judicial decision has been made regarding a petition seeking a provisional disposition order or where the procedures pertaining to the petition have been concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judicial Decision, etc." in sub-item (b)), in each Business Period which commences within three years from the day of commencement of the Business Period which includes the date of the Judicial Decision, etc., the amount of reduction in operating

profit of an Investment Corporation as a result of the Judicial Decision, etc. is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.

- (v) the fact set forth in Article 29-2-3, item (iii) of the Order: that in each Business Period which commences within three years from the day of commencement of the Business Period which includes the day of disposition under laws and orders, the amount of reduction in operating profit of an Investment Corporation as a result of the disposition is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation;
  - (vi) the fact set forth in Article 29-2-3, item (vi) of the Order: that the amount for which there is a risk of default with regard to accounts receivable, loaned money, any other claims, or the rights to obtain reimbursement is expected to be less than the amount equivalent to three percent of the Amount of Net Assets of an Investment Corporation as of the last day of the latest Business Period;
  - (vii) the fact set forth in Article 29-2-3, item (vii) of the Order: that in each Business Period which commences within three years from the day of commencement of the Business Period which includes the date of suspension of a transaction with a Major Trading Partner (meaning a Major Trading Partner as prescribed in that item), the amount of reduction in operating profit of an Investment Corporation as a result of the suspension of the transaction is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation;
  - (viii) the fact set forth in Article 29-2-3, item (viii) of the Order: that the amount of exemption from obligation or the amount of assumption or performance of obligations is expected to be less than the amount equivalent to ten percent of the total amount of obligations as of the last day of the latest Business Period of an Investment Corporation; and
  - (ix) the fact set forth in Article 29-2-3, item (ix) of the Order: that in each Business Period which commences within three years from the day of commencement of the Business Period in which mining or collection of a discovered resource is commenced, the amount of increase in operating profit of an Investment Corporation as a result of the resource is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.
- (2) The Listed Company, etc. specified by a Cabinet Office Order as a Listed Company, etc. whose business period is set as six months or shorter as prescribed in Article 29-2-3, item (vii) of the Order is a Listed Company, etc.

whose Business Period is six months (limited to Listed Investment Corporation, etc.; the same applies in the following Article), and the trading partner specified by a Cabinet Office Order prescribed in the same item is a trading partner in which the total amount of operating profit or operating expenses in the two latest Business Periods is not less than ten percent of the total amount of operating profit or the total amount of operating expenses in the two latest Business Periods.

- (3) With regard to the criteria specified in the items of paragraph (1) (excluding items (i), (ii), (vi) and (viii)), when the Business Period of an Investment Corporation is six months, the term "each Business Period" in the same items is deemed to be replaced with "each specified Business Period (limited to those commencing on the day following the last day of a single specified Business Period)" and the phrase "operating profit in the latest Business Period" is deemed to be replaced with "total amount of operating profit in the two latest Business Periods", and the provisions of the same items apply.

(Forecasts of Operating Profit of a Listed Investment Corporation Which Are to Be Material Facts)

Article 55-4 The criteria specified by Cabinet Office Order as those that may have a material influence on investors' investment decisions, prescribed in Article 166, paragraph (2), item (xi) of the Act, which are related to Operating Profit, etc. (meaning Operating Profit, etc. as prescribed in that item) or distribution of the relevant Listed Investment Corporation, etc. are set forth in the following items according to the category of matters set forth in the respective items:

- (i) operating profit: that the figure obtained by dividing the new forecasts thereof newly prepared or the figure in the settlement of account for the Business Period by the latest publicized forecasts (or publicized actual figures of the preceding Business Period in the case of a lack of relevant forecasts) is not less than 1.1, or not more than 0.9;
- (ii) current profits: that the figure obtained by dividing the new forecasts thereof newly prepared or the figure in the settlement of account for the Business Period by the latest publicized forecasts (or publicized actual figures of the preceding Business Period in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the actual figures of the preceding Business Period which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria), and that the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the figure in the settlement of account for the Business Period and the latest publicized

- forecasts (or publicized actual figures of the preceding Business Period in the case of a lack of relevant forecasts) by the Amount of Net Assets as of the last day of the preceding Business Period is not less than five percent;
- (iii) net profit: that the figure obtained by dividing the new forecasts thereof newly prepared or the figure in the settlement of account for the Business Period by the latest publicized forecasts (or publicized actual figures of the preceding Business Period in the case of a lack of relevant forecasts) is not less than 1.3, or not more than 0.7 (in cases where the latest publicized forecasts or the actual figures of the preceding Business Period which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria), and that the figure obtained by dividing the new forecasts thereof newly prepared or the difference obtained by deducting the smaller from the larger between the figure in the settlement of account for the Business Period and the latest publicized forecasts (or publicized actual figures of the preceding Business Period in the case of a lack of relevant forecasts) by the Amount of Net Assets as of the last day of the preceding Business Period is not less than 2.5 percent;
- (iv) Distribution of monies: that the figure obtained by dividing the new forecasts thereof newly prepared or the figure in the settlement of account for the Business Period by the latest publicized forecasts (or publicized actual figures of the distribution of monies of the preceding Business Period in the case of a lack of relevant forecasts) is not less than 1.2, or not more than 0.8 (in cases where the latest publicized forecasts or the actual figures of the preceding Business Period which have been publicized for lack of relevant forecasts are zero, the cases are all deemed to fall under this criteria).

(Criteria for Regarding a Material Fact Pertaining to an Institutional Decision of the Asset Management Company of a Listed Investment Corporation as Minor)

Article 55-5 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the matters set forth in item (xii) of that paragraph, are specified in the following items according to the category of matters set forth in the respective items:

- (i) the matter set forth in Article 166, paragraph (2), item (xii), sub-item (a) of the Act: that the asset investment falls under any of the following sub-items:
- (a) in the case of asset investment conducted under entrustment from an Investment Corporation in which acquisition of Specified Assets (meaning Specified Assets as prescribed in Article 2, paragraph (1) of the Act on Investment Trusts and Investment Corporations; the same applies

- hereinafter) is to be performed by the Investment Corporation, the acquisition value of the Specified Assets is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest Business Period of the Investment Corporation;
- (b) in the case of asset investment conducted under entrustment from an Investment Corporation in which transfer of Specified Assets is to be performed by the Investment Corporation, the transfer value of the Specified Assets is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest Business Period of the Investment Corporation; or
- (c) in the case of asset investment conducted under entrustment from an Investment Corporation in which leasing of Specified Assets is to be performed by the Investment Corporation, in each Business Period of the Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the scheduled date of the leasing of the Specified Assets, the amount of increase in operating profit of the Investment Corporation as a result of the relevant lending and borrowing is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.
- (ii) the matter set forth in Article 166, paragraph (2), item (xii), sub-item (c) of the Act: that in the case of an Asset Management Company which is to become a Wholly Owning Parent Company in Share Exchange, share exchange other than share exchange in which changes in Major Shareholders are expected
- (iii) the matter set forth in Article 166, paragraph (2), item (xii), sub-item (e) of the Act: that in the case of an Asset Management Company which is to become a Company Surviving the Absorption-type Merger (meaning Company Surviving the Absorption-type Merger as prescribed in Article 749, paragraph (1) of the Companies Act), merger other than merger in which changes in Major Shareholders are expected
- (iv) the matter set forth in Article 29-2-4, item (i) of the Order: that the company split falls under either of the following sub-items:
- (a) cases where a company has its business succeeded to in whole or in part as a result of a company split other than cases where succession of business pertaining to asset investment conducted under entrustment from an Investment Corporation is expected to be performed; or
- (b) cases where a company succeeds to the business in whole or in part as a result of a company split other than cases where changes in Major Shareholders are expected.
- (v) the matter set forth in Article 29-2-4, item (ii) of the Order: that the



transfer of business falls under either of the following sub-items:

- (a) cases where a company transfers the business in whole or in part other than cases where succession of business pertaining to asset investment conducted under entrustment from an Investment Corporation is expected to be performed; or
  - (b) cases where a company accepts transfer of the business in whole or in part other than cases where changes in Major Shareholders are expected.
- (vi) the matter set forth in Article 29-2-4, item (iii) of the Order: that in each Business Period of the Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the scheduled date of the suspension or abolition of business pertaining to asset investment, the amount of reduction in operating profit of the Investment Corporation as a result of the suspension or abolition is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.
- (vii) the matter set forth in Article 29-2-4, item (iv) of the Order: that in each Business Period of the Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the scheduled date of the suspension or abolition of asset investment conducted under entrustment from the Investment Corporation in whole or in part, the amount of reduction in operating profit of the Investment Corporation as a result of the suspension or abolition is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.
- (viii) the matter set forth in Article 29-2-4, item (vi) of the Order: that in each Business Period of the Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the scheduled date of commencement of new asset investment conducted under entrustment from the Investment Corporation, the amount of increase in operating profit of the Investment Corporation as a result of the commencement of new asset investment is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation, and the total amount of special expenditures of the Investment Corporation for the commencement of new asset investment is expected to be less than the amount equivalent to ten percent of the book value of the Fixed Assets as of the last day of the latest Business Period of the Investment Corporation.
- (2) With regard to the criteria specified in the items of the preceding paragraph (excluding item (ii) to item (v) inclusive), when the Business Period of an

Investment Corporation is six months, the term "each Business Period" in the same items is deemed to be replaced with "each specified Business Period (limited to those commencing on the day following the last day of a single specified Business Period)" and the phrase "operating profit in the latest Business Period" is deemed to be replaced with "total amount of operating profit in the two latest Business Periods", and the provisions of the same items apply.

(Criteria for Regarding a Material Fact Pertaining to a Fact that Has Occurred to the Asset Management Company of a Listed Investment Corporation as Minor)

Article 55-6 (1) The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 166, paragraph (2) of the Act and related to the facts set forth in item (xiii) of that paragraph, are specified in the following items according to the category of facts set forth in the respective items:

- (i) the fact set forth in Article 166, paragraph (2), item (xiii), sub-item (a) of the Act: that in each Business Period of an Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the day of disposition under laws and orders, the amount of reduction in operating profit of the Investment Corporation as a result of the disposition is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation;
- (ii) the fact set forth in Article 29-2-5, item (i) of the Order: that the fact falls under any of the following sub-items:
  - (a) in cases where an action has been filed, in a case where a claim was defeated in the action, where the action was approved as filed immediately after the filing of the action, in each Business Period which commences within three years from the day of commencement of the Business Period of an Investment Corporation which includes the filing date of the action, the amount of reduction in operating profit of the Investment Corporation as a result of the relevant defeat is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation; or
  - (b) in cases where a judgment has been made regarding an action or where a suit pertaining to an action has concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judgment, etc." in sub-item (b)), when a Judgment, etc. regarding the filing of an action which falls under the criteria set forth in sub-item (a) has been made or when the part of the suit regarding the filing of an action which does not fall under the

criteria set forth in sub-item (a) has been concluded other than by judicial decision, in each Business Period of an Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the date of the Judgment, etc., the amount of reduction in operating profit of the Investment Corporation as a result of the Judgment, etc. is expected to be less than the amount equivalent to ten percent of the amount of the operating profit in the latest Business Period of the Investment Corporation.

(iii) the fact set forth in Article 29-2-5, item (ii) of the Order: that the fact falls under either of the following sub-items:

(a) in cases where a petition seeking a provisional disposition order has been filed, if the provisional disposition order was issued as filed in the petition immediately after the filing of the petition, in each Business Period of an Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the date of the petition, the amount of reduction in operating profit of an Investment Corporation as a result of the provisional disposition order is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation; or

(b) in cases where a judicial decision has been made regarding a petition seeking a provisional disposition order or where the procedures pertaining to the petition have been concluded in whole or in part other than by judicial decision (hereinafter referred to as "Judicial Decision, etc." in sub-item (b)), in each Business Period of an Investment Corporation which commences within three years from the day of commencement of the Business Period of the Investment Corporation which includes the date of the Judicial Decision, etc., the amount of reduction in operating profit of the Investment Corporation as a result of the Judicial Decision, etc. is expected to be less than the amount equivalent to ten percent of the operating profit in the latest Business Period of the Investment Corporation.

(2) With regard to the criteria specified in the items of the preceding paragraph, when the Business Period of an Investment Corporation is six months, the term "each Business Period" in the same items is deemed to be replaced with "each specified Business Period (limited to those commencing on the day following the last day of a single specified Business Period)" and the phrase "operating profit in the latest Business Period" is deemed to be replaced with "total amount of operating profit in the two latest Business Periods", and the provisions of the same items apply.

(Person Who is to Become a Corporation in Specified Relationship)

Article 55-7 (1) Those specified by Cabinet Office Order, prescribed in Article 29-3, paragraph (2) of the Order, are a company stated or recorded as the Parent Company of the Asset Management Company of a Listed Investment Corporation, etc. in the latest statement under the provisions of Article 5, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (5) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act, Annual Securities Report under the provisions of Article 24, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (5) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act or Semiannual Securities Report under the provisions of Article 24-5, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (3) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act submitted by the Listed Investment Corporation, etc. and made available for public inspection pursuant to the provisions of Article 25, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27 of the Act, Specified Information on Securities prescribed in Article 27-31, paragraph (1) of the Act disclosed pursuant to the provisions of paragraph (2) of that Article or Information on the Issuer prescribed in Article 27-32, paragraph (1) of the Act disclosed pursuant to the provisions of paragraph (1) or (2) of that Article.

(2) Those specified by Cabinet Office Order, prescribed in Article 29-3, paragraph (3) of the Order, are an Interested Person, etc. (meaning Interested Person, etc. as prescribed in the Article 201, paragraph (1) of the Act on Investment Trusts and Investment Corporations; the same applies in the following Article) of the Asset Management Company of a Listed Investment Corporation, etc. that is a juridical person stated or recorded as a juridical person who conducts or conducted any of the transactions set forth in the items of Article 29-3, paragraph (3) of the Order in the latest statement under the provisions of Article 5, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (5) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act, Annual Securities Report under the provisions of Article 24, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (5) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act or Semiannual Securities Report under the provisions of Article 24-5, paragraph (1) of the Act as applied mutatis mutandis pursuant to paragraph (3) of that Article after deemed replacement as applied mutatis mutandis pursuant to Article 27 of the Act submitted by the Listed Investment Corporation, etc. and made available for public inspection pursuant to the provisions of Article 25, paragraph (1) of the

Act as applied mutatis mutandis pursuant to Article 27 of the Act, Specified Information on Securities prescribed in Article 27-31, paragraph (1) of the Act disclosed pursuant to the provisions of paragraph (2) of that Article or Information on the Issuer prescribed in Article 27-32, paragraph (1) of the Act disclosed pursuant to the provisions of paragraph (1) or (2) of that Article.

(Criteria of Transactions that have a Material Impact on the Value of Specified Assets)

Article 55-8 (1) With regard to the criteria specified by Cabinet Office Order as being those having material impact on the value of Specified Assets prescribed in Article 29-3, paragraph (3) of the Order which are related to transactions between a Listed Investment Corporation, etc. set forth in items (i) and (ii) of the same paragraph and an Interested Person, etc. of the Asset Management Company of the Listed Investment Corporation, etc., the ratio of the amount set forth in item (ii) with respect to the amount set forth in item (i) is not less than 20 percent:

- (i) the total amount which the Listed Investment Corporation, etc. has paid and received as the consideration of transactions set forth in Article 29-3, paragraph (3), items (i) and (ii) of the Order in the past three years from the last day of the previous Business Period;
- (ii) the total amount which the Listed Investment Corporation, etc. has paid to and received from the Interested Person, etc. as the consideration of transactions set forth in Article 29-3, paragraph (3), items (i) and (ii) of the Order in the past three years from the last day of the previous Business Period.

(2) With regard to the criteria specified by Cabinet Office Order as being those having material impact on the value of Specified Assets prescribed in Article 29-3, paragraph (3) of the Order which are related to transactions between a Listed Investment Corporation, etc. set forth in items (iii) and (iv) of that paragraph and the trustee of the trust prescribed in the same items and an Interested Person, etc. of the Asset Management Company of the Listed Investment Corporation, etc., the ratio of the amount set forth in item (ii) with respect to the amount set forth in item (i) is not less than 20 percent:

- (i) the total amount of operating profit, etc. of the Listed Investment Corporation, etc. in the previous Business Period
- (ii) the higher of the amounts as listed below:
  - (a) the average amount per Business Period of the total amount which the Listed Investment Corporation, etc. and the trustee of the trust prescribed in Article 29-3, paragraph (3), item (iv) of the Order has received from the Interested Person, etc. as the consideration of transactions set forth in items (iii) and (iv) of the same paragraph in the past three years from the

last day of the previous Business Period; or

- (b) the average amount per Business Period of the total amount which the Listed Investment Corporation, etc. and the trustee of the trust prescribed in Article 29-3, paragraph (3), item (iv) of the Order are expected to receive from the Interested Person, etc. as the consideration of transactions set forth in items (iii) and (iv) of the same paragraph in three years from the day of commencement of the Business Period.

(Public Inspection of Material Facts, etc. or Facts Concerning a Tender Offer, etc.)

Article 56 (1) A Financial Instruments Exchange which has received a notice of Material Facts, etc. (meaning Material Facts, etc. as prescribed in Article 30, paragraph (1), item (i) of the Order; hereinafter the same applies in this Article) or Facts Concerning a Tender Offer, etc. (meaning Facts Concerning a Tender Offer, etc. as prescribed in item (i) of that paragraph; hereinafter the same applies in this Article) as prescribed in Article 30, paragraph (1), item (ii) to item (v) inclusive of the Order (in cases where the person who has been notified of the Material Facts, etc. or Facts Concerning a Tender Offer, etc. is an Authorized Financial Instruments Firms Association, the Authorized Financial Instruments Firms Association; hereinafter the same applies in this Article) is to make the Material Facts, etc. or Facts Concerning a Tender Offer, etc. of which it has been notified available for public inspection by Electronic or Magnetic Means.

(2) The Electronic or Magnetic Means prescribed in the preceding paragraph is, among the methods that use an electronic data processing system that links the computer used by a Financial Instruments Exchange and the computer used by the recipient of the information via a telecommunications line and which transmits the information via the telecommunications line and records the information in a file stored on the computer used by the recipient of the information, a method of offering the contents of information recorded in a file stored on the computer used by the Financial Instruments Exchange to the recipient for inspection via a telecommunications line and recording the information in a file stored on the computer used by the recipient of the information which uses an Automatic Public Transmission Server (meaning the automatic public transmission server prescribed in Article 2, paragraph (1), item (ix)-5, sub-item (a) of the Copyright Act (Act No. 48 of 1970)) connected to the Internet.

(3) The method set forth in the preceding paragraph is one that has taken the necessary measures to prevent unauthorized access, etc. through the telecommunications line.

(4) The Financial Instruments Exchange prescribed in paragraph (1) must make

the Material Facts, etc. or Facts Concerning a Trade Offer, etc. of which it has been notified, available for public inspection for 7 consecutive days or more.

(Securities Not Included in Share Certificates)

Article 57 (1) Those specified by Cabinet Office Order as being excluded from share certificates (including securities or certificates which have been issued by a foreign person and have the nature of securities), prescribed in Article 31 of the Order, are as follows:

- (i) share certificates pertaining to shares with no voting rights on any of the matters which may be resolved at a shareholders meeting; and
- (ii) securities or certificates which have been issued by a foreign person and have the nature of the Securities set forth in the preceding two items.

(2) Those specified by Cabinet Office Order as being excluded from share option certificates (including securities or certificates which have been issued by a foreign person and have the nature of share option certificates), prescribed in Article 31 of the Order, are as follows:

- (i) share option certificates with the right to acquire only shares set forth in item (i) of the preceding paragraph; and
- (ii) securities or certificates which have been issued by a foreign person and have the nature of Securities set forth in the preceding item.

(3) Those specified by Cabinet Office Order as being excluded from corporate bond certificates with share options (including securities or certificates which have been issued by a foreign person and have the nature of corporate bond certificates with share options), prescribed in Article 31 of the Order, are as follows:

- (i) corporate bond certificates with share options with the right to acquire only shares set forth in paragraph (1), item (i); and
- (ii) securities or certificates which have been issued by a foreign person and have the nature of Securities set forth in the preceding item.

(4) Those specified by Cabinet Office Order as being excluded from Investment Securities, etc., prescribed in Article 31 of the Order, are Foreign Investment Securities similar to Investment Securities pertaining to investment equity with no voting rights on any of the matters which may be resolved at an Investors' meeting.

(5) Those specified by Cabinet Office Order as being excluded from Investment Equity Subscription Rights Certificates, etc., prescribed in Article 31 of the Order, are Foreign Investment Securities similar to Investment Equity Subscription Rights Certificates with the right to acquire only investment equity prescribed in the preceding paragraph.

(6) The Securities specified by Cabinet Office Order, prescribed in Article 31 of the Order, are as follows:

- (i) Beneficiary Securities of Securities in Trust of which the Entrusted Securities are share certificates, Share Option Certificates, corporate bond certificates with share options (including securities or certificates which have been issued by a foreign person and have the nature of the Securities and excluding those set forth in the items of paragraph (1) to paragraph (3) inclusive; the same applies in the following item), Investment Securities, etc. (excluding those set forth in paragraph (4); the same applies in the same item) or Investment Equity Subscription Rights Certificates, etc. (meaning Investment Equity Subscription Rights Certificates and Foreign Investment Securities similar to Investment Equity Subscription Rights Certificates, excluding those set forth in the preceding paragraph; the same applies in the same item) (referred to as the "Beneficiary Securities of Share Certificates, etc. in Trust" in item (iv) of the following paragraph); and
  - (ii) the Securities set forth in Article 2, paragraph (1), item (xx) of the Act which indicate rights pertaining to share certificates, share option certificates, corporate bond certificates with share options, Investment Securities, etc. or Investment Equity Subscription Rights Certificates, etc. (referred to as the "Depository Receipts for Share Certificates, etc." in item (v) of the following paragraph).
- (7) The number of voting rights pertaining to shares or investment equity which have been converted as specified by Cabinet Office Order, prescribed in Article 31 of the Order, is the number obtained through a conversion by a method listed in the following items:
- (i) for share option certificates, the method in which the relevant number is the number of voting rights pertaining to shares underlying the share options;
  - (ii) for corporate bond certificates with share options, the method in which the relevant number is the number of voting rights pertaining to shares underlying the share options attached to the corporate bond certificates with share options;
  - (iii) for securities or certificates which have been issued by a foreign person and have the nature of securities, the method in which the relevant number is the number of voting rights pertaining to shares, and for those which have the nature of share option certificates or corporate bond certificates with share options, the method in which the relevant number is the number of voting rights pertaining to the shares into which the securities or certificates have been converted in a way equivalent to the securities or certificates issued by a domestic corporation;
  - (iii)-2 for Investment Equity Subscription Rights, the method in which the relevant number is the number of voting rights pertaining to investment equity underlying the Investment Equity Subscription Rights;
  - (iii)-3 for Foreign Investment Securities similar to Investment Equity



Subscription Rights Certificates, the method in which the relevant number is the number of voting rights pertaining to investment equity into which the Foreign Investment Securities have been converted in a way equivalent to Investment Equity Subscription Rights Certificates issued by an Investment Corporation

- (iv) for Beneficiary Securities of Share Certificates, etc. in Trust, the method in which the relevant number is the number specified as follows according to the category of the Entrusted Securities set forth in the following items:
  - (a) share certificates: the number of voting rights pertaining to shares of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (b) share option certificates: the number of voting rights pertaining to shares underlying share options of share option certificates of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (c) corporate bond certificates with share options: the number of voting rights pertaining to share certificates underlying the share options which are attached to the corporate bond certificates with share options of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (d) securities or certificates which have been issued by a foreign person and have the nature of securities: the number of voting rights pertaining to share certificates of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (e) securities or certificates which have been issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options: the number of voting rights pertaining to the shares into which the securities or certificates have been converted in a way equivalent to the securities or certificates issued by a domestic corporation;
  - (f) Investment Securities: the number of voting rights pertaining to investment equity of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (g) Investment Equity Subscription Rights Certificates: the number of voting rights pertaining to investment equity underlying the Investment Equity Subscription Rights of the Investment Equity Subscription Rights Certificates of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust;
  - (h) Foreign Investment Securities similar to Investment Securities: the number of voting rights pertaining to investment equity of a beneficial interest indicated on the Beneficiary Securities of Share Certificates, etc. in Trust; and
  - (i) Foreign Investment Securities similar to Investment Equity Subscription

Rights Certificates: the number of voting rights pertaining to investment equity into which the Foreign Investment Securities have been converted in a way equivalent to Investment Equity Subscription Rights Certificates issued by an Investment Corporation

- (v) for Depository Receipts for Share Certificates, etc., the method in which the relevant number is the number specified as follows according to the category of Securities pertaining to the rights indicated on the Depository Receipts for Share Certificates, etc.:
  - (a) share certificates: the number of voting rights pertaining to shares underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (b) share option certificates: the number of voting rights pertaining to share certificates underlying share options of the share option certificates underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (c) corporate bond certificates with share options: the number of voting rights pertaining to shares underlying share options attached to corporate bond certificates with share options underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (d) securities or certificates which have been issued by a foreign person and have the nature of securities: the number of voting rights pertaining to shares underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (e) securities or certificates which have been issued by a foreign person and have the nature of share option certificates or corporate bond certificates with share options: the number of voting rights pertaining to the shares into which the securities or certificates have been converted in a way equivalent to the securities or certificates issued by a domestic corporation;
  - (f) Investment Securities: the number of voting rights pertaining to investment equity underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (g) Investment Equity Subscription Rights Certificates: the number of voting rights pertaining to investment equity underlying the Investment Equity Subscription Rights of the Investment Equity Subscription Rights Certificates underlying the rights indicated on the Depository Receipts for Share Certificates, etc.;
  - (h) Foreign Investment Securities similar to Investment Securities: the number of voting rights pertaining to investment equity underlying the rights indicated on the Depository Receipts for Share Certificates, etc.; and
  - (i) Foreign Investment Securities similar to Investment Equity Subscription Rights Certificates: the number of voting rights pertaining to investment

equity into which the Foreign Investment Securities have been converted in a way equivalent to Investment Equity Subscription Rights Certificates issued by an Investment Corporation

(Purchases and Sales Concerning Corporate Bond Certificates Subject to Regulation)

Article 58 The case specified by Cabinet Office Order, prescribed in Article 166, paragraph (6), item (vi) of the Act, is a case where conducting Purchases and Sales, etc. while knowing the Material Facts prescribed in paragraph (2) of that Article which are related to the matters set forth in item (i), sub-item (m) of that paragraph or Article 28, item (viii) of the Order, the matters set forth in Article 28-2, item (v) or (vi) of the Order, the matters set forth in item (ix), sub-item (h) of that paragraph or Article 29-2-2, item (v) of the Order, or the matters set forth in Article 29-2-3, item (iv) or (v) of the Order

(Particularly Low Ratio of Specified Securities or Share Certificates pertaining to Merger)

Article 58-2 The ratio specified by Cabinet Office Order, prescribed in Article 166, paragraph (6), item (viii) and Article 167, paragraph (5), item (x) of the Act is 20 percent.

(Exclusion of Regulations pertaining to Material Facts)

Article 59 (1) The cases where Purchases and Sales, etc. are made in performance of a contract for Purchases and Sales, etc. of Specified Securities, etc. of the Listed Company, etc. which was concluded before coming to know a Material Fact Pertaining to Business or Other Matters prescribed in Article 166, paragraph (1) of the Act of the Listed Company, etc. or in the implementation of a plan for Purchases and Sales, etc. of Specified Securities, etc. of the Listed Company, etc. decided before coming to know a Material Fact Pertaining to Business or Other Matters of the Listed Company, etc., which are specified by Cabinet Office Order, prescribed in Article 166, paragraph (6), item (xii) of the Act, are the following cases:

(i) cases where a person who has, before coming to know a Material Fact Pertaining to Business or Other Matters (meaning a Material Fact Pertaining to Business or Other Matters prescribed in Article 166, paragraph (1) of the Act; hereinafter the same applies in this paragraph), concluded a contract regarding Purchases and Sales, etc. concerning Specified Securities, etc. issued by a Listed Company, etc. in writing with the Listed Company, etc., makes the Purchases and Sales, etc. in performance of the contract on the date of Purchases and Sales, etc. specified in the written contract, or during a period from ten days prior to the time limit for the Purchases and

- Sales, etc. specified in the written contract until the time limit;
- (ii) cases where a person who has, before coming to know a Material Fact Pertaining to Business or Other Matters, concluded a contract for a Margin Transaction with a Financial Instruments Business Operator, makes a Reversing Trade in performance of the contract during a period from ten days prior to the deferred time limit of performance of obligations pertaining to Securities for sale or the loan for purchase price specified by a Financial Instruments Exchange or Authorized Financial Instruments Firms Association;
  - (iii) cases where a person who has, before coming to know a Material Fact Pertaining to Business or Other Matters, concluded a contract regarding the transactions set forth in Article 2, paragraph (21), item (v) or paragraph (22), item (vi) of the Act concerning Specified Securities, etc. in writing, pays or receives money between the parties, and transfers the Specified Securities, etc. in performance of the contract in cases where any causes set forth in Article 2, paragraph (21), item (v), sub-item (a) or (b) or paragraph (22), item (vi), sub-item (a) or (b) of the Act occur;
  - (iv) cases where an officer or employee of a Listed Company, etc. (including an officer or employee of another company over which the Listed Company has control, directly or indirectly; hereinafter the same applies in this item and the following item) jointly with another officer or employee of the Listed Company, etc. makes a purchase of share certificates or Investment Securities of the Listed Company, etc. (limited to cases where the purchase is to be made by Entrustment, etc. to a Financial Instruments Business Operator, etc. when the Listed Company, etc. purchases share certificates other than the share certificates which the Listed Company, etc. has purchased pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Articles 165, paragraph (3) of that Act)) and the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee contributes less than one million yen per occasion; the same applies in the following item);
  - (v) cases where an officer or employee of a Listed Company, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates or Investment Securities of the Listed Company, etc. where pursuant to the trust contract, the officer or employee gives instructions for the purchase of share certificates or Investment Securities of the Listed Company, etc. to the person engaged in Trust Business, and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision

- (limited to cases in which the trust property for which the settlor is the officer or employee and the trust property for which the settlor is another officer or employee of the Listed Company, etc. are jointly invested);
- (vi) cases where an employee of an Associated Company of a Listed Company, etc. (excluding Listed Investment Corporation, etc.; hereinafter the same applies in this item to item (viii) inclusive) jointly with another employee of the Associated Company makes a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator (excluding cases set forth in item (iv)) and the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each employee contributes less than one million yen per occasion; the same applies in the following item);
- (vii) cases where an employee of an Associated Company of a Listed Company, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates of the Listed Company, etc. where pursuant to the trust contract, the relevant officer or employee gives instructions for the purchase of share certificates of the Listed Company, etc. to the person engaged in Trust Business (excluding cases set forth in item (v)), and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the employee and the trust property for which the settlor is another employee of the Associated Company are jointly invested);
- (viii) cases where a Person Who Has a Transaction Relationship with a Listed Company, etc. (meaning a person who has a transaction relationship with the Listed Company, etc. as designated by the Listed Company, etc. (where the person is a juridical person or any other type of organization, including its officers; where the person is an individual, limited to those who have a business relationship with the Listed Company, etc. in relation to its business); hereinafter the same applies in this item) jointly with another Person Who Has a Transaction Relationship with the Listed Company, etc. makes a purchase of share certificates of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each Person Who Has a Transaction Relationship contributes less than one million yen per occasion);
- (viii)-2 cases where an officer or employee of the Asset Management Company of a Listed Company, etc. (limited to Listed Investment Corporation, etc.) or a Corporation in Specified Relationship therewith jointly with another officer or employee of the Asset Management Company or the Corporation in

- Specified Relationship makes a purchase of Investment Securities of the Listed Company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, and the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee is to contribute less than one million yen per occasion);
- (ix) cases where a purchase of share certificates (including Preferred Equity Investment) or Investment Securities of a Listed Company, etc. is made by Entrustment, etc. to a Financial Instruments Business Operator pursuant to a Contract for Cumulative Investment, and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where the amount to be paid in for one issue by each customer is less than one million yen per month);
  - (x) cases where Purchase, etc. (meaning the Purchase, etc. prescribed in Article 27-2, paragraph (1) of the Act) is made in accordance with the plan of tender offer prescribed in Article 27-2, paragraph (1) of the Act for which a Public Notice for Commencing Tender Offer under Article 27-3, paragraph (2) of the Act is made, before coming to know a Material Fact Pertaining to Business or Other Matters;
  - (xi) cases where Purchase, etc. (meaning the Purchase, etc. prescribed in Article 27-22-2, paragraph (1) of the Act) is made in accordance with the plan of tender offer prescribed in Article 27-22-2, paragraph (1) of the Act of which the Director General of the Kanto Finance Bureau has been notified in accordance with Article 27-3, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the Act, before coming to know a Material Fact Pertaining to Business or Other Matters;
  - (xii) cases where the Secondary Distribution of the Specified Securities (limited to those for which a Financial Instrument Business Operator handles the Secondary Distribution) or the Solicitation for Selling, etc. Only for Professional Investors (limited to those for which a Financial Instruments Business Operator handles the Solicitation for Selling, etc. Only for Professional Investors) is made in accordance with a plan concerning the Secondary Distribution of Specified Securities or the Solicitation for Selling, etc. Only for Professional Investors for which the consent of the Issuer has been obtained or a plan concerning the Secondary Distribution of Specified Securities or Solicitation for Selling, etc. Only for Professional Investors which has been disclosed in accordance with the measures for publication specified in Article 30 of the Order, before coming to know a Material Fact Pertaining to Business or Other Matters;
  - (xiii) cases where an Issuer performs the following acts based on a plan pertaining to an Allotment of Share Options without Contribution or

Allotment of Investment Equity Subscription Rights without Contribution (limited to those for which provisions stipulating that, as the features of share options or Investment Equity Subscription Rights, the Issuer is to acquire share option certificates pertaining to the share options or Investment Equity Subscription Rights Certificates pertaining to the Investment Equity Subscription Rights on conditions of certain grounds arising) which has been disclosed in accordance with the measures for publication or made available for public inspection specified in Article 166, paragraph (4) of the Act before coming to know a Material Fact Pertaining to Business or Other Matters (limited to a plan to sell share option certificates or Investment Equity Subscription Rights Certificates subject to the acquisition to the Financial Instruments Business Operator who concluded a contract prescribed in Article 28, paragraph (7), item (iii) of the Act with the Issuer):

- (a) the Issuer carries out the relevant acquisition on the date on which the acquisition is to be carried out specified in the relevant plan or during a period from ten days prior to the time limit for the acquisition specified in the plan until the time limit; or
- (b) the Issuer carries out the relevant sale on the date on which the sale is to be carried out specified in the relevant plan or during a period from ten days prior to the time limit for the sale specified in the plan until the time limit; and
- (xiv) beyond the cases set forth in the preceding items, cases where all of the following requirements are satisfied:
  - (a) Purchases and Sales, etc. are made in performance of a contract for Purchases and Sales, etc. of Specified Securities, etc. which was concluded before coming to know a Material Fact Pertaining to Business or Other Matters or in the implementation of a plan for Purchases and Sales, etc. of Specified Securities, etc. decided before coming to know a Material Fact Pertaining to Business or Other Matters; and
  - (b) any of the following measures has been taken before coming to know a Material Fact Pertaining to Business or Other Matters:
    - 1. a copy of the contract or plan has been submitted to a Financial Instruments Business Operator (limited to one engaged in Type I Financial Instruments Business prescribed in Article 28, paragraph (1) of the Act (limited to business which falls under Securities-Related Business; and excluding business of conducting only Type I Small Amount Electronic Public Offering Service); the same applies in 2. and Article 63, paragraph (1), item (xiv), sub-item (b) 1. and 2.) and confirmed by the Financial Instruments Business Operator with regard to the date of the submission (excluding the case where the Financial

- Instruments Business Operator is the counterparty to the contract or the person that decided the plan jointly);
2. a certified date is given to the contract or plan (limited to the case where a Financial Instruments Business Operator is the person that concluded the contract or the person that decided the plan); or
  3. the contract or plan has been made available for public inspection in accordance with the measures for publication prescribed in Article 166, paragraph (4) of the Act; and
- (c) in relation to Purchases and Sales, etc. to be made in performance of the contract or in the implementation of the plan, the type of the transactions among the Purchase and Sale, etc., the issue, and the date, and the total amount or number of the Purchases and Sales, etc. as of that date (or matters equivalent thereto in the case of Derivatives Transactions) have been specified in the contract or plan or have been decided by the non-discretionary method specified in advance in the contract or plan.
- (2) The other company over which a Listed Company, etc. has control, directly or indirectly, prescribed in item (iv) of the preceding paragraph, means a company which falls under either of the following items:
- (i) in cases where a Listed Company, etc. holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company;
  - (ii) in cases where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company; or
  - (iii) in cases where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company.
- (3) The Associated Company prescribed in paragraph (1), items (vi) and (vii) means a company (excluding a Listed Company, etc.) which falls under any of the following items:
- (i) in cases where a Listed Company, etc. holds voting rights of not less than 25 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company;
  - (ii) in cases where the net sales of another company to a Listed Company, etc. in the previous business year were not less than 50 percent of the total amount of net sales of the other company, the other company; and
  - (iii) in cases where the purchases of another company from a Listed Company, etc. in the previous business year were not less than 50 percent of the total amount of purchase of the other company, the other company.
- (4) The provisions of Article 4-4, paragraph (3) of the Order apply mutatis mutandis to voting rights held by a Listed Company, etc. under the items of



paragraph (2) and item (i) of the preceding paragraph, or those held by the company set forth in paragraph (2), item (i) or (ii).

(Transactions Equivalent to a Purchase, etc. of Share Certificates, etc.)

Article 60 The transactions specified by Cabinet Office Order, prescribed in Article 33-3, item (vii) of the Order, are those specified in the following items according to the transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) of the Act concerning Share Certificates, etc. (meaning the Share Certificates, etc. prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies except in Article 62 and Article 62-2): the transactions in which the person is the party to receive money when the Actual Figure exceeds the Agreed Figure (in cases of Seller Related Share Certificates, etc., the party to pay money; hereinafter the same applies in this Article and the following Article);
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item) concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transaction set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money (in cases of Seller Related Share Certificates, etc., the party to receive money; hereinafter the same applies in this Article and the following Article) when the Actual Figure exceeds the Agreed Figure in the transaction set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange);
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the purchase and sale of Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer (in cases of Seller Related Share Certificates, etc., the position as a seller; hereinafter the same applies in this Article and the following Article) in the purchase and sale of Share Certificates, etc. related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer (in cases of Seller Related Share Certificates, etc., the position as a seller; hereinafter the same applies in this Article and the following Article)

- in the purchase and sale of Share Certificates, etc. related to the Options);
- (iv) the transactions set forth in Article 2, paragraph (21), item (iv) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to receive money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction;
- (v) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transaction set forth in item (iv) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transaction set forth in item (iv) of that paragraph that are related to the Options);
- (vi) the transactions set forth in Article 2, paragraph (21), item (v) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur;
- (vii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transaction set forth in item (v) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transaction set forth in item (v) of that paragraph that are related to the Options);
- (viii) Foreign Market Derivatives Transactions concerning Share Certificates

- etc.: anything similar to the transactions specified in the preceding items according to the category of transactions set forth in the respective items;
- (ix) the transactions set forth in Article 2, paragraph (22), item (ii) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to receive money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto;
- (x) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options similar thereto);
- (xi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the purchase and sale of Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Share Certificates, etc. related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Share Certificates, etc. related to the Options, or Options similar thereto);
- (xii) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the actual price of the Share Certificates, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Share Certificates, etc. in the case of exercise of Options, in the transactions that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the actual price of the Share Certificates, etc. at the actual time of the exercise of the Options exceeds the figure agreed in advance as price of the Share Certificates, etc. in the case of exercise of Options, in the transactions that are related to the Options, or Options similar thereto);
- (xiii) the transactions set forth in Article 2, paragraph (22), item (v) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to receive money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the

- transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, or any other transactions similar thereto;
- (xiv) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transaction set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transaction set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto);
- (xv) the transactions set forth in Article 2, paragraph (22), item (vi) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, or any other transactions similar thereto; and
- (xvi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (vi) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in item (vi) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in item (vi) of that paragraph that are related to the Options, or Options similar thereto).

(Transactions Equivalent to Sales of Share Certificates)

Article 61 The transactions specified by Cabinet Office Order, prescribed in Article 33-4, item (vii) of the Order, are those specified in the following items

according to the transactions set forth in the respective items:

- (i) the transactions set forth in Article 2, paragraph (21), item (ii) of the Act, concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the Actual Figure exceeds the Agreed Figure;
- (ii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph (including the transactions equivalent thereto specified by a Financial Instruments Exchange; hereinafter the same applies in this item) concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options equivalent thereto specified by a Financial Instruments Exchange);
- (iii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the purchase and sale of Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Share Certificates, etc. related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position as a buyer in the purchase and sale of Share Certificates, etc. related to the Options);
- (iv) the transactions set forth in Article 2, paragraph (21), item (iv) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering in to the agreement for the transaction;
- (v) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (iv) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in

- the transactions set forth in item (iv) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (iv) of that paragraph that are related to the Options);
- (vi) the transactions set forth in Article 2, paragraph (21), item (v) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur;
  - (vii) the transactions set forth in Article 2, paragraph (21), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in item (v) of that paragraph that are related to the Options) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in item (v) of that paragraph that are related to the Options);
  - (viii) Foreign Market Derivatives Transactions concerning Share Certificates, etc.: anything similar to the transactions specified in the preceding items according to the category of transactions set forth in the respective items;
  - (ix) the transactions set forth in Article 2, paragraph (22), item (ii) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the Actual Figure exceeds the Agreed Figure, or any other transactions similar thereto;
  - (x) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (ii) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item (ii) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the Actual Figure exceeds the Agreed Figure in the transactions set forth in item

- (ii) of that paragraph that are related to the Options, or Options similar thereto);
- (xi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the purchase and sale of Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options acquires the position as a seller in the purchase and sale of Share Certificates, etc. related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options acquires the position of a buyer in the purchase and sale of Share Certificates, etc. related to the Options, or Options similar thereto);
- (xii) the transactions set forth in Article 2, paragraph (22), item (iv) of the Act concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the actual price of the Share Certificates, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Share Certificates, etc. in the case of exercise of Options, in the transactions that are related to the Options, or those similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the actual price of the Share Certificates, etc. at the actual time of the exercise of the Options exceeds the figure agreed upon in advance as the price of the Share Certificates, etc. in the case of exercise of Options in the transactions that are related to the Options, or Options similar thereto);
- (xiii) the transactions set forth in Article 2, paragraph (22), item (v) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, or any other transactions similar thereto;
- (xiv) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (v) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to receive money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to receive

- money when the price of the Share Certificates, etc. rises compared to the price at the time of entering into the agreement for the transaction, or the party to pay money when the price of the Share Certificates, etc. falls compared to the price at the time of entering into the agreement for the transaction, in the transactions set forth in item (v) of that paragraph that are related to the Options, or Options similar thereto);
- (xv) the transactions set forth in Article 2, paragraph (22), item (vi) of the Act concerning Share Certificates, etc.: the transactions in which the person is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur, or any other transactions similar thereto; and
- (xvi) the transactions set forth in Article 2, paragraph (22), item (iii) of the Act related to the transactions set forth in item (vi) of that paragraph concerning Share Certificates, etc.: the acquisition of Options (limited to Options wherein the person who exercises the Options is the party to receive money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in that item that are related to the Options, or Options similar thereto) and the granting of Options (limited to Options wherein the person who exercises the Options is the party to pay money when the causes agreed upon by the parties in advance and set forth in sub-item (a) or sub-item (b) of that item occur in the transactions set forth in that item that are related to the Options, or Options similar thereto).

(Criteria for Regarding Facts Concerning a Tender Offer as Minor)

Article 62 The criteria specified by Cabinet Office Order as those that may have only a minor influence on investors' investment decisions, prescribed in Article 167, paragraph (2) of the Act, are those concerning the buying up prescribed in Article 31 of the Order among Facts Concerning Tender Offer, etc. (meaning the Facts Concerning Tender Offer, etc. prescribed in Article 167, paragraph (3) of the Act; the same applies in Article 63, paragraph (1)) which fall under any of the following items:

- (i) related to those in which the number of Share Certificates, etc. (meaning the Share Certificates, etc. prescribed in Article 31 of the Order; hereinafter the same applies in this Article) bought up every year through the buying up is less than 2.5 percent of the Voting Rights Held by All Shareholders, etc. of the Issuer of the Share Certificates, etc.; or
- (ii) related to those performed by a Financial Instruments Business Operator (limited to a person registered as referred to in Article 29 of the Act to engage in Type I Financial Instruments Business as prescribed in Article 28, paragraph (1) of the Act) engaged in a Securities-Related Business to



facilitate the distribution of Securities with a customer as its counterparty in which the Share Certificates, etc. bought up through the buying up are to be resold immediately after the buying up.

(Information Received about Fact that a Tender Offer will be Launched)

Article 62-2 The matters specified by Cabinet Office Order as information about the fact that a Tender Offer, etc. will be launched prescribed in Article 167, paragraph (5), item (viii), sub-item (c) of the Act are the matters set forth in the following items in accordance with the category of cases set forth respectively therein:

- (i) in cases where information has been received about the fact that the tender offer prescribed in Article 27-2, paragraph (1) of the Act (but only if the main clause of that paragraph applies) will be launched for Listed or Other Share Certificates, etc. (meaning Listed or Other Share Certificates, etc. as prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies in this Article and the following Article): The following matters on which information was received from a Specified Person Concerned with a Tender Offer, etc. (meaning Specified Person Concerned with a Tender Offer, etc. as prescribed in Article 167, paragraph (5), item (viii) of the Act; hereinafter the same apply in this Article) pertaining to the tender offer:
  - (a) The trade name or name and the address or location of the Tender Offeror, etc. (meaning Tender Offeror, etc. as prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies in this Article) pertaining to the tender offer;
  - (b) The name of the Issuer of Share Certificates, etc. prescribed in Article 27-2, paragraph (1) of the Act subject to purchase, etc. (meaning purchase, etc. as prescribed in the same paragraph; the same applies in sub-item (c)) pertaining to the tender offer and the type of the Share Certificates, etc.; and
  - (c) The period of purchase, etc., the price of purchase, etc. prescribed in Article 27-2, paragraph (3) of the Act, the number of Share Certificates, etc. sought for purchase prescribed in Article 27-3, paragraph (1) of the Act and information about the condition set forth in the items of Article 27-13, paragraph (4) of the Act pertaining to the tender offer.
- (ii) in cases where information has been received about the fact that the buying up prescribed in Article 31 of the Order will be performed: The following matters on which information was received from a Specified Person Concerned with a Tender Offer, etc. pertaining to the buying up:
  - (a) The trade name or name and the address or location of the Tender Offeror, etc. pertaining to the buying up;
  - (b) The name of the Issuer of Share Certificates, etc. (meaning Share

- Certificates, etc. as prescribed in Article 31 of the Order; the same applies in sub-item (c)) subject to the buying up and the type of the Share Certificates, etc.; and
- (c) The period of purchase, the price of purchase and the number of Share Certificates, etc. sought for purchase pertaining to the buying up.
- (iii) in cases where information has been received about the fact that the tender offer prescribed in Article 27-22-2, paragraph (1) of the Act will be launched for Listed Share Certificates, etc.: The following matters on which information was received from a Specified Person Concerned with a Tender Offer, etc. pertaining to the tender offer:
- (a) The name and location of the Tender Offeror, etc. pertaining to the tender offer;
- (b) The name of the Issuer of Listed Share Certificates, etc. subject to purchase, etc. (meaning purchase, etc. as prescribed in Article 27-22-2, paragraph (1) of the Act; the same applies in sub-item (c)) pertaining to the tender offer and the type of the Listed Share Certificates, etc.; and
- (c) The period of purchase, etc., the price of purchase, etc. prescribed in Article 27-2, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the Act, the number of Share Certificates, etc. sought for purchase prescribed in Article 27-3, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the Act after deemed replacement, and information about the condition set forth in Article 27-13, paragraph (4), item (ii) of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the Act pertaining to the tender offer.

(Exclusion of the Regulation Pertaining to Tender Offers)

Article 63 (1) The cases where Purchases, etc. or Sales, etc. are made in performance of a contract for Purchases, etc. or Sales, etc. of Share Certificates, etc. subject to a Tender Offer, etc. concluded before coming to know the Fact Concerning Tender Offer by the Tender Offeror, etc. or as the implementation of a plan for Purchases, etc. or Sales, etc. of share certificates, etc. subject to a Tender Offer, etc. decided before coming to know the Fact Concerning Tender Offer by the Tender Offeror, etc., specified by Cabinet Office Order, prescribed in Article 167, paragraph (5), item (xiv) of the Act, are the following cases:

- (i) cases where a person who has, before coming to know the Fact Concerning Tender Offer, concluded a contract regarding Purchase, etc. (meaning the Purchase, etc. prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies except in item (x) and item (xi)) or Sale, etc. (meaning the Sales, etc. prescribed in Article 167, paragraph (1) of the Act; hereinafter the same applies in this paragraph) concerning Share Certificates, etc. issued by

- the Issuer of Listed or Other Share Certificates, etc. or Listed Share Certificates, etc. in writing with the Issuer, makes the Purchase, etc. or Sale, etc. in performance of the contract on the date of Purchase, etc. or Sale, etc. specified in the written contract, or during a period from ten days prior to the time limit for the Purchase, etc. or Sale, etc. specified in the written contract until the time limit;
- (ii) cases where a person who has, before coming to know the Fact Concerning Tender Offer, concluded a contract for a Margin Transaction with a Financial Instruments Business Operator, makes a Reversing Trade in performance of the contract during a period from ten days prior to the deferred time limit for the performance of obligations pertaining to Securities for sale or the loan for purchase price specified by a Financial Instruments Exchange or Authorized Financial Instruments Firms Association;
  - (iii) cases where a person who has, before coming to know the Fact Concerning Tender Offer, concluded a contract regarding the transactions set forth in Article 2, paragraph (21), item (v) or paragraph (22), item (vi) of the Act concerning Share Certificates, etc. subject to a Tender Offer, etc. in writing, pays or receives money between the parties, and transfers the Share Certificates, etc. in performance of the contract in cases where any causes set forth in Article 2, paragraph (21), item (v), sub-item (a) or (b) or paragraph (22), item (vi), sub-item (a) or (b) of the Act occur;
  - (iv) cases where an officer or employee of the Issuer of the Listed or Other Share Certificates, etc. or Listed Share Certificates, etc. subject to a Tender Offer, etc. (including an officer or employee of another company over which the aforementioned Issuer has control, directly or indirectly,; hereinafter the same applies in this item and the following item) jointly with another officer or employee of the Issuer makes purchase of share certificates or Investment Securities of the Issuer (limited to the cases where the purchase is made by Entrustment, etc. to a Financial Instruments Business Operator, etc. when the Issuer purchases share certificates other than the share certificates which the company has purchased pursuant to the provisions of Article 156, paragraph (1) of the Companies Act (including the cases where it is applied by replacing certain terms pursuant to Articles 165, paragraph (3) of the same Act)) and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee contributes less than one million yen per occasion; the same applies in the following item);
  - (v) cases where an officer or employee of the Issuer of the Listed or Other Share Certificates, etc. or Listed Share Certificates, etc. subject to a Tender Offer, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates or

Investment Securities of the Issuer where pursuant to the trust contract, the officer or employee gives instructions for the purchase of share certificates or Investment Securities of the Issuer to the person engaged in Trust Business, and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the officer or employee and the trust property for which the settlor is another officer or employee of the Issuer are jointly invested);

- (vi) cases where an employee of an Associated Company of a company which is the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. pertaining to a Tender Offer, etc. jointly with another employee of the Associated Company makes a purchase of share certificates of the company by Entrustment, etc. to a Financial Instruments Business Operator (excluding cases set forth in item (iv)) and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each employee contributes less than one million yen per occasion; the same applies in the following item);
- (vii) cases where an employee of an Associated Company of a company which is the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. subject to a Tender Offer, etc. concludes a trust contract with a person engaged in Trust Business for the purpose of investing trust property in share certificates of the company where pursuant to the trust contract, the officer or employee gives instructions for the purchase of share certificates of the company to the person engaged in Trust Business (excluding cases set forth in item (v)), and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases in which the trust property for which the settlor is the employee and the trust property for which the settlor is another employee of the Associated Company are jointly invested);
- (viii) cases where a Person Who Has a Transaction Relationship with the company which is the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. pertaining to a Tender Offer (meaning a person who has a transaction relationship with the company as designated by the company (where the person is a juridical person or any other type of organization, including its officers; where the person is an individual, limited to those who have a business relationship with the Listed Company, etc. in relation to its business); hereinafter the same applies in this item) jointly with another Person Who Has a Transaction Relationship with the company makes a purchase of share certificates of the company, etc. by Entrustment, etc. to a Financial Instruments Business Operator, and where the purchase

- is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each Person Who Has a Transaction Relationship contributes less than one million yen per occasion);
- (viii)-2 cases where an officer or employee of an Asset Management Company of an Investment Corporation that is an Issuer of Listed or Other Share Certificates, etc. subject to Tender Offer, etc. or a Corporation in Specified Relationship therewith jointly with another officer or employee of the Asset Management Company or the Corporation in Specified Relationship makes a purchase of Investment Securities of the Investment Corporation by Entrustment, etc. to a Financial Instruments Business Operator, and the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where each officer or employee is to contribute less than one million yen per occasion);
  - (ix) cases where a purchase of share certificates or Investment Securities of the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. subject to a Tender Offer is made by Entrustment, etc. to a Financial Instruments Business Operator pursuant to a Contract for Cumulative Investment, and where the purchase is made continuously according to a certain plan, without depending on an individual investment decision (limited to cases where the amount to be paid in for one issue by each customer is less than one million yen per month);
  - (x) cases where a Purchase, etc. (meaning the Purchase, etc. prescribed in Article 27-2, paragraph (1) of the Act) is made in accordance with the plan of a tender offer prescribed in Article 27-2, paragraph (1) of the Act for which a Public Notice for Commencing Tender Offer under Article 27-3, paragraph (2) of the Act is made, before coming to know the Fact Concerning Tender Offer;
  - (xi) cases where a Purchase, etc. (meaning the Purchase, etc. prescribed in Article 27-22-2, paragraph (1) of the Act) is made in accordance with the plan of a tender offer prescribed in Article 27-22-2, paragraph (1) of the Act of which the Director General of the Kanto Finance Bureau was notified in accordance with Article 27-3, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 27-22-2, paragraph (2) of the Act, before coming to know the Fact Concerning Tender Offer;
  - (xii) cases where the Secondary Distribution of Listed or Other Share Certificates, etc. (limited to those for which a Financial Instruments Business Operator handles the Secondary Distribution) or Solicitation for Selling, etc. Only for Professional Investors (limited to those for which a Financial Instruments Business Operator handles the Solicitation for Selling, etc. Only for Professional Investors) is made in accordance with a plan concerning the Secondary Distribution of Listed or Other Share Certificates,

- etc. or the Solicitation for Selling, etc. Only for Professional Investors for which the consent of the Issuer has been obtained or a plan concerning the Secondary Distribution of Listed or Other Share Certificates, etc. or Solicitation for Selling, etc. Only for Professional Investors which has been disclosed in accordance with the measures of publication specified in Article 30 of the Order, before coming to know the Fact Concerning Tender Offer.
- (xiii) cases where an Issuer performs the following acts based on a plan pertaining to an Allotment of Share Options without Contribution or Allotment of Investment Equity Subscription Rights without Contribution (limited to those for which provisions stipulating that, as the features of share options or Investment Equity Subscription Rights, the Issuer is to acquire share option certificates pertaining to the share options or Investment Equity Subscription Rights Certificates pertaining to the Investment Equity Subscription Rights on conditions of certain grounds arising) which has been disclosed in accordance with the measures for publication or made available for public inspection specified in Article 167, paragraph (4) of the Act before coming to know the Fact Concerning Tender Offer (limited to a plan to sell share option certificates or Investment Equity Subscription Rights Certificates subject to the acquisition to the Financial Instruments Business Operator who concluded a contract prescribed in Article 28, paragraph (7), item (iii) of the Act with the Issuer):
- (a) the Issuer carries out the relevant acquisition on the date on which the acquisition is to be carried out specified in the plan or during a period from ten days prior to the time limit for the acquisition specified in the plan until the time limit; or
- (b) the Issuer carries out the sale on the date on which the sale is to be carried out specified in the plan or during a period from ten days prior to the time limit for the sale specified in the plan until the time limit.
- (xiv) beyond the cases set forth in the preceding items, cases where all of the following requirements are satisfied:
- (a) Purchases, etc. or Sales, etc. are made in performance of a contract for Purchases, etc. or Sales, etc. of Share Certificates, etc. subject to a Tender Offer, etc. concluded before coming to know a Fact Concerning Tender Offer or in the implementation of a plan for Purchases, etc. or Sales, etc. of share certificates, etc. subject to a Tender Offer, etc. decided before coming to know a Fact Concerning Tender Offer, etc.; and
- (b) any of the following measures has been taken before coming to know a Fact Concerning Tender Offer, etc.:
1. a copy of the contract or plan has been submitted to a Financial Instruments Business Operator and confirmed by the Financial Instruments Business Operator with regard to the date of the

- submission (excluding the case where the Financial Instruments Business Operator is the counterparty to the contract or the person that decided the plan jointly);
2. a certified date is given to the contract or plan (limited to the case where a Financial Instruments Business Operator is the person that concluded the contract or the person that decided the plan); or
  3. the contract or plan has been made available for public inspection in accordance with the measures for publication prescribed in Article 167, paragraph (4) of the Act; and
- (c) in relation to Purchases, etc. or Sales, etc. to be made in performance of the contract or in the implementation of the plan, the type of the transactions among the Purchase, etc. or Sale, etc., the issue, the date, and the total amount or number of the Purchases, etc. or Sales, etc. as of that date (or matters equivalent thereto in the case of Derivatives Transactions) have been specified in the contract or plan or have been decided by the non-discretionary method specified in advance in the contract or plan.
- (2) The other company over which the Issuer has control, directly or indirectly prescribed in item (iv) of the preceding paragraph means a company (excluding a Listed Company, etc.) which falls under either of the following items:
- (i) in cases where the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. subject to a Tender Offer holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company; or
  - (ii) in cases where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company.
  - (iii) in cases where the company set forth in the preceding item holds voting rights exceeding 50 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company.
- (3) The Associated Company prescribed in paragraph (1), items (vi) and (vii) means a company (excluding a Listed Company, etc.) which falls under any of the following items:
- (i) in cases where a company which is the Issuer of Listed or Other Share Certificates, etc. or of Listed Share Certificates, etc. subject to a Tender Offer, etc. holds voting rights of not less than 25 percent of the Voting Rights Held by All the Shareholders, etc. of another company, the other company;
  - (ii) in cases where the net sales of another company to a company which is the Issuer of the Listed or Other Share Certificates, etc. or Listed Share Certificates, etc. pertaining to a Tender Offer in the previous business year were not less than 50 percent of the total amount of net sales of the other company, the other company; or

- (iii) in cases where the purchases of another company from a company which is the Issuer of Listed or Other Share Certificates, etc. or Listed Share Certificates, etc. pertaining to a Tender Offer in the previous business year were not less than 50 percent of the total amount of sales of the other company, the other company.
- (4) The provisions of Article 4-4, paragraph (3) of the Order apply mutatis mutandis to voting rights held by the Issuer of listed share certificates subject to a Tender Offer or Listed Share Certificates, which falls under the items of paragraph (2) and item (i) of the preceding paragraph, or those held by the company set forth in paragraph (2), item (i) or (ii).

### **Chapter VIII Indication in Making Solicitation to Many and Unspecified Persons**

(Exclusion of Prohibition on the Indication of an Advantageous Purchase)

Article 64 The Securities specified by Cabinet Office Order, prescribed in Article 170 of the Act, are as follows:

- (i) among the Securities set forth in Article 2, paragraph (1), item (xii) of the Act, Beneficiary Securities of loan trusts with a contract clause for covering the principal;
- (ii) the Securities prescribed in Article 2 of the Cabinet Office Order on Definitions;
- (iii) among the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act, those which have the nature of the Securities set forth in item (i) to item (vi) inclusive of that paragraph and the preceding two items;
- (iv) the Securities prescribed in Article 3 of the Cabinet Office Order on Definitions;
- (v) among the Securities set forth in Article 2, paragraph (1), item (xix) of the Act, those which are related to the Securities set forth in item (i) to item (vi) inclusive of that paragraph or in the preceding items or the following item to item (ix) inclusive;
- (vi) among the Securities set forth in Article 2, paragraph (1), item (xx) of the Act, those which indicate the rights pertaining to the Securities set forth in item (i) to item (vi) inclusive of that paragraph or in the preceding items;
- (vii) the Securities set forth in Article 1, items (i) and (ii) of the Order;
- (viii) among the beneficial interest of a trust set forth in Article 2, paragraph (2), item (i) of the Act and the rights set forth in item (ii) of that paragraph which are regarded as Securities under that paragraph, those which have a contract clause for covering the principal; and
- (ix) among those regarded as Securities under the provisions of Article 2, paragraph (2) of the Act, the rights prescribed in Article 1-3-4 of the Order.



(Exclusion of the Prohibition on Indication of a Fixed Amount of Dividend, etc.)

Article 65 The Securities specified by Cabinet Office Order, prescribed in Article 171 of the Act, are as follows:

- (i) the Securities prescribed in Article 2 of the Cabinet Office Order on Definitions;
- (ii) among the Securities set forth in Article 2, paragraph (1), item (xvii) of the Act, those which have the nature of the Securities set forth in item (i) to item (vi) inclusive of that paragraph and the preceding item;
- (iii) the Securities prescribed in Article 3 of the Cabinet Office Order on Definitions;
- (iv) among the Securities set forth in Article 2, paragraph (1), item (xix) of the Act, those which are related to the Securities set forth in item (i) to item (vi) inclusive of that paragraph or in the preceding three items or the following item to item (viii) inclusive;
- (v) among the Securities set forth in Article 2, paragraph (1), item (xx) of the Act, those which indicate the rights pertaining to the Securities set forth in item (i) to item (vi) inclusive of that paragraph or the preceding items;
- (vi) the Securities set forth in Article 1, items (i) and (ii) of the Order;
- (vii) among the beneficial interest of a trust set forth in Article 2, paragraph (2), item (i) of the Act and the rights set forth in item (ii) of that paragraph which are regarded as Securities under the provisions of that paragraph, those which have a contract clause for compensation of profits; and
- (viii) among those regarded as Securities under the provisions of Article 2, paragraph (2) of the Act, the rights prescribed in Article 1-3-4 of the Order.