

Guideline for the English-language Disclosure System

(Points to be Considered regarding
Disclosure by way of Foreign Company Registration
Statements, etc.)

[Terminology and Abbreviations]

The abbreviated terms within this Guideline refer to the following act, cabinet order or cabinet office ordinances;

- The “Act”: Financial Instruments and Exchange Act (Act No. 25 of 1948)
- The “Order”: Cabinet Order for the Enforcement of the Financial Instruments and Exchange Act (Order No. 321 of 1965)
- The “Corporate Disclosure Ordinance”: Cabinet Office Ordinance on Disclosure of Corporate Information, etc. (Ordinance of the Ministry of Finance No. 5 of 1973)
- The “Foreign Bonds Disclosure Ordinance”: Cabinet Office Ordinance on Disclosure of Information, etc. on Issuers of Foreign Government Bonds, etc. (Ordinance of the Ministry of Finance No. 26 of 1972)
- The “Specific Securities Disclosure Ordinance”: Cabinet Office Ordinance on Disclosure of Information, etc. on Specific Securities (Ordinance of the Ministry of Finance No. 22 of 1993)
- The “Internal Control Ordinance”: Cabinet Office Ordinance on the Internal System for Ensuring Adequacy of the Documents of Financial Calculation and Other Information (Cabinet Office Ordinance No.62 of 2007)

A. General Provisions

1. Unless otherwise specified in the act, cabinet orders or cabinet office ordinances (hereinafter referred to as the “Acts, etc.”), the relevant documents shall be written in the Japanese language.
2. This Guideline provides points to be considered in applying the Acts, etc. (i.e., the standards for interpretation and implementation of the Acts, etc. which are considered to be the best at the point of their promulgation and publication), and does not exclude any different treatment that is within due compliance of the Acts, etc., depending upon an individual situation of a specific case.
3. It should be noted that “disclosure in a foreign state” as specified in paragraph (9), Article 24 of the Act and paragraph (2), Article 17-3 of the Corporate Disclosure Ordinance includes the following cases.
 - 1) A public offering or secondary distribution of securities is made in Japan as well as in a foreign state at the same time, and documents as specified in item (ii), paragraph (6), Article 5 of the Act are scheduled to be disclosed in such foreign state based on laws and regulations under the said state.
 - 2) Listing is intended to be made on the financial instruments exchange in Japan and on a

foreign financial instruments exchange at the same time, while the contents of documents as specified in item (ii), paragraph (6), Article 5 of the Act are scheduled to be reviewed by such foreign financial instruments exchange with regard to the listing and those documents are scheduled to be disclosed in such foreign state.

B. Items related to the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

(Japanese Translations of Summary of Foreign Company Registration Statement, etc.)

4-1 The Japanese translations of the summary of the following matters may be prepared in accordance with preparation guidelines jointly created and publicized by Tokyo Stock Exchange and Japan Securities Dealers Association: “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters stated in a document as specified in paragraph (7), Article 5 of the Act” as specified in paragraph (2), Article 9-7 of the Corporate Disclosure Ordinance, and “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters not stated in a document as specified in paragraph (7), Article 5 of the Act” as specified in paragraph (3), Article 9-7 of the Corporate Disclosure Ordinance; “the non-described items (excluding those as specified in each item of paragraph (2)) which are written in the Japanese or English language” as specified in item (i), paragraph (4), Article 9-7 of the Corporate Disclosure Ordinance; and “the comparison table of the issuer information and the corresponding items stated in the Foreign Company Registration Statement” as specified in item (ii), paragraph (4), Article 9-7.

(Application Mutatis Mutandis of Treatment Concerning Foreign Company Registration Statement)

4-2 Provision 4-1 above shall be applied *mutatis mutandis* to the preparation of the Foreign Company Report, Foreign Company Confirmation Letter, Foreign Company Quarterly Securities Report, Foreign Company Semiannual Securities Report, Status Report of Foreign Parent Company, etc.

(Preparation of Amendment of Foreign Company Registration Statement)

4-3 In preparing the “items of amendment and details of such amendment” as specified in item (iii), paragraph (2), Article 11-3 of the Corporate Disclosure Ordinance, it should be noted that it is sufficient to describe titles, items, etc. in the Japanese language, and the specific sites and details of the amendment may be prepared either in the English or Japanese language.

(Application Mutatis Mutandis of Treatment Concerning Amendment of Foreign Company Registration Statement)

4-4 Provision 4-3 above shall be applied *mutatis mutandis* to the preparation of an amendment for the Foreign Company Report, Foreign Company Confirmation Letter, Foreign Company Quarterly Securities Report and Foreign Company Semiannual Securities Report.

C. Items related to the Cabinet Office Ordinance on Disclosure of Information, etc. on Issuers of Foreign Government Bonds, etc.

(Japanese Translations of Summary of Supplementary Documents to Foreign Entity Registration Statement)

5-1 In the case of preparing the Japanese translations of the summary of items that correspond to those to be stated in the “Financial Conditions” in Form No. 2 of the Foreign Bonds Disclosure Ordinance and that fall under “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters stated in a document as specified in paragraph (7), Article 5 of the Act as applied *mutatis mutandis* pursuant to Article 27 of the Act” as specified in paragraph (2), Article 6-5 of the Foreign Bonds Disclosure Ordinance, or “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters not stated in a document as specified in paragraph (7), Article 5 of the Act as applied *mutatis mutandis* pursuant to Article 27 of the Act” as specified in paragraph (3), Article 6-5 of the Foreign Bonds Disclosure Ordinance, a complete translation of financial documents (excluding explanatory notes) and a summary of explanatory notes shall be prepared. Such summary of explanatory notes shall, in a concise manner, describe important accounting policies, segment information, significant events after the balance sheet date and any other items of special significance for the analysis of the financial documents.

(Application Mutatis Mutandis Concerning Comparison Table)

5-2 The part in Provision 4-1 above concerning the “the comparison table of the issuer information and the corresponding items stated in the Foreign Company Registration Statement” shall be applied *mutatis mutandis* to the preparation of the Foreign Entity Registration Statement.

(Application Mutatis Mutandis of Treatment Concerning Foreign Entity Registration Statement)

5-3 Provisions 5-1 and 5-2 above shall be applied *mutatis mutandis* to the preparation of the Foreign Entity Report and Foreign Entity Semiannual Securities Report.

5-4 Provision 4-3 above shall be applied *mutatis mutandis* to the preparation of an amendment for the Foreign Entity Registration Statement, Foreign Entity Report and Foreign Entity Semiannual Securities Report.

D. Items related to the Cabinet Office Ordinance on Disclosure of Information, etc. on Specific Securities

(Japanese Translations of Summary of Supplementary Documents to Foreign Company Registration Statement)

6-1 In case of preparing the Japanese translations of the summary of “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters stated in a document as specified in paragraph (7), Article 5 of the Act” as specified in paragraph (2), Article 11-5 of the Specific Securities Disclosure Ordinance and “the matters specified by a cabinet office ordinance as those necessary and appropriate for the public interest or protection of investors among the matters not stated in a document as specified in paragraph (7), Article 5 of the Act” as specified in paragraph (3), Article 11-5 of the Specific Securities Disclosure Ordinance, the following should be noted:

- 1) Provision 4-1 above shall be applied *mutatis mutandis* to the preparation of the Japanese translation of the summary of items that correspond to those to be stated in the “Investment Risks” in Forms No. 4.2, No. 4.4, No. 5.3, No. 5.5, No. 6.2 and No. 6.6 of the Specific Securities Disclosure Ordinance or in the “Risk Information” in Form No. 6.4 thereof.
- 2) Provision 4-1 above shall be applied *mutatis mutandis* to the preparation of the Japanese translation of the summary of items that correspond to those to be stated in the “Transition of Major Management Indicators, etc.” in Forms No. 4.4 and No. 6.6 of the Specific Securities Disclosure Ordinance.
- 3) Provision 5-1 above shall be applied *mutatis mutandis* to the preparation of the Japanese translation of the summary of items that correspond to those to be stated in the following items in the Specific Securities Disclosure Ordinance:
 - Form No. 5.3, Part II, No. 2, “1. Contents of Principal Assets,” “2. List of Principal Profits and Losses,” and “3. Accounting Treatment for Revenue and/or Loss”
 - Form No. 5.5, Part II, No. 1, 6, “(1) Balance Sheet,” “(2) Income Statement/Statement of Loss,” and “(3) Statement of Appropriation or Disposition of Retained Earnings”
 - Form No. 6.2, Part II, No. 1, “6. Financial Documents”
 - Form No. 6.4, Part III, “No. 1 Financial Condition of the Issuer” and “No. 2 Financial Condition of Borrowers”

(Application Mutatis Mutandis Concerning Comparison Table)

6-2 The part concerning the “the comparison table of the items to be stated in the issuer information and the corresponding items stated in the Foreign Company Registration Statement” in Provision 4-1 above shall be applied *mutatis mutandis* to the preparation of the Foreign Company Registration Statement.

(Application Mutatis Mutandis of Treatment Concerning Foreign Company Registration Statement)

6-3 Provisions 6-1 and 6-2 above shall be applied *mutatis mutandis* to the preparation of the Foreign Company Report and Foreign Company Semiannual Securities Report.

6-4 Provision 4-3 above shall be applied *mutatis mutandis* to the preparation of an amendment for the Foreign Company Registration Statement, Foreign Company Report, and Foreign Company Semiannual Securities Report.

E. Items related to Cabinet Office Ordinances on the Internal System for Ensuring Adequacy of the Documents of Financial Calculation and Other Information

(Application Mutatis Mutandis of Provisions Concerning Foreign Company Registration Statement)

7-1 Provision 5-2 above shall be applied *mutatis mutandis* to the preparation of “the comparison table of the items to be stated in the Internal Control Report on Form No. 2 and the corresponding items stated in the Foreign Company Internal Control Report” as specified item (ii), paragraph (3), Article 15 of the Internal Control Ordinance.

(Items which the Commissioner of Financial Services Agency Regards and Designates as Required from the Viewpoint of Protecting Public Interest or Ensuring Investor Protection)

7-2 The “Items which the Commissioner of the Financial Services Agency regards and designates as required from the viewpoint of protecting the public interest or ensuring investor protection” as specified in item (iii), paragraph (3), Article 15 of the Internal Control Ordinance shall be those equivalent to the evaluation results of the foreign company’s internal control on financial reports, if and when such information is not described in the Foreign Company Internal Control Report.

(Application Mutatis Mutandis of Provisions Concerning Amendment of Foreign Company Registration Statement)

7-3 Provision 4-3 above shall be applied *mutatis mutandis* to the preparation of “items of amendment and details of such amendment” in the Japanese language as specified in item (iii), paragraph (2), Article 17 of the Internal Control Ordinance.

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