Points to Note Regarding Disclosure of Corporate Affairs

(Guideline for the Disclosure of Corporate Affairs)

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Planning and Coordination Bureau,
Financial Services Agency
[Abbreviations]
The following abbreviations used in this Guideline respectively refer to the laws and regulations set forth below.

| Act | Financial Instruments and Exchange Act (Act No. 25 of 1948) |
| Cabinet Order | Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965) |
| Cabinet Office Order on Definitions | Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act (Ministry of Finance Order No. 14 of 1993) |
| Cabinet Office Order on Disclosure | Cabinet Office Order on Disclosure of Corporate Affairs (Ministry of Finance Order No. 5 of 1973) |
| Regulation on Financial Statements | Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963) |
| Regulation on Consolidated Financial Statements | Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976) |
| Regulation on Quarterly Financial Statements | Regulation on Terminology, Forms, and Preparation Methods of Quarterly Financial Statements (Cabinet Office Order No. 63 of 2007) |
| Regulation on Quarterly Consolidated Financial Statements | Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Order No. 64 of 2007) |

A. Common Matters

1-1 Basic Matters
1-1-1 Purport of the Guideline

This Guideline merely indicates the points to note (the standards for interpretation and operation of laws and regulations that are considered to be optimal as of the time of their enactment or issuance) and the standards or
guides for making examinations or dispositions, in applying laws and regulations. It does not preclude one from handling a matter differently from this Guideline within the scope of laws and regulations, according to the circumstances of individual cases.

Meanwhile, it is important to take note of not only the points expressly indicated in this Guideline, but also to substantially interpret and apply laws and regulations based on their purport.

1-1-2 Basic Concept

The purpose of disclosure administration is to ensure fairness in such matters as the issuance of securities and transactions of financial instruments, etc. and to facilitate the smooth distribution of securities, as well as to achieve fair price formation for financial instruments, etc. through the full utilization of the functions of the capital markets, by ensuring the appropriate disclosure of corporate affairs, thereby contributing to the sound development of the national economy and the protection of investors.

In implementing disclosure administration, it is necessary to ensure that the information required by investors when making investment decisions is appropriately disclosed in a manner easy to understand and not misleading for investors, based on the purport of laws and regulations, instead of applying the individually and specifically listed provisions alone in a mechanical and uniform manner.

In order to achieve this purpose, it is important that the content of disclosure is determined in light of the need of the information for investors in making investment decisions and social common sense. It is necessary to note that disclosure should not be considered unnecessary merely based on a fact that the items or matters to be disclosed are not provided for individually and specifically or that the information has not been disclosed in the past. It is also necessary to pay attention so that investors' appropriate investment decisions will not be impaired by non-disclosure of matters that are inconvenient for the submitter, etc. or by disclosure based on the subjective determination or haphazard, inconsistent determination of the submitter, etc.

Also, when rendering an adverse disposition, such as an order to amend a disclosure document or an order to suspend the effects of securities offering disclosure, the propriety and content of the disposition need to be studied always from the viewpoint of public interest or protection of investors, based on the purport of laws and regulations, instead of considering it to be sufficient to disclose only the matters individually and specifically listed in the provisions of Cabinet Office Orders or the Guideline.
1-2 Administration of Affairs

1-2-1 Scope of Administration of Affairs

In disclosure administration, it should be noted that Local Finance Bureaus (including the Fukuoka Local Finance Branch Bureau and the Okinawa General Bureau; the same applies hereinafter) are to, in principle, conduct examinations such as the examination of a disclosure document at the time of acceptance thereof and the examination of a securities registration statement or a shelf registration statement before it becomes effective, and also conduct examinations after the acceptance of the disclosure document or after it becomes effective if it is considered necessary to promptly amend the content of disclosure for public interest or protection of investors.

Meanwhile, the relevant division of the Financial Services Agency (hereinafter referred to as the "FSA") is to give guidance and advice on Local Finance Bureaus' affairs of examinations related to disclosure administration, in principle.

1-2-2 Efficient and Effective Conduct of Affairs

In order to make effective use of the limited resources of the administrative authorities, it is necessary to conduct the affairs of disclosure administration in an efficient and effective manner. Therefore, when requiring a submitter, etc. to submit reports and other materials, consideration must be given to limit the submission to the minimum necessary for public interest or protection of investors. In addition, it must be noted that the affairs of examinations of disclosure documents should not be conducted in an all-around and uniform manner; for example, documents submitted by a company, etc. that issues securities listed on the financial instruments exchange provided by law (the company is hereinafter referred to as a "listed company") should be preferentially examined given that they are highly important in light of public interest or protection of investors and that a large number of investors are involved.

1-2-3 Expeditious Response

Given that disclosure documents are promptly made available for public inspection due to their nature, if a disclosure document contains any problem, such as a false statement, etc., it is important that a necessary amendment is made expeditiously. Therefore, if a Local Finance Bureau or the FSA finds that a disclosure document contains a problem, it needs to start studying the administrative response to be made for proper disclosure, including an
administrative disposition, as quickly as possible.

1-2-4 Prior Consultation

If the content of a securities registration statement, etc. is found to contain a deficiency in respect of a material particular after its submission, and an amended statement is submitted, there can be a case where the originally scheduled date must inevitably be changed, such as the securities registration statement, etc. not becoming effective as scheduled. Accordingly, the relevant division of a Local Finance Bureau is to respond to requests for prior consultation on the content of disclosure documents, including such statement.

However, it should be noted that the prior consultation is to be conducted on the major points described in the disclosure document, and that it is not intended for the relevant division of a Local Finance Bureau to check the entire content of the document in advance. At the same time, it should be noted that the prior consultation is not intended for guaranteeing the veracity of the disclosure document to be submitted.

1-3 Mutual Coordination

1-3-1 Coordination Between the FSA and Local Finance Bureaus

(1) Concept of Coordination

In disclosure administration, it is necessary to appropriately exchange information that is considered necessary and share the awareness of issues between the FSA and Local Finance Bureaus.

To this end, efforts are to be made to strengthen coordination between the FSA and Local Finance Bureaus, such as appropriately providing information or actively exchanging opinions as needed also on cases other than those that are considered to be complicated or difficult. In addition, efforts are to be also made to strengthen coordination between Local Finance Bureaus; for example, if a Local Finance Bureau identifies a problem in a disclosure document under the jurisdiction of another Local Finance Bureau, it should not only provide information to the FSA, but should also actively provide information to the other relevant Local Finance Bureau if necessary. Moreover, the FSA and Local Finance Bureaus are to also make coordination with the department in charge of supervision, etc. as needed. It should be noted that information is to be handled appropriately upon making coordination.

(2) Study on Complicated and Difficult Cases

The relevant division of a Local Finance Bureau is to sufficiently study the content, etc. of cases that are considered to be complicated and difficult in processing, by receiving guidance and advice from the relevant division of the
FSA if necessary.

1-3-2 Coordination with the SESC

It is important that Local Finance Bureaus and the Securities and Exchange Surveillance Commission (hereinafter referred to as the "SESC"), which is in charge of disclosure inspection, ensure appropriate coordination to deal with problems such as false statements, etc. in disclosure documents.

From this viewpoint, efforts should be made so that information that is considered to be necessary for conducting investigations on false statements, etc. identified by Local Finance Bureaus is extensively provided to the SESC. In addition, it is desirable that information identified by the SESC which is necessary for making proper disclosure for public interest or protection of investors be shared with the FSA and Local Finance Bureaus.

It should be noted that information is to be handled appropriately upon making coordination.

1-3-3 Coordination with Financial Instruments Exchanges, etc.

It is necessary to make appropriate coordination with financial instruments exchanges, financial instruments business operators, and financial instruments firms associations (meaning authorized financial instruments firms associations or public interest corporation-type financial instruments firms associations) in order to secure market transparency, increase investor confidence in the market, and to achieve sound development of the market.

In particular, given that listed companies are required to observe regulations under laws and regulations as well as regulations established by the respective financial instruments exchanges, efforts are to be made between the FSA/Local Finance Bureaus and financial instruments exchanges to appropriately exchange information that is considered necessary within the scope of ensuring public interest or protection of investors and to share awareness of issues through holding liaison meetings and exchanging opinions.

While information on plans for issuance of securities should be actively exchanged between the FSA/Local Finance Bureaus and financial instruments exchanges within the scope necessary for achieving consistency in the content of disclosure, it should be noted that such information needs to be strictly managed in accordance with the implementation procedures established by the respective organizations.

1-4 Information
1-4-1 Acceptance of Information through the Disclosure Hotline
The relevant division of the FSA is to open and operate the Disclosure Hotline in order to collect information on violations of disclosure obligations. The Disclosure Hotline is to be used to receive the provision of information on violations of disclosure obligations concerning disclosure documents, by email, facsimile, or postal mail. The received information is to be forwarded to Local Finance Bureaus and the SESC according to its content.

1-4-2 Forwarding of Information
If the relevant division of a Local Finance Bureau receives information on a violation of disclosure obligations under the Act, it is to record the content of the information and promptly report it to the relevant division of the FSA. The relevant division of the FSA is to provide information on violations of disclosure obligations to the SESC, and if necessary, provide the information also to the department in charge of supervision, etc. It should be noted that Local Finance Bureaus and the FSA must appropriately handle the information according to its confidentiality level.

In addition, if any information forwarded by the Disclosure Hotline operated by the relevant division of the FSA or by the SESC, etc. is considered to serve as a useful reference in examinations by the relevant division of a Local Finance Bureau, the information is to be forwarded to the Local Finance Bureau with jurisdiction.

Meanwhile, if the FSA receives a report under Article 194-7, paragraph (5) of the Act with regard to the results of the SESC exercising the authority to hear reports on disclosure, the FSA is to forward the content of the results to the Local Finance Bureau with jurisdiction if necessary.

1-5 Inquiries on Laws and Regulations
1-5-1 Response to Inquiries on Laws and Regulations
(1) Scope of Laws and Regulations Regarding Which Inquiries May Be Processed
Inquiries may be processed only regarding laws and regulations concerning the disclosure system under the Act. If an inquiry concerns laws and regulations outside its authority, comments have to be withheld.
(2) Method of Reply to Inquiries
(i) Inquiries that can be replied based on existing materials, such as this Guideline or public comments, are to be replied as appropriate.
(ii) If the Local Finance Bureau cannot clearly determine the reply to an inquiry it receives, it is to record the content of the inquiry and give a reply after consulting the relevant division of the FSA by email, etc.
(iii) Frequently made inquiries are to be stored by the relevant division of the
(iv) If an inquirer wishes to receive a written reply on the matters of inquiry, and the prior confirmation procedures on the application of laws and regulations can be used, the inquirer should be told to use the FSA's prior confirmation procedures on the application of laws and regulations.

1-5-2 Response to the Prior Confirmation Procedures on the Application of Laws and Regulations (No Action Letter System)

The system of prior confirmation procedures on the application of laws and regulations (no action letter system) is a system in which a private enterprise, etc. confirms in advance with the administrative organ having jurisdiction over certain laws and regulations whether specific acts in connection with business activities that the enterprise, etc. seeks to realize are subject to the provisions of the laws and regulations concerned, and the administrative organ gives a reply to the enterprise, etc. and makes the reply public. The FSA provides for detailed regulations on the prior confirmation procedures on the application of laws and regulations, so the Details of the Financial Services Agency No Action Letter System are to be observed when using the system.

1-6 Administrative Guidance, etc.

1-6-1 Points to Note When Providing Administrative Guidance, etc.

When the FSA or a Local Finance Bureau provides administrative guidance, etc. (meaning not only the administrative guidance referred to in Article 2, item (vi) of the Administrative Procedure Act, but also including acts such as the provision of information, response to consultation requests, and offer of advice that cannot always be clearly distinguished from administrative guidance), the FSA or a Local Finance Bureau is to provide it properly in accordance with laws and regulations, including the Administrative Procedure Act. The following points should be particularly noted when providing administrative guidance, etc.

(1) General Principles (Article 32 of the Administrative Procedure Act)

(i) Whether the content of the administrative guidance, etc. is realized based solely upon the voluntary cooperation of the subject party.

For example, the following points should be noted.

A. Whether the FSA or a Local Finance Bureau has gained the understanding of the subject party on the actual content and operation of the administrative guidance, etc. and the response by the person in charge.

B. Whether administrative guidance, etc. has been continued even though the
subject party has clearly manifested the intention of not cooperating in the administrative guidance, etc.

(ii) Whether the subject party has been treated disadvantageously owing to the subject party's non-compliance with the administrative guidance, etc.

A. It should be noted that disclosing a failure to comply with administrative guidance, etc. without due legal grounds could constitute a "disadvantageous treatment" in a situation where the disclosure would serve as a social sanction against the subject party, such as inflicting an economic loss on the party.

B. If the possibility of exercising the authority for disposition is unclear at the time of providing administrative guidance, etc., but the requirements for exercising the authority for disposition could be met and the authority could be exercised depending on the situation after the administrative guidance, etc., the FSA or a Local Finance Bureau is not precluded from indicating to that effect and providing the administrative guidance, etc.

(2) Administrative Guidance, etc. for Applications (Article 33 of the Administrative Procedure Act)

Whether the FSA or the Local Finance Bureau has acted in disregard of an applicant's manifestation of having no intention of complying with the administrative guidance, etc. to obstruct the applicant's exercise of rights by conduct such as continuing the administrative guidance, etc.

(i) Even if the applicant has not expressly manifested the intention of not complying with the administrative guidance, etc., the FSA or the Local Finance Bureau is to determine whether the subject party of the administrative guidance, etc. has manifested the intention of refusal, by taking into consideration the background to the administrative guidance, etc. and changes in the surrounding objective situation.

(ii) It should be noted that, even if the applicant complies with the administrative guidance, etc., the applicant may not have voluntarily consented to the possible deferment of the determination on and response to the application.

(iii) For example, the following points should be noted.

A. Whether the FSA or the Local Finance Bureau has compelled the applicant to comply with the administrative guidance, etc. and obstructed the applicant's exercise of rights

B. If the applicant has not clearly manifested the intention of not complying with the administrative guidance, etc., whether the FSA or the Local Finance Bureau has deferred the review of and response to the
application on the basis of providing administrative guidance, etc. to the applicant
C. If the applicant has manifested the intention of not complying with the administrative guidance, etc., whether the FSA or the Local Finance Bureau has suspended the administrative guidance, etc. and made prompt and appropriate response to the application

(3) Administrative Guidance, etc. for Authority over Permission (Article 34 of the Administrative Procedure Act)

Whether the FSA or the Local Finance Bureau has compelled a subject party to comply with the administrative guidance, etc. by deliberately suggesting that it is capable of exercising the authority to grant permission, etc. or to render dispositions pertaining to permission, etc. even though it is unable to or has no intent to exercise the authority.

For example, the following points should be noted.
(i) Whether the FSA or the Local Finance Bureau has sought certain action or inaction by suggesting that it is capable of rendering dispositions which refuse permission, etc. even though it is unable to exercise the authority.
(ii) Whether the FSA or the Local Finance Bureau has compelled the subject party to comply with the administrative guidance, etc. by, for example, suggesting that it will immediately exercise its authority or implying that it will give the party some disadvantageous treatment unless the party complies with the administrative guidance, etc.

(4) Means of Administrative Guidance, etc. (Article 35 of the Administrative Procedure Act)

(i) Whether the FSA or the Local Finance Bureau makes clear to the subject party the purpose and content of, and the person responsible for, the administrative guidance, etc. when providing the guidance, etc.

For example, the following points should be noted.
A. Whether the FSA or the Local Finance Bureau makes clear the content of the action or inaction sought from the subject party
B. Whether the FSA or the Local Finance Bureau indicates which person is responsible for the provision of the administrative guidance, etc.
C. When the FSA or the Local Finance Bureau provides administrative guidance, etc. based on a specific law, whether it indicates the legal provision used as the basis
D. When the FSA or the Local Finance Bureau provides administrative guidance, etc. that is not based on a specific law, whether the purpose of the administrative guidance, etc. is explained in order to gain the understanding of the subject party of the necessity of the administrative
(ii) When the subject party requests delivery of a document stating the purpose and content of, and the person responsible for, the administrative guidance, etc., whether the FSA or the Local Finance Bureau delivers the document, in principle, unless extraordinary administrative inconvenience arises (excluding cases that fall under the items of Article 35, paragraph (3) of the Administrative Procedure Act).

A. If delivery of the document has been requested, the document needs to be delivered as promptly as possible

B. A case of "extraordinary administrative inconvenience" based on which delivery of the document may be refused is a case where indication of the purpose and content of, and the person responsible for, the administrative guidance, etc. in writing causes significant hindrance to administrative management, etc., such as a case where an administrative purpose becomes unachievable as a result of the document being used or interpreted regardless of the intention of the person who has prepared it.

C. It should be noted that a case where there is merely a large number of cases of the administrative guidance, etc. to be processed or there is a mere need to carry out the administrative guidance, etc. expeditiously does not constitute a case of "extraordinary administrative inconvenience."

1-6-2 Points to Note When Holding Interviews, etc.

When employees of the FSA or a Local Finance Bureau hold interviews, etc. (meaning communication through interviews, telephone, email, facsimile, etc.; the same applies hereinafter) with external persons in the course of duties, the following matters should be noted.

(i) Whether the employees who participate in interviews, etc. always maintain discipline and decorum as well as a calm and composed attitude.

(ii) Whether the employees confirm the purpose of interviews, etc., and the names and affiliation of the interviewees.

(iii) Whether the method of the interview, etc., the place and time of the interview, etc., and the employees and the subject party that participate in the interview, etc. are appropriate in light of the purpose and content thereof.

(iv) Whether the employees check, as necessary, to ensure that both sides' recognition of the content and results of interviews, etc. coincide. In particular, if the content and results of an interview, etc. are subject to a confidentiality obligation, whether the need for confidentiality is clear
between both parties.
(v) When the employees face a need to consult their superiors with regard to the content of interviews, etc., whether they seek the superiors' judgment in advance or make a report to the superiors promptly after the interviews, etc., depending on the circumstances. Furthermore, when they hold separate interviews, etc. with two or more subject parties regarding similar cases, whether consideration is given to the consistency and transparency of administrative response.

1-6-3 Procedures for Communications and Consultations
When a Local Finance Bureau finds it difficult to make judgment in light of the Administrative Procedure Act as to the appropriateness of the administrative guidance, etc. which they plan to provide through interviews, etc., they are to contact the relevant division of the FSA and hold consultations as necessary about how to handle the case.

1-7 Points to Note Regarding General Content of Disclosure Documents
When examining the content of a disclosure document, it should be noted whether the examination is conducted from the following general viewpoints. Meanwhile, it should be noted that the FSA and Local Finance Bureaus must not mislead the submitter, etc. into believing that they have certified the content of disclosure to be true and accurate or to be free of omissions as to material particulars, or that they have guaranteed or recognized the value of the securities (see Article 23 of the Act, etc.).
(1) Truth and Accuracy
The disclosure must be true and accurate in order for the disclosure system to function effectively as a system that contributes to investors' investment decisions.
(2) Materiality
In order not to mislead investors in making investment decisions, particulars that are material for investors' investment decisions need to be disclosed, even if they are not individually provided for. Whether a particular is material or not needs to be substantially determined according to individual circumstances and specific cases, and disclosure is not required for particulars that are not necessarily material investment information.
(3) Expeditiousness
Information must be disclosed promptly in order for investors to make reasonable investment decisions. Therefore, it is inappropriate to take a stance of refraining from submitting a disclosure document on information
which should be provided to investors without delay, solely based on a reason that a part of the matters to be stated therein are still not fixed.

(4) Clarity
In principle, disclosure documents are materials which general investors inspect when making investment decisions, so their content needs to be understandable by being described concisely and clearly. In order for disclosure documents to be understandable for general investors, they should, for example, include commentaries on difficult terms, such as technical terms, etc., or summaries of complicated, long explanations, or their content should be enriched so as to allow comparative study between enterprises.

(5) Objectivity
In light of the principle that investors inspect disclosure documents and make investment decisions based on their own responsibility, the disclosure documents should not confuse investors in making investment decisions. Because of this, the facts to be disclosed need to be stated objectively.

(6) Lawfulness
Securities per se and their issuance procedures, etc. are sometimes subject to the application of regulations, such as the Companies Act (or an equivalent law in the case of a foreign company), so it is necessary to deal with them in a manner that does not conflict with the regulations.

1-8 Adverse Dispositions
1-8-1 Basic Concept of Adverse Dispositions
When rendering an adverse disposition, such as an order to amend a disclosure document, the propriety and content of the disposition need to be determined after studying the individual requirements provided for by law, as well as taking into account the need for and appropriateness of the disposition in light of public interest or protection of investors, such as whether public interest has been significantly undermined by, for example, damaging confidence in financial and capital markets, whether a large number of investors will receive damage, and the extent to which investors will be affected, and studying whether there are any other factors to be taken into consideration.

1-8-2 Response to Inspection Results, etc.
If the SESC collects reports from and inspects a submitter, etc. of a disclosure document, and recommends an adverse disposition such as an order to amend the disclosure document as a result, the Local Finance Bureau is to promptly start the hearing procedure. However, the Local Finance Bureau is to study the content of the recommendation, and if necessary, check the results by collecting
1-8-3 Relation to the Administrative Procedure Act and Other Laws

(1) Relation to the Administrative Procedure Act

The following matters should be noted when intending to hold a hearing pertaining to an adverse disposition, such as an order to submit an amended statement, pursuant to the provisions of the Act.

(i) While the hearing is to be open to the public based on Article 186-2 of the Act, if the person subject to the hearing requests that the hearing be closed to the public due to reasonable grounds, this request is to be accepted. It should be noted that, even if the person subject to the hearing does not request that the hearing be closed to the public, a study must be made as to whether making the content of the hearing open to the public would undermine the public interest.

(ii) The grounds for the adverse disposition are to be shown under Article 14 of the Administrative Procedure Act by way of indicating them in the written notice of the hearing prescribed in Article 15, paragraph (1) of that Act.

(iii) While a reasonable period of time is to be secured from the time of issuance of the written notice of the hearing until the date of the hearing under Article 15, paragraph (1) of the Administrative Procedure Act, this period is to be decided according to each case.

(2) Relation to the Administrative Complaint Review Act

When intending to render an adverse disposition, such as an order for collection of reports or an order to submit an amended statement, the fact that a request for review may be filed based on Article 5 of the Administrative Complaint Review Act is to be indicated in writing.

(3) Relation to the Administrative Case Litigation Act

When intending to render an adverse disposition, such as an order for collection of reports or an order to submit an amended statement, the fact that an action for the revocation of the original administrative disposition may be filed based on Article 8 of the Administrative Case Litigation Act is to be indicated in writing.

1-8-4 Publication of Adverse Dispositions, etc.

With regard to an adverse disposition, such as an order to amend a disclosure document, the facts that were the cause of the disposition and the content of the disposition are to be published from the viewpoint of alerting investors and restraining the development of similar cases by raising the predictability of reports, etc.
such dispositions. In this case, it should be noted that due attention should be paid to the privacy of individuals.

Meanwhile, when intending to render an adverse disposition, such as an order to amend a disclosure document, or intending to make material reference information available for public inspection, relevant authorities or overseas supervisory authorities, etc. are to be communicated as needed.

1-9 Others

1-9-1 Treatment of Foreign Companies

If a foreign person (including a person other than a company) is an issuer, the person is to be treated in the same way as a domestic person under this Guideline except for separately provided matters. However, if there are unavoidable circumstances due to the governing laws and regulations of the foreign country or other reasons, different treatment is to be considered as needed.

1-9-2 Extension of the Time for an Electronic Disclosure Procedure

The time after which matters may no longer be input under Article 2, paragraph (3) of the Cabinet Office Ordinance Regarding Special Provisions, etc., for Procedures Utilizing an Electronic Data Processing System for Disclosure or after which an electronic disclosure procedure or discretionary electronic disclosure procedure may no longer be carried out by using an electronic data processing system for disclosure (hereinafter referred to as the "procedural deadline" in 1-9-2) has been specified to be 5:15 p.m., in principle, under 1-2 of the Points to Note Regarding Special Provisions, etc., for Procedures Utilizing an Electronic Data Processing System for Disclosure (Financial System Planning Bureau, Ministry of Finance, June 2002). However, it should be noted that the procedural deadline may be extended, for example, in the case of submitting a securities registration statement (including an extraordinary report) or a shelf registration statement or amended shelf registration statement without giving the issue price or other matters specified by Article 9 of the Cabinet Office Order on Disclosure (hereinafter referred to as the "issue price, etc." in 1-9-2), pursuant to the proviso to Article 5, paragraph (1) of the Act, and in line with the decision of the issue price, etc., submitting an amended statement (including the amended report of the extraordinary report to be submitted along with the amended statement; hereinafter the same applies in 1-9-2) or shelf registration supplements (hereinafter referred to as an "amended statement, etc." in 1-9-2), and the electronic disclosure procedure pertaining to submission of the amended
statement, etc. cannot be carried out by 5:15 p.m. due to a compelling reason.

Specifically, if a request for extension of the procedural deadline for submission of an amended statement, etc. following a decision of the issue price, etc. is filed with the relevant division of a Local Finance Bureau by 5:00 p.m., it should be noted that the relevant division of the Local Finance Bureau is to communicate with the relevant division of the FSA and accept the amended statement, etc. by 7:00 p.m. of the same day.

B. Basic Guideline

Regarding Article 2 (Definitions) of the Act

(Case of Excluding Qualified Institutional Investors from the Number of Persons to Which a Solicitation of Offers to Acquire Is Made)

2-1 If a solicitation of offers to acquire (meaning the solicitation of offers to acquire prescribed in Article 2, paragraph (3) of the Act; the same applies hereinafter) newly issued securities is made to persons including qualified institutional investors (meaning the qualified institutional investors prescribed in item (i) of that paragraph; the same applies hereinafter), and any of the following cases apply, it should be noted that the overall solicitation of offers to acquire, including that made to the qualified institutional investors, is categorized as "public offering of securities" (meaning the public offering of securities prescribed in that paragraph; the same applies in 2-4 and 4-1).

(i) A case that does not fall under the case specified in Article 1-4 of the Cabinet Order, where the number of persons to which the solicitation of offers to acquire is made is 50 persons or more including the qualified institutional investors.

(ii) A case that falls under the case specified in Article 1-4 of the Cabinet Order, where the number of persons to which the solicitation of offers to acquire is made is 50 persons or more excluding the qualified institutional investors.

(Method of Concluding a Contract for Transfer of Securities Related to an Exclusive Solicitation of Offers to Acquire Targeting Professional Investors)

2-1-2 The specific method of concluding the "contract for transfer" referred to in Article 1-5-2, paragraph (2), item (i), (b) of the Cabinet Order and item (ii), (b) of that paragraph, and in Article 12, item (i), (b), 1. of the Cabinet Office Order on Definitions is not restricted in particular, and it is important that an agreement is reached between the parties through an appropriate procedure.
For example, when a financial instruments business operator, etc. intending to make an exclusive solicitation of offers to acquire (meaning the exclusive solicitation of offers to acquire prescribed in Article 27-31, paragraph (1) of the Act; hereinafter the same applies in 2-1-2) has delivered a document containing the matters set forth in the items of Article 11-2, paragraph (1) of the Cabinet Office Order on Definitions (including the case of having provided the same information as that in the document by an electronic or magnetic means; hereinafter the same applies in 2-1-2) to the other party in advance, and the other party has stated in writing or by an electronic or magnetic means that the party would observe those matters with regard to all securities the party acquires in response to the exclusive solicitation of offers to acquire made by the financial instruments business operator, etc., and the financial instruments business operator, etc. is entrusted by the other party with conclusion of a "contract for transfer" upon the exclusive solicitation of offers to acquire, and delivers that document to the issuer of the securities related to the exclusive solicitation of offers to acquire, and the issuer approves the document, it should be noted that this act constitutes an act of "concluding a contract for transfer" between the issuer and the other party and between the financial instruments business operator, etc. making the exclusive solicitation of offers to acquire and the other party.

(Calculation Method of the 50 Persons Prescribed in Article 1-6 of the Cabinet Order)

2-2 It should be noted that, if the other parties to the solicitation of offers to acquire the securities to be issued include the same persons as those to which the solicitation of offers to acquire newly issued securities of the same class (meaning the newly issued securities of the same class prescribed in Article 1-6 of the Cabinet Order) has been made, the 50 persons prescribed in that Article is to be calculated as the total number including those same persons.

(Public Offering Pertaining to Allotment of Share Option without Contribution)

2-3 It should be noted that allotment of share options without contribution under Article 277 of the Companies Act (referred to as "allotment of share options without contribution" in 8-3 and 15-5) falls under the category of a solicitation of offers to acquire share option certificates.

(Issuance of Securities That Does Not Fall under the Category of a Public Offering)

2-4 It should be noted that the following cases are not regarded as a "public
offering of securities."

(i) A case of issuing shares all of which are to be subscribed to by incorporators pursuant to Article 25 of the Companies Act upon incorporation of a company.

(ii) A case that falls under Article 2, paragraph (3), item (ii), (a), (b), or (c) of the Act.

(iii) A case of issuing shares by capitalization of reserve funds or capitalization by appropriation of surplus (excluding a case of issuing shares by having shareholders pay a part of the issue value).

(iv) A case of issuing securities in response to a demand for acquisition of shares with put option filed by the shareholder thereof.

(v) A case of issuing securities due to the arising of grounds for acquisition of shares subject to call or adoption of a resolution by a shareholders meeting to acquire all of the shares subject to class-wide call.

(vi) A case of issuing shares by allotment of shares without contribution under Article 185 of the Companies Act.

(vii) A case where securities are issued due to the arising of grounds for acquisition of share options subject to call attached to share option certificates subject to call or corporate bond certificates with share options.

(viii) A case of issuing shares by exercising share options attached to share option certificates or corporate bond certificates with share options.

(ix) A case of issuing shares by splitting shares (excluding the case referred to in (iii)).

(x) A case of issuing shares by consolidating shares.

(When the Other Party Is Not Categorized as a Qualified Institutional Investor)

2-5 When making a solicitation of offers to acquire newly issued securities or an offer to sell, etc. already issued securities (meaning the offer to sell, etc. prescribed in Article 2, paragraph (4) of the Act: the same applies hereinafter) to a person who is categorized as a qualified institutional investor, and, for example, making the solicitation while knowing that the other party is categorized as any of the following persons, it should be noted that this other party is treated as not being categorized as a qualified institutional investor.

(i) A trust bank which intends to acquire or purchase securities based on a trust contract under which securities may be issued to a person other than a qualified institutional investor (hereinafter referred to as a "general investor" in 2-5), such as a contract pertaining to a trust concluded with a general investor.

(ii) A financial instruments business operator (limited to one engaged in the investment management business prescribed in Article 28, paragraph (4) of
the Act) which intends to acquire or purchase securities based on a discretionary investment contract (meaning the discretionary investment contract prescribed in Article 2, paragraph (8), item (xii), (b) of the Act) concluded with a general investor.

(iii) A financial instruments business operator which intends to acquire or purchase securities using its own name in order to broker an order from a general investor to acquire or purchase securities (limited to one engaged in the Type I Financial Instruments Business prescribed in Article 28, paragraph (1) of the Act (limited to that categorized as the securities-related business prescribed in paragraph (8) of that Article); hereinafter referred to as a "financial instruments business operator").

(iv) an operating partner, etc. of a partnership, etc. (excluding an investment limited partnership; hereinafter the same applies in 2-5) established solely for acquiring specific securities with an objective of providing dividends in kind to partners other than qualified institutional investors of the partnership, etc.

(v) an investment limited partnership established solely for acquiring specific securities with an objective of providing dividends in kind to partners other than qualified institutional investors of the investment limited partnership.

(vi) a specified purpose company (meaning the specified purpose company prescribed in Article 2, paragraph (3) of the Act on the Securitization of Assets) which intends to issue asset-backed securities (meaning the asset-backed securities prescribed in paragraph (11) of that Article) that represent rights with substantially identical content to the rights in the securities to be acquired or purchased, and have them acquired by general investors.

(Shares of Several Classes)

2-6 It should be noted that the matters specified in Article 10·2, paragraph (1), item (ix) of the Cabinet Office Order on Definitions differ between the shares of different classes prescribed in Article 108, paragraph (1) of the Companies Act (for example, between common shares and preferred shares).

2-7 A case where the securities set forth in Article 2, paragraph (1), item (xv) of the Act and the securities set forth in item (xvii) of that paragraph which have the nature of the securities set forth in item (xv) of that paragraph satisfy the requirements set forth in Article 13, paragraph (3), item (i) and Article 13-7, paragraph (3), item (i) of the Cabinet Office Order on Definitions is, for example, a case where the conditions of issuance of commercial papers are decided between the issuer and the dealers, and the number of commercial papers is
less than 50 for each dealer and for each such decision.

(Case of Excluding Qualified Institutional Investors from the Number of Persons to Which an Offer to Sell, Etc. Is Made)

2-8 If an offer to sell, etc. already issued securities is made to persons including qualified institutional investors, and any of the following cases apply, it should be noted that the overall offer to sell, etc. including that made to the qualified institutional investors is categorized as "secondary distribution of securities" (meaning the secondary distribution of securities prescribed in Article 2, paragraph (4) of the Act; the same applies hereinafter).

(i) A case that does not fall under the case specified in Article 1-7-4 of the Cabinet Order, where the number of persons to which the solicitation of offers to acquire is made is 50 or more including the qualified institutional investors.

(ii) A case that falls under the case specified in Article 1-7-4 of the Cabinet Order, where the number of persons to which the solicitation of offers to acquire is made is 50 or more excluding the qualified institutional investors.

(Calculation Method of the 50 Persons Prescribed in Article 1-8-4 of the Cabinet Order)

2-9 It should be noted that, if the other parties to the offer to sell, etc. the securities to be sold or purchased include the same persons as those to which the offer to sell, etc. already issued securities of the same class (meaning the already issued securities of the same class prescribed in Article 1-8-4 of the Cabinet Order) has been made, the 50 persons prescribed in that Article is to be calculated as the total number including those same persons.

(Brokering of the Sale and Purchase of Securities Prescribed in Article 1-7-3, Item (xi) of the Cabinet Order)

2-10 It should be noted that, when selling or purchasing securities as prescribed in Article 1-7-3, item (xi) of the Cabinet Order, an act of a financial instruments business operator, etc. providing a list of the relevant securities it has purchased and holds (excluding a list that includes securities other than those prescribed in that item, and limited to one that does not include the transaction price of the securities) to a customer constitutes a series of acts of the sale and purchase of securities associated with the brokering of the sale and purchase of securities by a financial instruments business operator, etc. for a customer in a financial instruments exchange market or foreign financial instruments market as prescribed in that item.
(Transfer of Securities That Does Not Fall under the Category of a Secondary Distribution)

2-11 It should be noted that the following cases are not regarded as a "secondary distribution of securities."

(i) A case of transferring securities in response to a demand for acquisition of shares with put option filed by the shareholder thereof.

(ii) A case of transferring securities due to the arising of grounds for acquisition of shares subject to call or adoption of a resolution by a shareholders meeting to acquire all of the shares subject to class-wide call.

(iii) A case of transferring shares by allotment of shares without contribution under Article 185 of the Companies Act.

(iv) A case of transferring securities due to the arising of grounds for acquisition of share options subject to call attached to share option certificates subject to call or corporate bond certificates with share options.

(v) A case of transferring shares by exercising share options attached to share option certificates or corporate bond certificates with share options.

(Acts Which Do Not Fall under the Category of a Solicitation of Offers to Acquire or an Offer to Sell, etc.)

2-12 It should be noted that the following acts, for example, do not fall under the category of a solicitation of offers to acquire or an offer to sell, etc. securities.

(i) When making a third party allotment (meaning the third party allotment prescribed in Article 19, paragraph (2), item (i), (l) of the Cabinet Office Order on Disclosure; the same applies in (ii)) and the number of prospective investors is limited and there is little likelihood that the securities pertaining to the third party allotment will immediately be resold, (for example, when forming a capital alliance or when a parent company subscribes for subsidiary company shares), an act of investigating prospective investors before a notification of the allotment is filed, for the purpose of selecting the prospective investors or identifying the overview of the prospective investors, an act of holding consultations with prospective investors on the contents of the third party allotment, or other act equivalent thereto.

(ii) A pre-hearing carried out to survey the prospective demand of investors for the securities subject to a public offering (excluding that pertaining to a third party allotment) or a secondary distribution, which targets professional investors (excluding those who are treated by the financial instruments business operator, etc. carrying out the pre-hearing as customers other than professional investors pursuant to Article 34-2, paragraph (5) of the Act with regard to a contract for a financial instruments transaction which is of the
kind of contract set forth in Article 53, item (i) of the Cabinet Office Order on
Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007),
and including those who are treated as professional investors pursuant to
Article 34-3, paragraph (4) of the Act (including as applied mutatis mutandis
pursuant to Article 34-4, paragraph (6) of the Act) (with regard to
professional investors that are not the State, the Bank of Japan, or qualified
institutional investors, limited to when the financial instruments business
operator, etc. carries out a pre-hearing based on entrustment by a customer
of the public offering or secondary distribution to be made or on its own
behalf) or persons whose ownership ratio of share certificates, etc. prescribed
in Article 27-23, paragraph (4) of the Act is 5% or more, and which is carried
out while taking the measure prescribed in Article 117, paragraph (1), item
(xv) of that Cabinet Office Order.

(iii) A transmission of information on the issuer of the securities related to a
securities registration statement or shelf registration statement which is
made on or before the same day one month before the submission date of the
securities registration statement or shelf registration statement (excluding
information on public offering or secondary distribution of securities to be
issued by the issuer) (if the medium to which the transmission is made is one
where the information is continuously posted, the time when the information
is transmitted is the time when the posting starts; hereinafter the same
applies in (iii)), and if the information is expected to be re-transmitted by
other persons, a transmission that is made while taking a reasonable measure
for preventing such re-transmission from the day following the same day one
month before the submission date until the submission of the securities
registration statement or shelf registration statement.

(iv) Disclosure of information based on the Act or an order given under the Act
or rules including the articles of incorporation of a financial instruments
exchange.

(v) Periodic transmissions of information on an issuer (excluding information
on public offering or secondary distribution of securities to be issued by the
issuer), which are made by the issuer in the ordinary course of business.

(vi) An announcement of a new product or service made by the issuer in the
ordinary course of business.

(vii) A reply made by the issuer in response to a voluntary inquiry made thereto
about the business or financial conditions of the issuer, including its product
or service.

(viii) distribution or publication of an analyst report (meaning a material that
analyzes and evaluates individual enterprises that is intended for providing
information to a large number of persons; hereinafter the same applies in (viii)) on issuers which are listed companies, made by a financial instruments business operator, etc. in the ordinary course of business (limited to when the financial instruments business operator, etc. takes an appropriate measure to block the person writing the analyst report from receiving a transmission of unpublished information on a solicitation of offers to acquire or an offer to sell, etc. relating to public offering or secondary distribution of securities issued by the enterprises covered by the report, and excluding the case of distributing or publishing the analyst report on the issuer or the case of suspending and later resuming such distribution or publication).

(Case of Engaging in an Offer to Sell, etc. Foreign Securities with No Restriction on Resale)
2-13 When a financial instruments business operator, etc. which has already acquired securities with the restriction on resale prescribed in Articles 11, 13, 13-4, and 13-7 of the Cabinet Office Order on Definitions makes an offer to sell, etc. in accordance with the restriction on resale, it should be noted that the provisions of Article 1-8-4, item (iv) of the Cabinet Order do not apply.

Regarding Article 2-2 (Reorganization and Other Terms Used in This Chapter) of the Act

(Issuance of Securities That Does Not Fall under the Category of Specified Procedures Related to the Issuance of Securities During a Reorganization)
2-2-1 It should be noted that a case that falls under Article 2-2, paragraph (4), item (ii), (a) or (b) of the Act is not regarded as "specified procedures related to the issuance of securities during a reorganization."

Regarding Article 4 (Notification of Public Offering or Secondary Distribution) of the Act

(Public Offering or Secondary Distribution)
4-1 It should be noted that an act of distributing a document (including a written notice of allotment of new shares or a share application form) concerning a public offering or secondary distribution of securities (meaning the secondary distribution of securities prescribed in Article 4, paragraph (4) of the Act (excluding the specified procedures relating to securities delivery for reorganization prescribed in Article 2-2, paragraph (5) of the Act)), an act of providing an oral explanation at a capital increase explanatory meeting for
shareholders, etc., and an act of advertising a public offering or secondary distribution of securities via a newspaper, magazine, standing signboard, television, radio, or the internet is categorized as an act of "public offering or secondary distribution of securities," so the act may not be carried out until after making the notification referred to in paragraph (1), (2), or (3) of Article 4 of the Act.

(Stock Options Targeting Persons Including Those Who Are Not Directors, etc.)

4-2 It should be noted that a case where a company grants directors, etc. (meaning the directors, accounting advisors, company auditors, executive officers, or employees of the company or of another company specified in Article 2, paragraph (2) of the Cabinet Office Order on Disclosure as a company related to that company; hereinafter the same applies in 4-2) share option certificates targeting persons including those who are not directors, etc. is not categorized as the case specified in Article 2-12 of the Cabinet Order.

(Decision on Whether a Notification Is Required When Incorporating a Company)

4-3 It should be noted that, when incorporating a company, if the incorporators do not subscribe for all of the shares to be issued by the company, the monetary criterion to be used for determining whether a notification on a public offering of securities is required is the total issue value excluding the amount of shares subscribed by the incorporators pursuant to Article 25, paragraph (2) of the Companies Act.

(Total Issue Value in the Case of Rights Share Issue)

4-4 It should be noted that whether a notification is required for a public offering of the shares for which part of the issue price need not be paid due to capitalization of reserve funds or capitalization by appropriation of surplus is to be decided based on the total issue value including the part that need not be paid.

(Decision on Whether a Notification Is Required for a Public Offering, etc. of Corporate Bond Certificates with Share Options)

4-5 Whether a notification is required for a public offering or secondary distribution (meaning the secondary distribution of securities prescribed in Article 4, paragraph (4) of the Act; the same applies hereinafter, except in 24-5-8 and 24-5-9) of corporate bond certificates with share options is to be decided based on the total issue value or the total distribution value of the corporate
bond certificates with share options.

Meanwhile, it should be noted that, when applying Article 2, paragraph (4), items (ii), (iv), and (v) of the Cabinet Office Order on Disclosure to corporate bond certificates with share options and share certificates for which public offering has already been conducted or is to be conducted collaterally, the provisions are to be applied based on the total issue value of the share certificates to be issued or transferred by exercising share options attached to the corporate bond certificates with share options, and that a notification is required for the public offering of the corporate bond certificates with share options if the provisions are to be applied.

(Application of the Aggregation Provisions)
4-6 Securities subject to "a public offering or secondary distribution ... that have been conducted within one year before the day of commencement of said public offering or secondary distribution" prescribed in Article 2, paragraph (4), item (ii) of the Cabinet Office Order on Disclosure means securities for which a public offering or secondary distribution was commenced within the past one year (the day following the day of submission of the written notice of securities is deemed to be the day of commencement) and those for which the payment date or delivery date of a public offering or secondary distribution has arrived within the past one year, and the period is to be counted from the day immediately preceding the day of commencement of the relevant public offering or secondary distribution.

(Public Offering or Secondary Distribution Not Subject to the Aggregation Provisions)
4-7 The phrase "excluding those for which a notification under Article 4, paragraph (1) of the Act has been made, those which have been conducted before said notification, those for which the shelf registration supplements under Article 23-8, paragraph (1) of the Act have been submitted, and those which have been conducted before said submission" prescribed in Article 2, paragraph (4), item (ii) of the Cabinet Office Order on Disclosure means that the following are not subject to the aggregation: when a notification under Article 4, paragraph (1) of the Act has been made within the past one year, the public offering or secondary distribution of securities to which the notification pertains and any public offering or secondary distribution of securities, conducted prior to the notification, of which the total issue value or the total distribution value is less than 100 million yen; and when shelf registration supplements have been submitted pursuant to Article 23-8, paragraph (1) of the
Act within the past one year, the relevant public offering or secondary distribution of securities and any public offering or secondary distribution of securities, conducted prior to the submission, of which the total issue value or the total distribution value is less than 100 million yen.

(Issue Value or Distribution Value Subject to the Aggregation Provisions)
4-8 The issue value or distribution value of securities of which the public offering or secondary distribution has already completed to be made subject to aggregation pursuant to Article 2, paragraph (4), item (ii) of the Cabinet Office Order on Disclosure is to be the total issue value of the actually issued securities with regard to a public offering, and the total distribution value of the actually sold securities with regard to a secondary distribution.

(Issue Value Subject to the Aggregation Provisions)
4-9 The provisions of 4-8 apply mutatis mutandis to the total issue value of the newly issued shares that have been issued within six months to be made subject to aggregation pursuant to Article 2, paragraph (4), item (iii) of the Cabinet Office Order on Disclosure.

(Distribution Value Subject to the Aggregation Provisions)
4-10 The provisions of 4-8 apply mutatis mutandis to the total distribution value of the already issued shares for which an offer to sell, etc. was made within one month to be made subject to aggregation pursuant to Article 2, paragraph (4), item (iii)-2 of the Cabinet Office Order on Disclosure.

(Collateral Public Offering or Secondary Distribution)
4-11 The "collaterally" conducted public offering or secondary distribution prescribed in Article 2, paragraph (4), item (iv) or (v) of the Cabinet Office Order on Disclosure means a public offering or secondary distribution of which the payment date or delivery date is roughly the same.

(Public Offering or Secondary Distribution Conducted Collaterally with a Public Offering or Secondary Distribution of Which Total Issue Value or the Total Distribution Value is Less Than 100 Million Yen Which Requires a Notification)
4-12 The phrase "the public offering or secondary distribution prescribed in item (ii), which is to be conducted collaterally with such public offerings or secondary distributions" prescribed in Article 2, paragraph (4), item (v) of the Cabinet Office Order on Disclosure means the following: when two or more public offerings or secondary distributions for which the total issue value or the total
distribution value is less than 100 million yen are conducted collaterally and their total amount is less than 100 million yen, and any of those public offerings or secondary distributions become subject to submission of a securities registration statement or shelf registration supplements pursuant to the aggregation provisions under item (ii) of that paragraph, the rest of those public offerings or secondary distributions.

(When the Total Issue Value or the Total Distribution Value Becomes Less Than the Amount That Requires a Notification)

4-13 If, on or after the submission date of a securities registration statement, the total issue value or the total distribution value of securities pertaining to a public offering or secondary distribution conducted under the securities registration statement (if the securities are share option certificates, the sum of the total issue value or the total distribution value of the share option certificates and the total amount to be paid when exercising share options attached to the share option certificates) decreases to an amount that does not require submission of the securities registration statement, or the public offering, secondary distribution, or issuance of securities pertaining to the securities registration statement, is to be withdrawn, the person that has submitted the securities registration statement is to submit a "request for withdrawal of statement" to the Director-General of a Local Finance Bureau or the Director-General of the Fukuoka Local Finance Branch Bureau (hereinafter referred to as the "Director-General of a Local Finance Bureau, etc.") stating the intention to withdraw the securities registration statement. In this case, the public inspection of the securities registration statement and a copy thereof under Article 25 of the Act is to be ended.

(When a Request for Withdrawal of Statement Is Submitted)

4-14 If a request for withdrawal of statement is submitted pursuant to the provisions of 4-13, the written notice prescribed in Article 4, paragraph (6) of the Act is deemed to have been submitted on the day of submission of the request. In this case, the securities issued or sold are to be treated as not falling under the category of the securities prescribed in Article 24, paragraph (1), item (iii) of the Act.

(When the Total Issue Value or the Total Distribution Value Becomes the Amount That Requires a Notification)

4-15 It should be noted that if, after commencing public offering or secondary distribution of securities by submitting a written notice of securities due to
falling under Article 4, paragraph (1), item (v) of the Act, the initial total issue value or the initial total distribution value as reasonably expected becomes an amount that is likely to require a notification due to no longer falling under the provisions of that item as a result of a rise in prices, etc., a public offering or secondary distribution may not be conducted thereafter unless the notification is made.

(Case of Falling under the Category of a General Solicitation for Involving Securities Acquired by a Qualified Institutional Investor)

4-16 It should be noted that the case of making a solicitation for the following securities, for example, while knowing that the other party is categorized as any of the persons set forth in 2-5 (i) through (v), falls under the category of the "general solicitation for involving securities acquired by a qualified institutional investor" prescribed in Article 4, paragraph (2) of the Act: securities acquired by a qualified institutional investor that was excluded from the persons to which the solicitation of offers to acquire was made as a result of the fact that the solicitation of offers to acquire was made as a result of the procedures related to the issuance of securities during a reorganization prescribed in Article 2-2, paragraph (2) of the Act) upon issuance fell under the case set forth in Article 2, paragraph (3), item (i) of the Act; and securities for which the solicitation of offers to acquire upon issuance fell under the case set forth in item (ii), (a) of that paragraph or Article 2-2, paragraph (4), item (ii), (a) of the Act.

(General Solicitation for Involving Securities Acquired by a Qualified Institutional Investor Categorized as a Secondary Distribution of Foreign Securities)

4-17 It should be noted that a general solicitation for involving securities acquired by a qualified institutional investor that falls under the case set forth in Article 2-4, item (ii) of the Cabinet Office Order on Disclosure is categorized as the secondary distribution of foreign securities prescribed in Article 27-32-2, paragraph (1) of the Act.

(Case Subject to Application of the Special Provisions on the Due Date for Submission of a Securities Registration Statement)

4-18 The "case where a public offering or secondary distribution of securities will be made for the shareholders that have been stated or recorded in the shareholder register as of a certain date" prescribed in Article 4, paragraph (4) of the Act means the case of making a public offering of shares or share options
by way of granting the shareholders as of a certain date the right to be allotted shares or share options or the case of making a public offering or secondary distribution while granting the shareholders as of a certain date the entitlement to preferential subscription.

(Submission Date in the Case of Allotment to Shareholders, etc.)

4-19 The phrase "must be made 25 days prior" prescribed in Article 4, paragraph (4) of the Act means that a securities registration statement must be submitted by the day immediately preceding the day which is 25 days earlier, counted from the day immediately preceding the relevant date.

(Written Notice of Securities for Collateral Public Offerings, etc. That Do Not Require a Notification)

4-20 If two or more public offerings or secondary distributions of securities that do not require a notification pursuant to Article 4, paragraph (1), item (iii) or (v) of the Act or the proviso to paragraph (2) of that Article are conducted collaterally, a single written notice of securities may be submitted for them.

(Case That Falls under A "Case in Which Disclosure Has Been Made")

4-21 It should be noted that not only the case where the securities themselves are those relating to a previous notification of public offering or secondary distribution, but also any of the following cases, for example, fall under the "case in which disclosure has been made" prescribed in Article 4, paragraph (7) of the Act, as long as the issuer is not exempted from submission of an annual securities report.

(i) A case where the securities themselves are not subject to a previous notification of public offering or secondary distribution, but where another person has acquired some of the securities upon their issuance and a notification of a secondary distribution subsequently conducted for the securities acquired by that person has become effective.

(ii) A case where the share certificates themselves are not subject to a previous notification of public offering or secondary distribution, but where a notification of public offering or secondary distribution of other share certificates (excluding shares of different classes, such as common shares and preferred shares) issued by the same issuer has become effective.

(iii) Apart from (ii), a case where the share certificates themselves are not subject to a previous notification of public offering or secondary distribution, but where other share certificates (excluding shares of different classes, such as common shares and preferred shares) issued by the same issuer fall under
Article 24, paragraph (1), item (i), (ii), or (iv), and an annual securities report has already been submitted.

(iv) A case where the public offering of the corporate bond certificates themselves upon issuance was made by submitting a written notice of shelf registration, without submitting shelf registration supplements, but where shelf registration supplements have been submitted for any of the other public offerings subject to that shelf registration.

(Submission or Acceptance of a Securities Registration Statement Relating to a Reorganization)

4-22 The total issue value or the total distribution value in the procedures related to the issuance of securities during a reorganization prescribed in Article 2-2, paragraph (2) of the Act or the procedures related to the delivery of securities during a reorganization prescribed in Article 2-2, paragraph (3) of the Act is to be the total amount of changes in shareholders' equity, etc., the total amount of shareholders' equity carried over, or the total amount of shareholders' equity, etc. specified by the Regulation on Accounting of Companies (Ministry of Justice Order No. 13 of 2006), in principle. Meanwhile, if the amount of the shareholders' equity has not been finalized in the procedures related to the issuance of securities during a reorganization or the procedures related to the delivery of securities during a reorganization, an estimated amount that has been calculated by an appropriate method is to be used as the total issue value or the total distribution value.

(Public Offering, etc. Without a Notification)

4-23

A. Response to the case of having acquired information on a public offering, etc. without a notification

When information on the conduct of a public offering or secondary distribution (limited to that requiring a notification pursuant to Article 4, paragraphs (1) through (3) of the Act) without submission of a securities registration statement or a shelf registration statement (including shelf registration supplements) (such statement is hereinafter referred to as a "securities registration statement, etc." in 4-23; and such public offering, etc. is hereinafter referred to as a public offering, etc. without a notification in 4-23) is acquired, efforts should be made to respond in the following manner, in order to prevent the damage from spreading.

(1) Acceptance of information
If information on a public offering, etc. without a notification has been provided by an investor, etc., its content should be heard in as much detail as possible (the violator conducting the public offering, etc. without a notification, its address, the name of its representative person, its telephone number, the actual state of the public offering or secondary distribution, the name of the person providing the information, whether it is possible to communicate the provided information to the investigation authorities, etc.), and response should be made in the following manner.

(i) If information on a public offering, etc. without a notification that is conducted by a person headquartered in the jurisdictional district of another Local Finance Bureau is received, its content should be heard, and the information should be communicated to the Local Finance Bureau having jurisdiction over the location of the headquarters (the subsequent response is to be made by the Local Finance Bureau to which the information was communicated, in principle).

(ii) If the contact information of the person allegedly making a public offering, etc. without a notification is unknown, efforts should be made to collect more information.

(iii) If the person providing the information requests not to communicate with the person making a public offering, etc. or any other organizations about the matter, consideration should be given so that the person providing the information would not be disadvantaged.

(iv) If a public offering, etc. without a notification is suspected, the person providing the information is encouraged to provide information to investigation authorities.

(v) The information including the content of the complaint or inquiry by the investor, etc., the content of the guidance provided by the authorities, and the responses by the subject party is to be chronologically organized and recorded.

(vi) If a request from the investigation authorities to provide information is received, the facts are to be provided to the authorities under the name of the head of the relevant division of the Local Finance Bureau.

(2) If conduct of a public offering, etc. without a notification becomes clear

If the name of the violator and its contact information have become clear based on the directly accepted information or information provided by the FSA or other Local Finance Bureaus, and the actual state of the violator has become clear to a certain extent, efforts should be made to understand the actual state by such method as directly making a telephone call to that violator or making an inquiry by sending a document using Form 4-2 to the
violator. If the conduct of a public offering, etc. without a notification becomes clear as a result, it is to respond in the following manner (excluding a case of causing hindrance to investigation by the investigation authorities).

(i) If the cause of conducting a public offering, etc. without a notification is neither intentional nor malicious, and the issuer is not problematic from the viewpoint of protection of investors, submission of a securities registration statement is to be requested immediately.

(ii) If the cause of conducting a public offering, etc. without a notification is found to be intentional or malicious, or if it is otherwise found to be necessary for the protection of investors, the case is to be communicated to the investigation authorities, and the issuer is to be warned to stop the relevant act immediately by a written notice using Form 4-1.

(3) If the violation is not rectified in spite of a warning

If a person conducting a public offering, etc. does not rectify the violation in spite of a warning using Form 4-1, an accusation is filed with the investigation authorities as needed.

(4) If the warning referred to in (2), (ii) is issued or the accusation referred to in (3) is filed, the trade name or name, address, and the name of the representative person of the violator subject to that measure are to be publicized, and a copy of the warning document, etc. is to be promptly sent to the FSA. If the FSA receives such documents, it is to prepare and publicize a list of the violators whose names were publicized.

Meanwhile, if it is difficult to deliver a written warning, such as when the address of the violator to whom a warning was made is clearly false or the violator's address is unknown, the abovementioned publication, etc. is to be made, without issuing a written warning.

(Form 4-1)

Written Warning to a Person Conducting a Public Offering Without a Notification (Draft)

(Trade name)
(Name of the representative person)

Director-General of XXX Local Finance (Branch) Bureau  Seal

According to Article 4 of the Financial Instruments and Exchange Act, a person / company is not permitted to conduct a public offering of securities unless the person / company has filed a notification with the Prime
Minister.

As a result of our recent investigation, we have found that your company's act is likely to fall under the category of a public offering of securities. Therefore, we warn you to stop the relevant act immediately.

We therefore ask you to send us a written reply by [Date] about the state of the rectification measures taken at your company. We would also like to add that, if you fail to reply by the time limit or fail to respond to our warning, we will take appropriate action.

(Note) The phrase "public offering" is to be changed to "secondary distribution" for a person that is likely to be conducting secondary distribution without a notification.

B. Points to note regarding a public offering, etc. without a notification

Cases like the following examples are cases of public offering, etc. without a notification, so please exercise caution.

○ A case where a securities registration statement, etc. is not submitted
although the securities that are found to be substantially the same class in light of the circumstances, including the content of the securities and the actual state of solicitation, has been solicited several times to less than 50 persons within six months and it is not regarded as a solicitation to a small number of investors.

It should be noted that the due date for redemption and the interest rates, etc. specified in Article 10-2 of the Cabinet Office Order on Definitions should not be determined in an excessively formal manner.

- A case where a securities registration statement, etc. is not submitted although a solicitation is made to a foreign person, but it is not regarded as a public offering or secondary distribution overseas, in light of the actual state, such as that the solicitation to the financial instruments business operator acting as an agency, etc. for the foreign person is conducted in Japan.

(Treatment When Submission of an Annual Securities Report Is No Longer Required)

4-24 When making a solicitation of offers to acquire or an offer to sell securities (hereinafter referred to as a "solicitation of securities" in 4-24), if the securities fall under the proviso to Article 24, paragraph (1) of the Act and do not require submission of an annual securities report, it should be noted that the securities will be regarded as not falling under Article 24, paragraph (1), item (iii) or (iv) of the Act and will be subject to application of Article 2, paragraphs (3) and (4) of the Act, and they do not require submission of a securities registration statement.

It should be noted, however, that this excludes a case where a company that has submitted an annual securities report as a result of the securities falling under Article 24, paragraph (1), item (iv) of the Act has become no longer required to submit an annual securities report because the amount of the company's stated capital has fallen below 500 million yen or the number of holders of the securities on the last day of the relevant business year has fallen below the number specified by Cabinet Order, but it is clear that these conditions will no longer be met as a result of acquisition of the securities through the solicitation of securities, or a case where a company that has submitted an annual securities report as a result of the securities falling under Article 24, paragraph (1), item (iii) or (iv) of the Act has become no longer required to submit an annual securities report due to receiving the acknowledgement as a company whose non-submission of the report does not damage the public interest or result in insufficient investor protection, but it
is clear that the requirement for the acknowledgment will no longer be met as a result of acquisition of the securities through the solicitation of securities.

Article 5 (Submission of Securities Registration Statements and Their Attached Documents) of the Act

(Securities Registration Statement for Collateral Public Offerings, etc.)
5-1 If public offerings or secondary distributions of securities that require a notification under Article 4, paragraph (1), (2), or (3) of the Act are conducted collaterally, a single securities registration statement may be submitted for them. The same applies if secondary distributions that do not require any notification of the public offering, but require submission of a written notice of securities are conducted collaterally, and in this case, a written notice of securities is deemed to have been submitted for those secondary distributions.

(Major Financial Instruments Business Operators Who Conclude the Wholesale Underwriting Contracts)
5-2 The phrase "major financial instruments business operators who conclude the wholesale underwriting contracts" prescribed in Article 9 of the Cabinet Office Order on Disclosure means financial instruments business operators that conclude the wholesale underwriting contracts and that are book runners.

(Addition of Items Other Than Those of the Form)
5-3 If, apart from the items of the form for a securities registration statement, there are any matters to be specially stated within the extent of not misleading investors in making investment decisions, the necessary matters may be stated by adding items other than those of the form.

For example, in such cases as the case that a public offering or secondary distribution of securities is conducted by a special method, the case that a public offering or secondary distribution of securities is concurrently conducted outside Japan, the case that there is an agreement with holders or underwriters, etc. of securities with regard to a public offering or secondary distribution of securities, or the case that share options are allotted by the method specified in Article 19, paragraph (2), item (i), (l), 1. of the Cabinet Office Order on Disclosure in association with a public offering or secondary distribution of securities, an item "Special matters to be stated concerning the public offering or secondary distribution" may be added after "Section 1. Terms and conditions of public offering" or "Section 2. Terms and conditions of secondary distribution" in "Part I" of each form for the securities registration statement.
and such fact and the content of the relevant matters may be stated therein.

(Statement of Matters Concerning Stabilization)

5-4 The statement of matters concerning stabilization under Instructions on Preparation (6) of Form 2 of the Cabinet Office Order on Disclosure is to be basically as follows.

Matters Concerning Stabilization

1. The stabilizing transactions prescribed in Article 20, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act may be effected in line with this public offering, if there is a need to do so with regard to the listed shares to be issued by our company (hereinafter referred to as the "Company") according to the trends of market prices.
2. While the financial instruments exchanges that establish the financial instruments exchange markets on which the stabilizing transactions are to be effected in the case above are the XXX, XXX, ... and XXX Exchanges, among these, the financial instruments exchange that establishes the financial instruments exchange market on which the principal stabilizing transaction is to be effected is the XXX Exchange.

(Notes) 1. When issuing "market value corporate bonds with share options," the term "listed shares" is to be replaced with "listed shares or market value corporate bonds with share options."
2. If the stabilizing transaction is to be effected on one financial instruments exchange market, it is sufficient to state "The financial instruments exchange that establishes the financial instruments exchange market on which the stabilizing transaction is to be effected in the case above is the XXX Exchange."

(Statement of Matters Concerning Stabilization in the Case of Conducting Transactions Equivalent to Stabilization in an Area Outside Japan)

5-5 The statement of matters concerning stabilization under Instructions on Preparation (8) of Form 7 of the Cabinet Office Order on Disclosure is to be basically as follows.

Matters Concerning Stabilization

1. Transactions equivalent to the stabilizing transactions prescribed in Article 20, paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act may be effected in line with this public offering, if there is a need to do so with regard to the listed shares to be issued by the Company according to the trends of market prices.
2. While the financial instruments exchanges that establish the financial instruments exchange markets on which the transactions equivalent to stabilizing transactions are to be effected in the case above are the XXX, XXX, ... and XXX Exchanges, among these, the financial instruments exchange that establishes the financial instruments exchange market on which the principal transaction equivalent to a stabilizing transaction is to be effected is the XXX Exchange.

(Notes) 1. When issuing "market value corporate bonds with share options," the term "listed shares" is to be replaced with "listed shares or market value corporate bonds with share options."

2. If the transaction equivalent to stabilizing transaction is to be effected on one financial instruments exchange market, it is sufficient to state "The financial instruments exchange that establishes the financial instruments exchange market on which the transaction equivalent to a stabilizing transaction is to be effected in the case above is the XXX Exchange."

(Statement of the Items of the Form)

5-6 Even if there are no facts to be stated for an item of the form for a securities registration statement, such as for "Important contracts, etc. for business management," the item should not be omitted, and it should be stated that no applicable facts exist.

5-7 If a public offering or secondary distribution of securities (limited to share certificates, share option certificates, and corporate bond certificates with share options) is to be conducted by any of the methods set forth in Article 19, paragraph (2), item (i), (l), 1. through 3. of the Cabinet Office Order on Disclosure, it should be noted that, in the form for a securities registration statement, the relevant outlines are to be set down as notes in the margin of the page for the space of "Allotment to other persons" in Part I, Section 1-2, (1) "Method for public offering," the space of Part I, Section 1-4, (1) "Conditions for public offering," or the space of Part I, Section 1-5 "Matters related to corporate bonds with share options."

5-7-2 When stating matters in the space of "Nature of the corporate bond certificates, etc. with share options subject to exercise value change" in the form for a securities registration statement, the following matters are to be stated in an easy to understand and concise manner.
Meanwhile, in the case of share certificates, etc. with put option that are deemed to be corporate bond certificates, etc. with share options subject to exercise value change based on Article 19, paragraph (9) of the Cabinet Office Order on Disclosure, the content of the share certificates, etc. with put option and the content of the derivatives transactions or other transactions prescribed in that paragraph are to be stated, collectively deeming them to be the content of the share certificates, etc. with put option.

(i) If, due to a fall in share prices (including an average price calculated by using the share prices or any equivalent thereto; the same applies hereinafter), the number of share certificates to be underwritten or acquired by the exercise of rights indicated on the corporate bond certificates, etc. with share options subject to exercise value change (hereinafter referred to as the "number of shares allotted") increases or the amount of funds procured through the corporate bond certificates, etc. with share options subject to exercise value change (hereinafter referred to as the "amount of fund procured") decreases, such fact.

(ii) The basis for a change (limited to that based on share prices) in the number of shares allotted or the value of the monies and any other property to be paid on exercise of rights indicated on the corporate bond certificates, etc. with share options subject to exercise value change (hereinafter referred to as the "exercise value, etc.") and the frequency of change.

(iii) The minimum exercise value, etc., the maximum number of shares allotted (including the percentage to the total number of issued shares), and the minimum amount of the procured funds (if the corporate bond certificates, etc. with share options subject to exercise value change are share option certificates, the minimum amount of the procured funds when exercising all share options attached to the share option certificates, and the possibility that the share options may not be exercised), and if these matters have not been fixed, such fact and the reason therefor.

(iv) The presence or absence of a clause allowing advanced redemption of the entire amount of or acquisition of all of the corporate bond certificates, etc. with share options subject to exercise value change based on the decision of the reporting company.

In this case, it should be noted that (i) through (iv) must be stated even if all or part of them are stated in other parts of the securities registration statement.

5·7·3 The provisions of 5·7·2 apply mutatis mutandis to the case of stating the nature of corporate bond certificates, etc. with share options subject to exercise
value change in the space of "Description" of "Shares to be newly issued," the space of "Description" of "Issued shares," or the space of "Status of share options, etc." in the form for a securities registration statement.

5-7-4 When stating the "reason for procuring funds by issuing the corporate bond certificates, etc. with share options subject to exercise value change" in the form of a securities registration statement, the particulars of consideration of fund procurement through issuance of corporate bond certificates, etc. with share options subject to exercise value change (including whether or not fund procurements through other methods were considered, and the content thereof), how a current or future increase in the total number of issued shares would affect the shareholders of the reporting company, and advantages and disadvantages of the fund procurement through issuance of the corporate bond certificates, etc. with share options subject to exercise value change for the shareholders of the reporting company (including comparison with fund procurements through other methods) should be stated in an easy to understand and specific manner.

5-7-5 The provisions of 5-7-4 apply mutatis mutandis to the case of stating matters equivalent to the "reason for procuring funds by issuing the corporate bond certificates, etc. with share options subject to exercise value change" in the space of "Securities for secondary distribution" or "Shares for secondary distribution" in the form for a securities registration statement.

5-8 When stating matters in the space of "Period for subscription," it is allowable to state a certain period for subscription, and set down in the notes that the period will be changed within a certain period (roughly within one week). Meanwhile, when stating matters in the space of "Payment date" and other items, it is allowable to set down in the notes that the payment date, etc. will be changed in line with the change of the period for subscription.

It should be noted that the period to be stated in the space of "Period for subscription" includes the case where the period is a single day.

(Space of "Payment Date" in the Case of Issuing Share Certificates)
5-8-2 In the case of issuing a share certificate, the period prescribed in Article 199, paragraph (1), item (iv) of the Companies Act may be stated in the space of "Payment date."

(Statement of the Purpose of Use of Funds)
5-8-3 In the space of "Purpose of use of proceeds," the purpose of use is to be stated in detail according to the circumstances of individual cases. For example, if the ultimate use has been decided in addition to the direct use, such as where the direct use is deposits, but the ultimate use is equipment funds, both uses should be stated.

5-9 When stating matters in the space of "Special financial agreement" pursuant to Instructions on Preparation (13)k of Form 2 of the Cabinet Office Order on Disclosure, the statement is to be basically as follows.

(i) In the space of "Restriction on provision of collaterals," the following types of clauses should be stated, if any. However, if there are no clauses of the following types, "No relevant clauses (therefore, these bond certificates may be subordinated to all other claims)" should be stated.

"If the Company creates security interests for other obligations, it is to create security interests also for these corporate bonds based on the Secured Bond Trust Act. If the Company violates this provision, it will forfeit the benefit of time with regard to these corporate bonds."

"If the Company creates security interests for other obligations, it is to create security interests also for these corporate bonds based on the Secured Bond Trust Act (however, this does not apply in the following cases). If the Company violates this provision, it will forfeit the benefit of time with regard to these corporate bonds."

(Note) The content of "the following cases" should be specifically stated, such as "the case where the total amount of obligations for which the Company has created security interests does not exceed XX% of the amount of net assets shown on the Company's balance sheet for the latest accounting period" or "the case where the creation of security interests is obligated without exception under the provisions of laws and regulations."

"If the Company creates security interests for the Company's other corporate bonds, it is to create security interests also for these corporate bonds based on the Secured Bond Trust Act (therefore, these corporate bond certificates may be subordinated to claims other than corporate bond certificates). If the Company violates this provision, it will forfeit the benefit of time with regard to these corporate bonds."

(ii) In the space of "Other clauses," the following types of clauses concerning a special financial agreement, such as a covenant on maintenance of net assets, a covenant
on maintenance of profit, and a covenant on conversion into secured bonds, should be stated, if the Company has any. If there is another type of special financial agreement that differs from the following types, the entire content of the agreement is to be stated in detail. However, if none of these clauses exist, "No relevant clauses" should be stated.

"If the amount of net assets shown on the Company's balance sheet for the accounting period is less than XX hundred million yen (XX% of the amount of net assets for the period immediately preceding the issuance), the Company will forfeit the benefit of time with regard to these corporate bonds (immediately or after a certain correction period has passed)."

"If the amount of ordinary profit and loss shown on the Company's profit and loss statement for the accounting period presents a loss for XX consecutive periods, the Company will forfeit the benefit of time with regard to these corporate bonds (immediately or after a certain correction period has passed)."

"If the Company creates (immediately or after a certain correction period has passed) security interests which the bond administrator finds appropriate, based on the Secured Bond Trust Act, for preservation of these corporate bonds, the clause of XX from among the special financial agreements will not apply."

(Misleading Statement)

5-10 When making a statement on the "photographs or drawings of factories and products and any matters to be specifically contained in the prospectus" prescribed in Instructions on Preparation (24) of Form 2 of the Cabinet Office Order on Disclosure, it should be noted that easy to understand expressions or notations should be used so as to help investors easily understand the content, and that the following types of statements, for example, that are misleading as a material for making investment decisions should not be used.

(i) A statement that advertises the company (e.g., the Company is one of the best XX manufacturers in the world, having a unique presence in the XX industry)

(ii) A statement in which the explanation attached to a photograph uses a subjective expression (e.g., our product, XX, is the most spotlighted product in the world due to its features including high versatility)

(iii) A statement of figures with an unclear basis (e.g., operating income from our core product XX for [Month] marked a X% increase over the same month of the previous year)
5-11 When stating matters in the space of "Transition of the share price, the price-earnings ratio (hereinafter referred to as 'PER' in 5-11), and the stock trading volume" and "Status of submission of documents under Article 27-23, paragraph (1), and Article 27-25, paragraphs (1) and (3) of the Act (hereinafter referred to as a 'statement of large-volume holdings, etc.')" pursuant to the provisions of Instructions on Preparation (24) of Form 2 of the Cabinet Office Order on Disclosure, the statement is to be as follows.

(i) "Transition of share prices, the PER, and the stock trading volume"

In principle, the share price (weekly), the PER (based on the weekend share price), and the stock trading volume (weekly) for the period from Monday of the week containing the same day three years before the submission date of the securities registration statement to the weekend two weeks before the submission date of the statement are to be indicated in graphs. However, if it is possible to state these figures for the period to the weekend before the submission date, those figures should be indicated.

The PER is to be obtained by dividing the weekend closing share price (if there is no closing price on that day, the most recent closing price before that day) by the net income or net loss for the period per share. The net income or net loss for the period per share to be used is the figure stated in the most recent annual securities report, in principle, but for the period from the day following the day of announcement of the settlement results to the submission date of the annual securities report, the figure shown in the financial statements before audit certification, included in the announced settlement results, is to be used.

(ii) "Status of submission of a statement of large-volume holdings, etc."

The status of submission of statements of large-volume holdings, etc. concerning the company's own shares for the period from the same day six months before the submission date of the securities registration statement to the latest date from the submission date of the statement is to be stated.

5-12 When stating the transition of major management indicators, etc. for the most recent five consolidated fiscal years pursuant to the provisions of Instructions on Preparation (25)a of Form 2 of the Cabinet Office Order on Disclosure, the indicators are to be stated for the consolidated fiscal years for which consolidated financial statements have been prepared. Meanwhile, when stating the indicators reported in consolidated cash flow statements or cash flow statements pursuant to the provisions of Instructions on Preparation (25)a and b of that form, they are to be stated for the consolidated fiscal years or business years for which consolidated cash flow statements or cash flow
statements have been prepared. The same applies to the statement of "Transition of major management indicators, etc." in Forms 2-4 through 2-7 of the Cabinet Office Order on Disclosure. However, it should be noted that "Integrated financial information" in Form 2-6 must be stated according to the Instructions on Preparation of that form.

5-12-2 When having performed the retrospective application prescribed in Article 2, item (xliii) of the Regulation on Consolidated Financial Statements and Article 8, paragraph (51) of the Regulation on Financial Statements, the reclassification of consolidated financial statements prescribed in Article 2, item (xlv) of the Regulation on Consolidated Financial Statements and the reclassification of financial statements prescribed in Article 8, paragraph (52) of the Regulation on Financial Statements, the restatement prescribed in Article 2, item (xliv) of the Regulation on Consolidated Financial Statements and Article 2, paragraph (53) of the Regulation on Financial Statements, or the determination of the provisional accounting process pertaining to the business combination prescribed in Article 8, paragraph (27) of the Regulation on Financial Statements (hereinafter referred to as "retrospective application, etc." in 5-12-2), it should be noted that in stating the transition of major management indicators, etc. for the most recent five consolidated fiscal years and for the most recent five business years under the provisions of Instructions on Preparation (25) of Form 2 of the Cabinet Office Order on Disclosure, the content of the retrospective application, etc. must be reflected in the major management indicators, etc. for the consolidated fiscal year immediately preceding the most recent consolidated fiscal year and for the business year immediately preceding the most recent business year (from among the matters to be stated in Form 2 of the Cabinet Office Order on Disclosure, including information related to these major management indicators; hereinafter the same applies in 5-12-2). Meanwhile, it should be noted that it is possible to reflect the content of the retrospective application, etc. in the major management indicators, etc. for the consolidated fiscal year preceding that immediately preceding consolidated fiscal year and the business year preceding that immediately preceding business year.

However, when having reflected the content of the retrospective application, etc., such fact must be set down in the notes.

The same applies to the statement of "Transition of major management indicators, etc." in Forms 2-4 through 2-7 of the Cabinet Office Order on Disclosure.
5-13 When stating matters in the space of "Financial instruments exchange on which reporting company's shares are listed" for issued shares in the form for a securities registration statement, it should be noted that financial instruments exchanges in areas outside Japan are also included.

5-14 From the viewpoint of making the content easy to understand for investors, if there are any same or overlapping parts, a statement may be made to refer to the other same or overlapping part, unless it is a part that is more appropriate to be stated without omission.

5-15 With regard to treatment in the case of transferring shares to an officer/employee shareholding association, the officer/employee shareholding association may be treated as one shareholder if the following conditions are generally met.

(i) It is registered in the shareholder register under the name of "shareholding association."
(ii) The voting right is exercised by the "shareholding association."
(iii) It employs a system whereby the "shareholding association" pools and invests cash dividends.

5-16 When stating the "shares with restricted voting rights (treasury shares, etc.)" prescribed in Instructions on Preparation (45)c of Form 2 of the Cabinet Office Order on Disclosure and the "shares with voting rights (treasury shares, etc.)" prescribed in Instructions on Preparation (45)e of that form, it should be noted that the determination as to whether shares are treasury shares, etc. should not be made formally based on the name in the shareholder register, but should be made substantially according to the actual state of ownership.

5-17 When determining whether or not a contract is categorized as the "Other important contracts, etc. for business management" prescribed in Instructions on Preparation (33)a of Form 2 of the Cabinet Office Order on Disclosure, it should be particularly noted whether any of the following points applies.

(i) Conclusion of the contract corresponds to any of the matters to be resolved by the board of directors prescribed in Article 362, paragraph (4) of the Companies Act.
(ii) Conclusion of the contract substantially increases the company's dependence on the counterparty to the contract (e.g., a comprehensive
contract concerning the supply of raw materials or sale of products or a sole distribution/sole purchase contract).

(iii) The company receives a considerable business restraint from the counterparty to the contract (e.g., a franchise contract involving restriction of the area of operation or a licensing contract).

(iv) Conclusion of the contract is categorized as management or disposition (transfer, acquisition, lease, etc.) of important assets (e.g., involving transfer (acquisition) of important fixed assets or a large amount of contribution or debt burden (e.g., a large-scale joint venture contract)).

5-18 When stating the "location" prescribed in Instructions on Preparation (36)a of Form 2 of the Cabinet Office Order on Disclosure, it should be noted that the location up to the municipality level will suffice.

5-19 It should be noted that the "equipment (including those leased)" and "leased equipment" prescribed in Instructions on Preparation (36)b and c of Form 2 of the Cabinet Office Order on Disclosure include leased assets.

5-19-2 It should be noted that the "interests in the reporting company, such as personal relationships, capital relationships, or business relationships" prescribed in Instructions on Preparation (56)a(c) of Form 2 of the Cabinet Office Order on Disclosure includes personal relationships, capital relationships, or business relationships between another company, etc. and the reporting company where any outside director or outside company auditor of the reporting company is or was an officer or employee of that other company.

5-19-3 When stating the "interests in the reporting company, such as personal relationships, capital relationships, or business relationships" prescribed in Instructions on Preparation (56)a(c) of Form 2 of the Cabinet Office Order on Disclosure, it should be noted that reference may be made to the matters concerning independence of outside officers which a financial instruments exchange in Japan requires the issuer of securities listed on the exchange to disclose.

5-20 The "special efforts" prescribed in Instructions on Preparation (58)e of Form 2 of the Cabinet Office Order on Disclosure means, for example, the following efforts.

(i) Development of a system for appropriately identifying the content of accounting standards, etc. or precisely responding to any changes, etc. to
accounting standards, etc. (joining an organization or group that engages in the transmission of opinions on, dissemination of, and communication concerning the content of accounting standards or any changes, etc. thereto (e.g., the Financial Accounting Standards Foundation), or participating in training provided by accounting standards-setting entities, etc.)

(ii) Creation of internal rules, manuals, guidelines, etc. for preparing appropriate financial statements, etc. based on designated international accounting standards or Japan's modified international standards and establishment of an internal organization for this purpose (e.g., an information management committee or a specially established task force)

5-21 When having changed the units for presenting monetary amounts in the financial statements, consolidated financial statements, quarterly consolidated financial statements or quarterly financial statements, interim financial statements and interim consolidated financial statements, or financial documents stated in a securities registration statement, the content of the change is to be stated at the beginning of "Company's accounting" in the securities registration statement for the relevant business year.

(Notes in the Case of Having Performed Retrospective Application, etc. for Quarterly Information)

5-21-2 If having performed the retrospective application prescribed in Article 2, item (xliv) of the Regulation on Quarterly Consolidated Financial Statements or Article 3, item (xxxix) of the Regulation on Quarterly Financial Statements, the restatement prescribed in Article 2, item (xlv) of the Regulation on Quarterly Consolidated Financial Statements or Article 3, item (xl) of the Regulation on Quarterly Financial Statements, or the determination of the provisional accounting process pertaining to the business combination prescribed in Article 2, (xxiii) of the Regulation on Quarterly Consolidated Financial Statements or Article 3, item (xviii) of the Regulation on Quarterly Financial Statements in any cumulative quarterly consolidated accounting period after the first cumulative quarterly consolidated accounting period of the most recent consolidated fiscal year or any cumulative quarterly accounting period after the first cumulative quarterly accounting period of the most recent business year, such fact must be set down in the notes when stating the amounts of the items set forth in Instructions on Preparation (65)c(a) through (g) of Form 2 of the Cabinet Office Order on Disclosure and the items set forth in c(d) as prescribed in Instructions on Preparation (65)d of that form for each quarterly consolidated accounting period of the most recent consolidated fiscal
year and for the most recent consolidated fiscal year under Instructions on Preparation (65)c and d of that form, or the amounts of the items set forth in Instructions on Preparation (73)d(a) through (g) of that form and the items set forth in d(d) as prescribed in Instructions on Preparation (73)e of that form for each quarterly consolidated accounting period of the most recent business year and for the most recent business year under Instructions on Preparation (73)d and e of that form.

5-22 If a company whose purpose under its articles of incorporation is to conduct a business concerning purchase and sale of real property owns land as inventory assets, it must state, in the "major breakdown" prescribed in Instructions on Preparation (72)c of Form 2 of the Cabinet Office Order on Disclosure, the amounts and areas of the land for the respective account titles set forth in the balance sheet, and also state their major breakdown by an appropriate method, such as by region.

(Statement of Documents for Public Inspection)

5-22-2 When stating matters in response to "if any document referred to in the items of Article 25, paragraph (1) of the Act is submitted, state the name and date of submission of the document" prescribed in Instructions on Preparation (76)a of Form 2 of the Cabinet Office Order on Disclosure, it should be noted that the documents are limited to those for which the periods for public inspection of documents set forth in the items of Article 25, paragraph (1) of the Act for the respective categories of documents set forth in those items have not passed as of the submission date of the securities registration statement (this applies mutatis mutandis to the handling concerning Form 2-4, Form 2-5, Form 2-6, Form 2-7, Form 7, and Form 7-4).

5-23 When making a notification of exchangeable bond certificates, it should be noted that the issuing company of the shares into which the bonds may be exchanged corresponds to the "companies other than a guarantor company which are judged to have a material impact on investment decisions" prescribed in Instructions on Preparation (80) of Form 2 of the Cabinet Office Order on Disclosure, and a statement such as the following should basically be stated for the "Reason for necessity of disclosure of information on the company."

"The exchangeable bond certificates (the total face value of XX hundred million yen; the total issue value of XX hundred million yen) issued on [Date] will be redeemed for common shares issued by Company XX under the conditions of XX, so the corporate information of Company XX is stated below."

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(Case Where the Redemption Is Found to Be Paid from Repaid Money)

5-23-2 When intending to accommodate the proceeds from new issuance to another specific company, etc. mainly by way of contribution or loan, etc. to the other company, etc., it should be noted that the other company may correspond to the "companies other than a guarantor company which are judged to have a material impact on investment decisions" prescribed in Instructions on Preparation (80) of Form 2 of the Cabinet Office Order on Disclosure in light the business conditions of the issuer or the other company, etc., and a statement such as the following, for example, should be stated for the "Reason for necessity of disclosure of information on the company."

"The corporate bond certificates (the total face value of XX hundred million yen; the total issue value of XX hundred million yen) issued on [Date] will be redeemed by using the repaid money of the funds lent to Company XX under the conditions of XX, and corporate information such as the financial position, operating results, and cash flow status of Company XX is considered to be a material particular for making investment decisions, so information on Company XX is stated below."

(Handling of Incorporated Documents)

5-24 It is permissible not to insert the attached documents of the most recent annual securities report to a securities registration statement prepared using Form 2-2 or Form 7-2 of the Cabinet Office Order on Disclosure. However, it should be noted that, if the articles of incorporation is not inserted in the securities registration statement, it is to be attached to the securities registration statement.

(Supplementary Information)

5-25 When stating the "Acquisition status, etc. of the treasury shares" prescribed in Instructions on Preparation (2)g of Form 2-2 of the Cabinet Office Order on Disclosure in accordance with the matters to be stated in a share buyback report under Article 24-6, paragraph (1) of the Act, the following matters should be noted.

(i) The "reporting month" prescribed in Instructions on Preparation 1 of Form 17 of the Cabinet Office Order on Disclosure is the period from the day of conclusion of the shareholders meeting in which the resolution was made to the most recent day from the submission date of the securities registration statement.

(ii) The space of "cumulative acquired treasury shares as of the end of the
reporting month" in that form is to be omitted.

(iii) In the space of "Progress status of treasury share acquisition" prescribed in Instructions on Preparation 2(3) of that form, the percentages calculated by dividing the total number and value of shares indicated in the space of "Treasury shares acquired in the reporting month" by the total number and value of shares indicated in the space of "Status of resolution at the shareholders meeting" are to be stated.

However, if the acquisition of treasury shares resolved at the shareholders meeting is not conducted after the submission of the share buyback report and by the submission date of the securities registration statement, and there is no change in the status of processing of the acquired treasury shares, such fact and the content of the most recently submitted share buyback report may be stated.

(Statement of "Business-related risks, etc." in Supplementary Information or Reference Information)

5-25-2 When stating any change to or grounds for "Business, etc.-related risks" prescribed in Instructions on Preparation (2)c of Form 2-2 of the Cabinet Office Order on Disclosure or Instructions on Preparation (2)c of Form 2-3 of the Cabinet Office Order on Disclosure, matters stated in an annual securities report (including a quarterly securities report and a semiannual securities report) may be stated again. In that case, however, such fact needs to be set down in the notes.

(Continuous Disclosure for One Year)

5-26 The person continuously submitting annual securities reports for one year prescribed in Article 9-3, paragraph (1) or Article 9-4, paragraph (2) of the Cabinet Office Order on Disclosure is a person that falls under either of the following and that has appropriately performed the obligation of continuous disclosure from the same day one year before the submission date of the securities registration statement (hereinafter referred to as the "same day one year earlier" in 5-26) until the submission date of the securities registration statement.

(i) A person that submitted an annual securities report on the same day one year earlier.

(ii) A person that has not submitted an annual securities report before the same day one year earlier, due to falling under Article 16-2 of the Cabinet Office Order on Disclosure, but after that, submitted the annual securities report by the submission date of the securities registration statement.
(Special Provisions on Continuous Disclosure)

5-27 A person that has submitted annual securities reports continuously for the period specified in Article 9-3, paragraph (3) of the Cabinet Office Order on Disclosure under that paragraph or a person that has submitted annual securities reports continuously for the period specified in Article 9-4, paragraph (4) of the Cabinet Office Order on Disclosure under that paragraph is a wholly owning parent company incorporated in a share transfer that was newly incorporated through the share transfer prescribed in Article 9-3, paragraph (3) of the Cabinet Office Order on Disclosure, where any wholly owned subsidiary companies resulting from a share transfer of the company which had satisfied all of the requirements under the items of Article 5, paragraph (4) of the Act on the day immediately preceding the date of the share transfer (hereinafter referred to as "eligible wholly owned subsidiary companies resulting from a share transfer") satisfy the following requirements, and the company and all of its eligible wholly owned subsidiary companies resulting from a share transfer had appropriately performed the obligation of continuous disclosure from the submission date of the most recent annual securities report of the eligible wholly owned subsidiary companies resulting from a share transfer that was submitted before the date of the share transfer (if there are two or more eligible wholly owned subsidiary companies resulting from a share transfer, the earliest submission date) until the submission date of the securities registration statement.

(i) The number of the eligible wholly owned subsidiary companies resulting from a share transfer as of the day immediately preceding the date of the share transfer is two-thirds or more of all of the company's wholly owned subsidiary companies resulting from a share transfer.

(ii) The total number of shareholders of the eligible wholly owned subsidiary companies resulting from a share transfer as of the day immediately preceding the date of the share transfer is two-thirds or more of the total number of shareholders of all of the company's wholly owned subsidiary companies resulting from a share transfer.

(Special Provisions on Eligible Wholly Owned Subsidiary Companies)

5-28 It should be noted that, if, in line with the share transfer, securities which are issued by a company that becomes a wholly owned subsidiary company resulting from a share transfer through the share transfer prescribed in Article 9-3, paragraph (3) of the Cabinet Office Order on Disclosure and had been listed on a financial instruments exchange or registered with an authorized financial
instruments firms association as over-the-counter traded securities are delisted from the financial instruments exchange or their registration with the authorized financial instruments firms association is rescinded before the date of the share transfer, the provisions of that paragraph or Article 9-4, paragraph (4) of the Cabinet Office Order on Disclosure apply by deeming that the securities were listed on the financial instruments exchange or registered with the authorized financial instruments firms association on the day immediately preceding the date of the share transfer.

5-29 The "market capitalization" on the calculation base date prescribed in Article 9-4, paragraph (5), item (i), (a) through (d) of the Cabinet Office Order on Disclosure, the same day of the year immediately preceding the year containing that date, or the same day two years before the year containing the calculation base date is to be the amount calculated based on the closing price of each relevant day. In this case, the closing price of listed shares is to be that of the market price on a single major financial instruments exchange in Japan.

5-30 The "document" prescribed in Article 10, paragraph (1), item (iii), (c) of the Cabinet Office Order on Disclosure is to be prepared using basically Form 5-1 in the case of a listed company, using a form equivalent to Form 5-1 in the case of an over-the-counter company, and using basically Form 5-2 in the case of any other company.

(Form 5-1)

<table>
<thead>
<tr>
<th>Document Proving Satisfaction of the Requirements for Eligibility to Use the &quot;Reference Method&quot;</th>
</tr>
</thead>
</table>
| Company name  
Title and name of the representative person  
Seal |

1. Our company (hereinafter referred to as the "Company") has submitted annual securities reports continuously for one year.
2. The share certificates issued by the Company are listed on the XX Exchange.
   (New listing date: [Date])
   (Note) This does not need to be stated if the new listing date is a day three years and six months before the submission date of the securities registration statement or earlier.
3. (State either of the following)

A. With regard to the issued share certificates of the Company, the amount obtained by dividing the total trading value on the financial instruments market within X years prior to the calculation base date ([Date]) by X is ten billion yen or more, and the average market capitalization of the listed shares for X years (or at the base time) is ten billion yen or more.

(1) The amount obtained by dividing the total trading value by X:    yen
(2) Average market capitalization of the listed shares for X years (or at the base time):    yen

B. With regard to the issued share certificates of the Company, the average market capitalization of the listed shares for X years (or at the base time) is 25 billion yen or more.    yen

(Reference)

(Market capitalization of the listed shares as of [Date])
- Closing price on the Exchange  yen × total number of issued shares
  shares =    yen

(Market capitalization of the listed shares as of [Date])
- Closing price on the Exchange  yen × total number of issued shares
  shares =    yen

(Market capitalization of the listed shares as of [Date])
- Closing price on the Exchange  yen × total number of issued shares
  shares =    yen

C. The total amount of the face values of the corporate bond certificates or the total amount of the book-entry corporate bonds that, during the five-year period prior to the submission date of the securities registration statement ([Date]), the Company issued or were delivered by submitting a securities registration statement or shelf registration supplements pertaining to the public offering or secondary distribution thereof in Japan is 10 billion yen or more.

(Reference)

(Public offering on [Date])
  Total amount of face values or total amount of the book-entry corporate bonds:    yen

(Secondary distribution on [Date])
  Total amount of face values or total amount of the book-entry corporate bonds:    yen
  Sum total:    yen

D. The Company has already issued corporate bond certificates for which rights to receive preferential payment are guaranteed by laws and regulations (XXX).
Document Proving Satisfaction of the Requirements for Eligibility to Use the "Reference Method"

<table>
<thead>
<tr>
<th>Company name</th>
<th>Seal</th>
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Title and name of the representative person Seal

1. Our company (hereinafter referred to as the "Company") has submitted annual securities reports continuously for one year.

2. (State either of the following)

A. The total amount of the face values of the corporate bond certificates or the total amount of the book-entry corporate bonds that, during the five-year period prior to the submission date of the securities registration statement ([Date]), the Company issued or were delivered by submitting a securities registration statement or shelf registration supplements pertaining to the public offering or secondary distribution thereof in Japan is 10 billion yen or more.

   (Reference)
   
   (Public offering on [Date])
   
   Total amount of face values or total amount of the book-entry corporate bonds: ___ yen
   
   (Secondary distribution on [Date])
   
   Total amount of face values or total amount of the book-entry corporate bonds: ___ yen
   
   Sum total: ___ yen

B. The Company has issued share certificates listed on a designated foreign financial instruments exchange and the market capitalization at the base time of the share certificates on the calculation base date ([Date]) is 100 billion yen or more. ___ yen

   (Note) The "market capitalization at the base time" prescribed in Article 9-4, paragraph (5), item (iii) of the Cabinet Office Order on Disclosure is the amount calculated based on the closing price of the share certificates in terms of the market price on a single major designated foreign financial instruments exchange on the calculation base date.

5-31 The phrase "explaining accurately and concisely the outline of the contents
of business and the transition of the major management indicators, etc."
prescribed in Article 10, paragraph (1), item (iii) of the Cabinet Office Order on
Disclosure means, for example, the case where the matters prescribed in
Instructions on Preparation (25) of Form 2 of that Cabinet Office Order are
indicated.

5-32 When a person that has submitted a securities registration statement using
Form 2-3 or Form 7-3 of the Cabinet Office Order on Disclosure prepares a
prospectus or a temporary prospectus pertaining to the securities registration
statement, the person may state the content of the reference documents of the
securities registration statement about the person's corporate information. In
this case, however, the entire content of the documents must be stated.

5-33 The phrase "other material particulars concerning the public offering"
prescribed in Instructions on Preparation (2)b of Form 2-4 of the Cabinet Office
Order on Disclosure means the rules of the financial instruments exchange or
the authorized financial instruments firms association or the like concerning
measures such as cancellation of acceptance of the application for listing or
application for registration.

5-34 When stating the "persons that may not participate in the bidding"
prescribed in Instructions on Preparation (3)c and (8)c of Form 2-4 of the
Cabinet Office Order on Disclosure, the persons that may not participate in the
bidding prescribed in the rules of the financial instruments exchange or the
authorized financial instruments firms association or the like should be listed.

5-35 When stating the "persons that may not participate in the subscription
process" prescribed in Instructions on Preparation (4)c and (9)c of Form 2-4 of
the Cabinet Office Order on Disclosure, the persons that must not acquire
shares relating to a public offering or secondary distribution that does not
involve a bidding prescribed in the rules of the financial instruments exchange
or the authorized financial instruments firms association or the like should be
listed.

5-36 When stating the "respective figures calculated based on the provisions of
the Regulation on Accounting of Companies (Ministry of Justice Order No. 13
of 2006)" in the space of "Transition of major management indicators, etc." in
accordance with the provisions of Instructions on Preparation (11)b of Form 2-
4 of the Cabinet Office Order on Disclosure, it should be noted that, in order to
clearly show that the statements are based on different laws and regulations, the "transition of major management indicators, etc." must be divided into the part based on the Financial Instruments and Exchange Act and the part based on the Companies Act, and their respective tables presented side by side, instead of representing them in a single table.

5-37 Whether or not a person is the "special stakeholder, etc." prescribed in Instructions on Preparation (24) of Form 2-4 of the Cabinet Office Order on Disclosure is to be determined based on the time of transfer of shares, etc.

5-38 The phrase "the day two years before the last day of the most recent business year" prescribed in Instructions on Preparation (23), (24)a and (25)a(a) of Form 2-4 of the Cabinet Office Order on Disclosure means the day following the same day two years before the last day of the most recent business year," and the phrase "the day one year before the last day of the most recent business year" prescribed in Instructions on Preparation (25)c(a) and (b) of that form means the day following the same day one year before the most recent business year.

5-39 It should be noted that the "transfer of shares, etc." prescribed in Instructions on Preparation (24)b of Form 2-4 of the Cabinet Office Order on Disclosure includes universal succession of shares, etc. through inheritance or merger.

5-40 When stating the "basis for calculation of the share price per share" prescribed in Instructions on Preparation (24)h of Form 2-4 of the Cabinet Office Order on Disclosure, if the company has compared that price with the price calculated by the same comparable peer company analysis as the method for calculating the floor price when conducting a bidding, it should also state the comparison results.

5-41 When stating the "promise concerning the holding period, etc." prescribed in Instructions on Preparation (25)a(e) of Form 2-4 of the Cabinet Office Order on Disclosure, matters concerning the financial instruments business operator with which the share certificates, etc. are deposited (if the share certificates, etc. are not deposited, such fact), the holding period, etc. should be stated.

5-42 The phrase "the case of receiving return" prescribed in Instructions on Preparation (25)c(a) and (b) of Form 2-4 of the Cabinet Office Order on Disclosure means the case of receiving return of the deposited share certificates,
etc. from the financial instruments business operator with which the share certificates, etc. were deposited.

(Statement of the Overview of the Operating Results, etc.)

5-43 When the "overview of the operating results, etc." prescribed in Instructions on Preparation (16) or (21)b(a) through (d) of Form 2-4 of the Cabinet Office Order on Disclosure cannot be stated at the time of submission of the securities registration statement, it should be noted that the securities registration statement must be amended at the time of presenting the provisional conditions concerning the issue price, etc. to investors at the latest. In this case, such fact should be set down in the notes in advance in the initially submitted securities registration statement.

5-44 Whether or not the securities registration statement should be submitted to the Director-General of a Local Finance Bureau who has jurisdiction over the location of the head office of the company pursuant to Article 20, paragraph (1) of the Cabinet Office Order on Disclosure depends on whether or not the company is categorized as any of the companies set forth in the items of that paragraph on the date of submission of the documents.

Regarding Article 7 (Submission of Amended Statements) of the Act

7-1 The phrase "a material particular that is required to be stated in a statement or other document ... changes" prescribed in Article 7, paragraph (1) of the Act means, for example, falling under any of the following cases.

(i) A case where there is a change to "the number of issuance or the total face value."

(ii) A case where there is a change which is judged to have a material impact on investment decisions, such as a change to the "purpose of use of proceeds from new issuance," "business-related risks, etc.," "management's discussion and analysis of financial condition, results of operations and cash flow," or "plan of new installation, expansion, repair, disposal, or sale of important facilities and equipment."

7-2 In the case of submitting a securities registration statement without giving the issue price or other particulars in item (i) of Article 5, paragraph (1), item (i) of the Act that are specified by Cabinet Office Order (hereinafter referred to as the "issue price, etc." in 7-2) pursuant to the proviso to that paragraph, and submitting an amended statement in line with the decision on the issue price,
etc., if the issue price, etc. is announced pursuant to Article 15, paragraph (5) of the Act, such fact and the announcement method, etc. are to be stated in the space of "Issue price," etc. in the securities registration statement (including the amended statement).

7-3 The phrase "with regard to a material fact to be stated ..., the details of which could not be stated when submitting such documents, it has become possible for said material fact to be stated" prescribed in Article 11, item (i) of the Cabinet Office Order on Disclosure means, for example, falling under any of the following cases.

(i) A case where consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared, and the consolidated financial statements (including an outline thereof) have been announced.

(ii) A case where consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification.

(iii) A case where quarterly consolidated financial statements for a quarterly consolidated accounting period (meaning the quarterly consolidated accounting period prescribed in Article 1, item (xxii)-2 of the Cabinet Office Order on Disclosure; the same applies hereinafter) of the consolidated fiscal year following the most recent consolidated fiscal year have been prepared, and the quarterly consolidated accounting period (including an outline thereof) have been announced.

(iv) A case where quarterly consolidated financial statements for a quarterly consolidated accounting period of the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification.

(v) A case where interim consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared, and the interim consolidated financial statements (including an outline thereof) have been announced.

(vi) A case where interim consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification.

(vii) A case where the proposed settlement of accounts for the business year following the most recent business year has been approved by the board of directors.

(viii) A case where the balance sheet and profit and loss statement for the
business year following the most recent business year have become fixed pursuant to Article 439 of the Companies Act.

(ix) A case where the settlement of accounts for the business year following the most recent business year has been finalized and has received an audit certification.

(x) A case where quarterly financial statements for a quarterly accounting period (meaning the quarterly accounting period prescribed in Article 1, item (xxii)-4 of the Cabinet Office Order on Disclosure; the same applies hereinafter) of the business year following the most recent business year have been prepared, and the quarterly financial statements (including an outline thereof) have been announced.

(xi) A case where quarterly financial statements for a quarterly accounting period of the business year following the most recent business year have been prepared and have received an audit certification.

(xii) A case where interim financial statements for the business year following the most recent business year have been prepared, and the interim financial statements (including an outline thereof) have been announced.

(xiii) A case where interim financial statements for the business year following the most recent business year have been prepared and have received an audit certification.

(xiv) A case where an important pending lawsuit has been settled.

(xv) A case where a document of the same type as those that are stated or should be stated in "Information on guarantor company, etc. of reporting company" has been newly submitted (however, if the company is not a continuous disclosure company, a case where the document has been newly prepared).

(xvi) A case where the acquisition of treasury shares set forth in Article 155 of the Companies Act has been made.

In the case referred to in (xvi), however, submission of an amended statement is only required if the securities registration statement or its attached documents are related to a public offering or secondary distribution of share certificates, share option certificate, or corporate bond certificates with share options.

(xvii) A case where an agreement on the "derivatives transactions or other transactions" prescribed in Article 19, paragraph (9) of the Cabinet Office Order on Disclosure or the "agreement" prescribed in paragraph (2), item (i), (i), 4. or 5. of that Article has been concluded (including a case where securities that were not categorized as corporate bond certificates, etc. with share options subject to exercise value change have come to be deemed as corporate bond certificates, etc. with share options subject to exercise value change as a result of conclusion of the agreement) or a case where the
company has come to know that there is the "agreement" prescribed in (i), 6. of that item.

7-4 The phrase "with regard to a material fact to be contained ..., the details of which could not be stated when submitting the relevant documents, it has become possible for said material fact to be stated" prescribed in Article 10, paragraph (1), item (iii), (e), 1., Article 14-4, paragraph (1), item (i), (c), 1., Article 14-12, paragraph (1), item (i), (c), 1., or Article 14-13, paragraph (1), item (i), (f), 1. or item (iii), (a), 1. of the Cabinet Office Order on Disclosure means, for example, falling under any of the cases set forth in (i) through (xiv) and (xvi) of 7-3.

Meanwhile, in any of the cases set forth in (i), (iii), (v), (vii), (viii), (x), or (xii) of 7-3, if the company has not prepared the consolidated financial statements, quarterly consolidated financial statements, interim consolidated financial statements, financial statements, quarterly financial statements, or interim financial statements under the Act (referred to as the "consolidated financial statements, etc." in 7-12, 8-4, and 10-1), and it has not become possible to state their details, the company may submit the announced consolidated financial statements, quarterly consolidated financial statements, interim consolidated financial statements, or documents such as a balance sheet or a profit and loss statement prescribed in Article 435, paragraph (2) of the Companies Act as attached documents.

7-5 It should be noted that, in the case where the indication in formula is used, if the minimum issue price has been decided, an amended statement should be submitted promptly.

7-6 The phrase "that a material fact concerning the matters to be stated ... has occurred" prescribed in Article 10, paragraph (1), item (iii), (e), 2., Article 11, item (ii), Article 14-4, paragraph (1), item (i), (c), 2., Article 14-12, paragraph (1), item (i), (c), 2., or Article 14-13, paragraph (1), item (i), (f), 2. or item (iii), (a), 2. of the Cabinet Office Order on Disclosure means, for example, that there has been a change to the parent company or a specified subsidiary company of the reporting company or a change, etc. to the representative director of the reporting company, or a serious disaster has occurred with regard to the reporting company or its consolidated subsidiary company, an important lawsuit has been filed, a company merger has been effected, a transfer or acceptance of transfer of important business has been implemented, or a large amount of uncollectible claims have accrued.
7-7 It should be noted that, if any of the following circumstances, for example, occur after a notification under Article 4, paragraph (1), (2), or (3) of the Act becomes effective and before the offer is firm, an amended statement should be voluntarily submitted pursuant to the second sentence of Article 7, paragraph (1) of the Act.

However, this does not apply in the "if a public offering or secondary distribution of securities will be made for the shareholders that have been stated or recorded in the shareholder register as of a certain date" prescribed in Article 4, paragraph (4) of the Act and where there are unavoidable circumstances.

(i) A case where there is a change which is judged to have a material impact on investment decisions, with regard to the "purpose of use of proceeds from new issuance," "business-related risks, etc.," "management’s discussion and analysis of financial condition, results of operations and cash flow," or "plan of new installation, expansion, repair, disposal, or sale of important facilities and equipment," etc.

(ii) A case where consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared, and the consolidated financial statements (including an outline thereof) have been announced (excluding the case where the notification has been made with regard to a public offering of share option certificates (limited to that conducted through the allotment of share options without contribution prescribed in Article 277 of the Companies Act; hereinafter referred to as the "rights offering"), and where the scheduled date of the announcement and the fact that an annual securities report containing the consolidated financial statements for the relevant consolidated fiscal year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(iii) A case where consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that an annual securities report containing the consolidated financial statements for the relevant consolidated fiscal year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(iv) A case where quarterly consolidated financial statements for a quarterly consolidated accounting period of the consolidated fiscal year following the
most recent consolidated fiscal year have been prepared, and the quarterly consolidated accounting period (including an outline thereof) have been announced (excluding the case where the notification has been made with regard to a rights offering, and where the scheduled date of the announcement and the fact that a quarterly securities report containing the quarterly consolidated financial statements for the relevant quarterly consolidated accounting period will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(v) A case where quarterly consolidated financial statements for a quarterly consolidated accounting period of the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that a quarterly securities report containing the quarterly consolidated financial statements for the relevant quarterly consolidated accounting period will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(vi) A case where interim consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared, and the interim consolidated financial statements (including an outline thereof) have been announced (excluding the case where the notification has been made with regard to a rights offering, and where the scheduled date of the announcement and the fact that a semiannual securities report or quarterly securities report containing the interim consolidated financial statements for the relevant consolidated fiscal year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(vii) A case where interim consolidated financial statements for the consolidated fiscal year following the most recent consolidated fiscal year have been prepared and have received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that a semiannual securities report or quarterly securities report containing the interim consolidated financial statements for the relevant consolidated fiscal year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(viii) A case where the proposed settlement of accounts for the business year following the most recent business year has been approved by the board of
directors (excluding the case where the notification has been made with regard to a rights offering, and where the fact that an annual securities report containing the details of the settlement of accounts for the relevant business year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(ix) A case where the balance sheet and profit and loss statement for the business year following the most recent business year have become fixed pursuant to Article 439 of the Companies Act (excluding the case where the notification has been made with regard to a rights offering, and where the fact that an annual securities report containing the balance sheet and profit and loss statement for the relevant business year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(x) A case where the settlement of accounts for the business year following the most recent business year has been finalized and has received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that an annual securities report containing the details of the settlement of accounts will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(xi) A case where quarterly financial statements for a quarterly accounting period (meaning the quarterly accounting period prescribed in Article 1, item (xxii)-4 of the Cabinet Office Order on Disclosure; the same applies hereinafter) of the business year following the most recent business year have been prepared, and the quarterly financial statements (including an outline thereof) have been announced (excluding the case where the notification has been made with regard to a rights offering, and where the scheduled date of the announcement and the fact that a quarterly securities report containing the quarterly financial statements for the relevant quarterly accounting period will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(xii) A case where quarterly financial statements for a quarterly accounting period of the business year following the most recent business year have been prepared and have received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that a quarterly securities report containing the quarterly financial statements for the relevant quarterly accounting period will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).
(xiii) A case where interim financial statements for the business year following the most recent business year have been prepared, and the interim financial statements (including an outline thereof) have been announced (excluding the case where the notification has been made with regard to a rights offering, and where the scheduled date of the announcement and the fact that a semiannual securities report or quarterly securities report containing the interim financial statements for the relevant business year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(xiv) A case where interim financial statements for the business year following the most recent business year have been prepared and have received an audit certification (excluding the case where the notification has been made with regard to a rights offering, and where the fact that a semiannual securities report or quarterly securities report containing the interim financial statements for the relevant business year will be submitted as well as the scheduled date of the submission are stated in the securities registration statement relating to the notification).

(xv) A case where an important pending lawsuit has been settled.

(xvi) A case where there has been a change to the parent company or a specified subsidiary company of the reporting company, a change to major shareholders of the reporting company, or a change, etc. to the representative director of the reporting company, or a serious disaster has occurred with regard to the reporting company or its consolidated subsidiary company, an important lawsuit has been filed, a company merger has been effected, a share exchange or share transfer has been implemented, a transfer or acceptance of transfer of important business has been implemented, or a large amount of uncollectible claims have accrued.

(xvii) A case where the "Company's accounting" stated in the securities registration statement has come to fall under any of the items of Instructions on Preparation (73) of Form 2 of the Cabinet Office Order on Disclosure.

(xviii) A case where a document of the same type as those that are stated or should be stated in "Information on guarantor company, etc. of reporting company" has been newly submitted (however, if the company is not a continuous disclosure company, a case where the document has been newly prepared).

(xix) A case where an agreement on the "derivatives transactions or other transactions" prescribed in Article 19, paragraph (9) of the Cabinet Office Order on Disclosure or the "agreement" prescribed in paragraph (2), item (i), (i), 4. or 5. of that Article has been concluded (including a case where
securities that were not categorized as corporate bond certificates, etc. with share options subject to exercise value change have come to be deemed as corporate bond certificates, etc. with share options subject to exercise value change as a result of conclusion of the agreement) or a case where the company has come to know that there is the "agreement" prescribed in (i), 6. of that item.

7-8 It should be noted that, in the case where the indication in formula is used, if the issue price or distribution price become fixed, the related matters such as the fixed issue price or distribution price and the amount of public offering (secondary distribution) based on the issue price, etc., and the total issue (distribution) value will be stated in the notifiable prospectus, so if the fixed issue price or distribution price cannot be stated in the amended statement to be submitted immediately before the notification comes into effect, an amended statement should be voluntarily submitted promptly pursuant to the second sentence of Article 7, paragraph (1) of the Act.

7-9 In the case of having submitted a securities registration statement prepared using Form 2-3 or Form 7-3 of the Cabinet Office Order on Disclosure, and submitting an amended statement due to the circumstances set forth in 7-4 or 7-6, it should be noted that the amended statement should be submitted as a material for amending the document set forth in Article 10, paragraph (1), item (iii), (e) of the Cabinet Office Order on Disclosure, which is an attached document.

7-10 It should be noted that, when having submitted a securities registration statement prepared using Form 2-3 or Form 7-3 of the Cabinet Office Order on Disclosure, a case where a document of the same type as a reference document of the securities registration statement has been newly submitted also falls under the case prescribed in 7-3 or 7-7.

(Establishment of an Agent in the Case Where a Foreign Company Submits an Amended Statement)

7-11 It should be noted that, when a foreign company submits an amended statement pursuant to Article 7, paragraph (1) of the Act, etc., the foreign company must specify a person who has an address in Japan and who has the authority to represent the foreign company for any acts concerning the submission of the amended statement.
(Method of Stating Matters in an Amended Statement)
7-12 It should be noted that, in order to make an amended statement easy to understand for investors, matters are to be stated therein by such a method as stating the content before the amendment and the amended content, and a specific reason for amendment needs to be stated.

(Subsequent Submission of an Amended Statement)
7-13 It should be noted that, even after a notification under Article 4, paragraph (1), (2), or (3) of the Act becomes effective (including after having the securities acquired or after selling the securities), if the relevant statement or other document contains a false statement about a material particular, omits a statement as to a material particular that is required to be stated, or omits a statement of material fact that is necessary to prevent it from being misleading, such as the case where the content of consolidated financial statements, etc. is substantially changed, an amended statement should be voluntarily submitted pursuant to the second sentence of Article 7, paragraph (1) of the Act.

(Change to Information on Securities)
7-14 It should be noted that, if, after submitting a securities registration statement, it becomes clear that a change occurs to any basic matter concerning a public offering or secondary distribution of securities (meaning the content of the securities, the prospective investors, etc.) and the company submits an amended statement, it will be treated as submission of a new securities registration statement, unless the change is minor. The same applies to the period after the notification becomes effective and before the offer is firm.

(Period for Subscription, etc. Becoming Fixed)
7-15 It should be noted that, in the case referred to in 5-8, if the period for subscription, etc. becomes fixed, an amended statement should be submitted promptly.

Regarding Article 8 (Effective Date of Notifications) of the Act

(Notice of the Effective Date of the Notification)
8-1 The case of handling a statement under Article 5, paragraph (1) of the Act (hereinafter referred to as the "initial statement" in 8-1, 8-2, and 8-4) in a manner that it becomes effective on the day on which a period shorter than 15 days has elapsed from the day it is accepted, pursuant to Article 8, paragraph (3) of the Act, requires that the person submitting the initial statement
requests this handling by indicating the content of the initial statement and the need for application of Article 8, paragraph (3) of the Act at the time of or before the submission of the initial statement, in principle, and the same applies to an amended statement pertaining to the initial statement.

Meanwhile, a notice under Article 8, paragraph (3) of the Act is to be made by delivering a written notice of the effective date of the notification (Form 8-1) to the person submitting the securities registration statement, in principle.

(Form 8-1)

| [Document number] |
| [Date] |

(Trade name)
(Name of the representative person)

Director-General of XXX Local Finance (Branch) Bureau  Seal

Written Notice of the Effective Date of the Notification

We hereby notify that we have designated the period prescribed in Article 8, paragraph (3) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) for the securities registration statement accepted on [Date] to be XX days (effective date: [Date]), pursuant to paragraph (3) of that Article.

(Notes) 1. In the case of notifying that the securities registration statement becomes effective immediately or on the day following the day on which the securities registration statement is accepted, pursuant to Article 8, paragraph (3) of the Act, the phrase "we have designated the period prescribed in Article 8, paragraph (3) of the Financial Instruments and Exchange Act (Act No. 25 of 1948) for the securities registration statement accepted on [Date] to be XX days (effective date: [Date])" is to be replaced with "we have decided to make the securities registration statement become effective on [Date]."

2. If two or more securities registration statements have been submitted on the same day, an outline of the public offering or secondary distribution of the relevant securities registration statement should be added in parentheses after the term "securities registration statement," so as to be able to distinguish the relevant securities registration statement.

3. If an amended statement has been submitted, the phrase "and the amended statement accepted on [Date]" should be inserted after the
term "securities registration statement."

4. Points of attention in relation to the Act may be stated in the margin of the written notice of the effective date of the notification.

5. This form is to be applied mutatis mutandis to a notice of the effective date of a shelf registration statement. In this case, the phrase "as applied mutatis mutandis pursuant to Article 23-5, paragraph (1) of that Act" should be stated after the term "Financial Instruments and Exchange Act (Act No. 25 of 1948)," and the term "securities registration statement" should be replaced with "shelf registration statement."

6. If it is difficult to use this form, another appropriate form should be used.

(Handling of the Effective Date of the Notification in the Case Where the Notifier of a Securities Registration Statement Satisfies Certain Requirements)

8-2 The effective date of a notification under Article 4, paragraphs (1) through (3) of the Act is to be handled as follows, if the notifier of the securities registration statement satisfies certain requirements.

(i) If the notifier satisfies the requirements set forth in Article 5, paragraph (3) of the Act, the initial statement may be handled in a manner that it becomes effective on the day on which a period shorter than 15 days has elapsed from the day on which it is accepted, pursuant to Article 8, paragraph (3) of the Act. However, this does not apply when this handling is found to be inappropriate.

(ii) If the notifier satisfies all of the requirements set forth in the items of Article 5, paragraph (4) of the Act, the initial statement may be handled in a manner that it becomes effective on the day on which a period shorter than 15 days has elapsed from the day on which it is accepted, pursuant to Article 8, paragraph (3) of the Act. However, this does not apply when the notifier has not requested this handling or when this handling is found to be inappropriate.

In the case where a notifier that satisfies all of the requirements set forth in the items of Article 5, paragraph (4) of the Act submits a securities registration statement prepared using a form other than Form 2-3 or Form 7-3 of the Cabinet Office Order on Disclosure, it should be noted that a document indicating that the notifier satisfies all of the requirements set forth in the items of Article 5, paragraph (4) of the Act should be attached to the securities registration statement.

(iii) The phrase "the day on which a period shorter than 15 days has elapsed"
prescribed in (i) and (ii) means the day on which roughly seven days have elapsed.

However, at least four days (not counting the number of the days set forth in the items of Article 1, paragraph (1) of the Act on Holidays of Administrative Organs (Act No. 91 of December 13, 1988) (hereinafter referred to as "holidays of administrative organs")) should be secured for that period, and if that is not possible, the effective date is to be designated by adding extra days to be able to secure four days (not counting the number of holidays of administrative organs).

(iv) Notwithstanding (i) and (ii), if a securities registration statement pertaining to a third party allotment is subject to the examination under C Individual Guidelines III Handling Guideline for Statement of "Third Party Allotment Pertaining to Issuance of Share Certificates, etc.,” the provisions of Article 8, paragraph (3) do not apply, in principle.

(v) If the notifier submits a statement prepared using Form 2-6, Form 2-7, or Form 7-4 of the Cabinet Office Order on Disclosure based on the provisions of Article 8, paragraph (1), item (iii) or (v) of the Cabinet Office Order on Disclosure or paragraph (2), item (ii) of that Article, the statement may be handled in a manner that it becomes effective on the day following the day of submission of the initial statement, pursuant to Article 8, paragraph (3) of the Act. However, this does not apply when the notifier has not requested this handling or when this handling is found to be inappropriate.

(vi) If it is found to cause no particular hindrance to the public interest or protection of investors and it is found to be necessary, such as in the case where the notifier makes a notification for conducting a public reoffering of forfeited shares resulting from a public offering of shares conducted by making a notification pursuant to Article 4, paragraph (1) of the Act, collaterally with that public offering, the notification may be made effective one day (not counting the number of holidays of administrative organs) after the day of the notification for the public reoffering, by applying Article 8, paragraph (3) of the Act.

(Handling of the Effective Date of a Notification Made by a Particularly Well-known Person)

8-3 A notification under Article 4, paragraph (1) of the Act may be made effective immediately pursuant to Article 8, paragraph (3) of the Act if all of the following requirements are satisfied. However, this does not apply when this handling is found to be inappropriate.

(1) The notifier of the securities registration statement must satisfy all of the
following requirements.
(i) The person has submitted an annual securities report on the same day one year before the submission date of the securities registration statement, and has appropriately performed the obligation of continuous disclosure from the same day one year earlier until the submission date of the securities registration statement.
(ii) The person issues share certificates that are categorized as listed share certificates (meaning the listed share certificates prescribed in Article 9-4, paragraph (5), item (i) of the Cabinet Office Order on Disclosure; the same applies in (2)) or over-the-counter registered share certificates (meaning the over-the-counter registered share certificates prescribed in Article 9-4, paragraph (5), item (i) of the Cabinet Office Order on Disclosure; the same applies in (2)).
(iii) The listing date, etc. (meaning the listing date, etc. prescribed in Article 9-4, paragraph (5), item (i), (a) of the Cabinet Office Order on Disclosure) is on or preceding the day three years and six months prior to the submission date of the securities registration statement, and with regard to the issued share certificates of the notifier, the amount obtained by dividing the total trading value (meaning the trading value prescribed in (a) of that item) within three years prior to the calculation base date by three is 100 billion yen or more and the average market capitalization for three years (meaning the average market capitalization for three years prescribed in (a) of that item) of such share certificates is 100 billion yen or more.

(2) The notification must be one pertaining to either of the following.
(i) Public offering share certificates categorized as listed share certificates or over-the-counter registered share certificates.
(ii) Public offering of share option certificates (limited to share option certificates which are listed on a financial instruments exchange in Japan (excluding the case of being listed as specified listed securities; hereinafter the same applies in (ii), or after the issuance thereof, are scheduled to be listed without delay, or share option certificates which are registered as over-the-counter traded securities with an authorized financial instruments firms association (excluding the case of being registered as specified over-the-counter traded securities; hereinafter the same applies in (ii)), or after the issuance thereof, are scheduled to be registered without delay) relating to an allotment of share option without contribution (including an equivalent allotment conducted by a foreign company based on foreign laws and regulations that governed the incorporation of the company), which indicate share options whose underlying shares are those
pertaining to share certificates categorized as listed share certificates or over-the-counter registered share certificates.

(3) In the case of a notification pertaining to a public offering, the percentages set forth in (i) and (ii) below for the respective categories of securities set forth therein must be 20% or less.

(i) The share certificates prescribed in (2)(i): the percentage obtained by dividing the total number of share certificates that are scheduled to be issued or transferred through the public offering to which the notification pertains (when issuing, at the same time as the public offering, share certificates of the same class as the share certificates relating to the public offering, or share option certificates indicating share options whose underlying shares are share certificates of the same class as the share certificates relating to the public offering, or corporate bond certificates with such share options, including the total number of the share certificates to be issued or the total number of share certificates scheduled to be issued or transferred through exercise of share options in the case that all of the share options relating to the share option certificates or corporate bond certificates with share options are exercised), by the total number of the share certificates (excluding those held by the issuer) before the public offering.

(ii) The share option certificates prescribed in (2)(ii): the percentage obtained by dividing the total number of share certificates that are scheduled to be issued or transferred through exercise of share options in the case that all of the share options relating to the share option certificate that are scheduled to be issued or transferred through the public offering to which the notification pertains are exercised, by the total number of the share certificates (excluding those held by the issuer) before the public offering.

(Handling of the Effective Date of an Amended Statement)

8-4 The effective date in the case that an amended statement pertaining to the initial statement has been submitted pursuant to Article 7, paragraph (1) of the Act is to be handled as follows.

A. When an amended statement pertaining to matters concerning information on securities in the initial statement has been submitted (including the case where the amended statement prescribed in parentheses in Article 8, paragraph (1) of the Act has been submitted; hereinafter the same applies in 8-4), the notification is to be made effective one day (not counting the number of holidays of administrative organs) after the day of the notification, by applying Article 8, paragraph (3) of the Act, except in the cases set forth in
B. and C. However, this does not apply when this handling is found to be inappropriate, such as in the case where the securities registration statement pertains to a third party allotment subject to the examination under C Individual Guidelines III Handling Guideline for Statement of "Third Party Allotment Pertaining to Issuance of Share Certificates, etc.," and matters concerning the third party allotment are substantially changed.

B. If any of the following cases applies to submission of an amended statement pertaining to matters concerning information on securities in the initial statement, for which the issue price, distribution price, or interest rate is unfixed, the notification is to be made effective on the submission date of the amended statement or on the following day. However, this does not apply when this handling is found to be inappropriate.

(i) A case of presenting the provisional conditions concerning the issue price, etc. to investors at the time of making a solicitation of offers to acquire, etc. the securities, and issuing the securities after identifying the status of investor demand for the securities (including the case where the number of issuances of shares or the total face value of corporate bonds changes at the same time as the decision on the issue price, etc. according to the status of investor demand (limited to the case where the content of the change is easy to understand for investors, and the content is set down in the notes)).

(ii) A case of making a public offering or secondary distribution by submitting a securities registration statement using Form 2-4 of the Cabinet Office Order on Disclosure.

C. A change to the number of issuances of shares or the total face value of corporate bonds (excluding a minor change and a change that falls under B.) is to be made effective three days (not counting the number of holidays of administrative organs) after the day of the notification, by applying Article 8, paragraph (3) of the Act. However, this does not apply when this handling is found to be inappropriate.

D. In the case where an amended statement has been submitted pursuant to the provisions of 7-1(ii), 7-3, or 7-10, or an amended statement pertaining to matters concerning information other than information on securities has been submitted, the notification is to be made effective three days (not counting the number of holidays of administrative organs) after the day of the notification, in principle, by applying Article 8, paragraph (3) of the Act. However, this provision does not apply when an amended statement for minor matters pertaining to matters concerning information other than information on securities has been submitted pursuant to the second sentence of Article 7, paragraph (1) of the Act. In that case, the notification is to be made effective one
day (not counting the number of holidays of administrative organs) after the day of the notification, by applying Article 8, paragraph (3) of the Act. However, this does not apply when this handling is found to be inappropriate such as when the content of consolidated financial statements is substantially changed.

Regarding Article 9 (Order to Submit an Amended Statement Due to a Formal Deficiency, etc.) of the Act

9-1 When a securities registration statement is found to contain a formal deficiency, such as lacking a required statement or a required attached document, or is found to insufficiently state a material particular that is required to be stated, such as failing to state matters as specified by laws and regulations and lacking necessary information for making investment decisions, the person submitting the statement, etc. is first requested to submit a voluntary amended statement that is considered to be necessary, through an interview, etc.

If no amended statement is submitted as a result, the person is requested to submit a report based on Article 26 of the Act as needed, and issuance of an amendment order based on Article 9, paragraph (1) of the Act is to be considered.

Regarding Article 10 (Order to Submit an Amended Statement and Order Suspending the Validity of a Notification Due to a False Statement, etc.) of the Act

10-1 The handling in the case of making a disposition, etc. under Article 10 of the Act is to be as follows.

(i) Application of Article 10, paragraph (1) of the Act is to be determined by individually studying the degree of impact of matters that are considered to affect investors' investment decisions.

The matters that are considered to affect investors' investment decisions could include, for example, the case where the total amount of assets and liabilities or the total net assets on the balance sheet or the net profit for the current year, etc. on the profit and loss statement of the consolidated financial statements of the person submitting the statement changes more than a certain level, as well as an error in the reporting of assets that are indispensable for the business implementation, etc. of the person submitting the statement or an error in the status of shareholders or liquidity of issued securities, so it should be noted that these matters should not be studied in an automatic and uniform manner.
Meanwhile, it should be noted that the determination on material particulars should not be made merely based on the presence or absence of the matters to be stated as specified in Instructions on Preparation, etc.

(ii) If a possibility becomes clear that a securities registration statement contains a false statement about a material particular, omits a statement as to a material particular that is required to be stated, or omits a statement of material fact that is necessary to prevent it from being misleading (hereinafter referred to as a "false statement, etc." in 10-1), effort should be made to identify the facts by holding in-depth interviews or requesting submission of reports based on Article 26 of the Act if necessary.

Meanwhile, if a possibility becomes clear that consolidated financial statements, etc. contain a false statement, etc., in-depth interviews should be held with and submission of reports should be requested based on Article 26 or Article 193-2, paragraph (6) of the Act from the certified public accountant or the audit corporation (referred to as the "audit corporation, etc.") that made the audit certification for the consolidated financial statements, etc. as well.

If the presence of a false statement, etc. becomes clear as a result, a request should be made to the person submitting the document to promptly submit a voluntary amended statement. If it is found that no appropriate amended statement will be submitted, or if it is considered to be necessary for public interest or the protection of investors, the procedure for an order to submit an amended statement based on Article 10, paragraph (1) of the Act should be commenced promptly.

(iii) When intending to issue an order to submit an amended statement, if it is found to be necessary and appropriate, such as in the case where there is a possibility that the amendment that is considered to be necessary will not be made until the period referred to in Article 8, paragraph (1) of the Act elapses, a study should be made to also issue an order suspending the validity of a notification at the same time.

(iv) The decision to cancel an order for suspension as specified in Article 10, paragraph (4) of the Act should be comprehensively determined by sufficiently identifying the content of the amended statement as well as matters such as the financial processing structure and the status of internal control of the person submitting the statement, through holding in-depth interviews or requesting submission of reports based on Article 26 of the Act if necessary.

Regarding Article 11 (Suspension of the Validity of Notifications Made Within One Year After the Submission of a Securities Registration Statement Containing
11-1 The handling in the case of making a disposition, etc. under Article 11 of the Act is to be as follows.

(i) When applying Article 11, paragraph (1) of the Act, information on the share prices and the business conditions, etc. of the person submitting the statement is to be collected, and if it is considered that there is confusion in the conditions, a study should be made on application of the provisions. The decision on the application is to be comprehensively determined by studying the status of the confusion, the possible impact of the public offering or secondary distribution for which the securities registration statement is submitted on the securities market, and the content of the false statement in the securities registration statement which was found to contain a false statement about a material particular.

(ii) When deciding the period that is considered appropriate specified in Article 11, paragraph (1) of the Act, the period is to be the period within which the confusion of the conditions of the person submitting the statement is expected to end, and it is to be comprehensively determined by giving consideration to the factors set forth in (i) as well as the status of financial processing of the person submitting the statement.

(iii) When deciding on the cancellation of a disposition specified in Article 11, paragraph (2) of the Act, the decision should be comprehensively determined by sufficiently identifying not only the extent to which the false statement is known among investors, but also matters such as the financial processing structure and the status of internal control of the person submitting the statement, through holding in-depth interviews or requesting submission of reports based on Article 26 of the Act if necessary.

Regarding Article 13 (Preparation of the Prospectus, etc.) of the Act

(Handling of the Issue Price, etc.)

13-1 In the case of having submitted a securities registration statement without stating the issue price, etc. prescribed in Article 13, paragraph (2) of the Act (referred to as the "issue price, etc." in 15-4 and 23-12-3), it should be noted that, among the matters other than the issue price, etc., those for which it is stated in the securities registration statement that they will be amended in conjunction with the issue price, etc. when the issue price, etc. is decided, are to be treated as being included in the issue price, etc.
Examples of statement of the matters prescribed in Article 13, paragraph (1) of the Cabinet Office Order on Disclosure are to be basically as follows.

A. A case of Allotment to Shareholders, etc. (already effective)

(1) Continuous disclosure company

With regard to the public offering or secondary distribution (allotment to shareholders) of shares of XXXX yen made under this prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, and the notification became effective on [Date].

(2) New disclosure company

1. With regard to the public offering or secondary distribution (allotment to shareholders) of shares of XXXX yen made under this prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, and the notification became effective on [Date].

2. This prospectus is the same as the content of the abovementioned securities registration statement, excluding the matters stated in the space of "Special information" in the securities registration statement.

B. A case of parallel capital increase (allotment to shareholders: already effective; general public offering: the issue price, etc. still unfixed)

(1) Continuous disclosure company

1. With regard to the public offering or secondary distribution (allotment to shareholders) of shares of XXXX yen made under this prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, and the notification became effective on [Date].

2. The Company has also submitted a securities registration statement for a public offering (general public offering) of shares of XXXX yen (estimated) to be made collaterally with the abovementioned public offering, but the notification has yet to become effective. Therefore, the issue price, etc. will be amended in the future.

   Meanwhile, other matters contained in the statement may also be
(Note) In the case where the indication in formula has been used, the following is to be stated.

The Company has also submitted a securities registration statement for a public offering (general public offering) of shares of XXXX yen (estimated) to be made collaterally with the abovementioned public offering, but the notification has yet to become effective.

Meanwhile, the issue price of the shares is indicated in formula, so when the issue price becomes fixed (scheduled to become fixed on [Date]), necessary matters in the statement will be amended. In addition, other matters contained in the statement may also be amended in the future.

(2) New disclosure company

1. With regard to the public offering or secondary distribution (allotment to shareholders) of shares of XXXX yen made under this prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, and the notification became effective on [Date].

2. The Company has also submitted a securities registration statement for a public offering (general public offering) of shares of XXXX yen (estimated) to be made collaterally with the abovementioned public offering, but the notification has yet to become effective. Therefore, the issue price, etc. will be amended in the future.

Meanwhile, other matters contained in the statement may also be amended.

3. This prospectus is the same as the content of the abovementioned securities registration statement, excluding the matters stated in the space of "Special information" in the securities registration statement.

C. A case where the issue price, etc. becomes decided in the parallel capital increase referred to in B.

In line with the decision of the issue price, etc., the Company submitted an amended statement for the securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 7, paragraph (1) of the Financial Instruments and Exchange Act, and the notification of the general public offering became effective on [Date].
(Note) In the case where the indication in formula has been used, and the issue price has been fixed, the following is to be stated.

With regard to the public offering (general public offering) of shares of XXXX yen made under this prospectus, the notification became effective on [Date].

Meanwhile, the issue price of the shares was indicated in formula, but as the issue price became fixed on [Date], the Company submitted an amended statement for the securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 7, paragraph (1) of the Financial Instruments and Exchange Act.

D. A case of corporate bonds with share options (the amount to be paid in at the time of exercising the share options, etc. still unfixed) ... [A case of continuous disclosure company]

With regard to the public offering (general public offering) of corporate bonds with share options of XXXX yen made under this prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, but the notification has yet to become effective.

Therefore, the amount to be paid in (interest rate) at the time of exercising the share options, etc. will be amended in the future.

Meanwhile, other matters contained in the statement may also be amended.

(Note) In the case where the indication in formula has been used, the statements in (Note) of B.(1)2. apply.

E. A case where the amount to be paid in at the time of exercising the share options becomes decided in D.

In line with the decision of the amount to be paid in at the time of exercising the share options, etc., the Company submitted an amended statement for the securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 7, paragraph (1) of the Financial Instruments and Exchange Act, and the notification became effective on [Date].

(Note) In the case where the indication in formula has been used, if the amount to be paid in at the time of exercising the share options has been decided, the statements in (Note) of C. apply.

F. A case of issue at market value

In principle, the statements for corporate bonds with share options (D. and
E.) apply.

(Notes) 1. The phrase "public offering (general public offering) of corporate bonds with share options of XXXX yen" is to be replaced with "public offering (general public offering) of shares of XXXX yen (estimated)."

2. The phrase "decision of the amount to be paid in at the time of exercising the share options" is to be replaced with "decision of the issue price, etc."

G. A case of corporate bonds (the issue price still unfixed)

In principle, the statements for corporate bonds with share options (D. and E.) apply

(Notes) 1. The phrase "public offering (general public offering) of corporate bonds with share options of XXXX yen" is to be replaced with "public offering (general public offering) of corporate bonds of XXXX yen (estimated)."

2. The phrase "the amount to be paid in at the time of exercising the share options, etc." is to be replaced with "the issue price (interest rate), etc."

3. The phrase "decision of the amount to be paid in at the time of exercising the share options" is to be replaced with "decision of the issue price, etc."

H. A case where the securities subject to a public offering (or secondary distribution) are indicated in a foreign currency

The securities subject to this public offering (or secondary distribution) are indicated in a foreign currency, so they may be affected by changes in the foreign exchange rates.

I. Temporary notifiable prospectus referred to in Article 13, paragraph (1), item (iii) of the Cabinet Office Order on Disclosure

1. With regard to the public offering (allotment to shareholders / general public offering) of shares of XXXX yen ((Note) in the case of a parallel capital increase, "allotment to shareholders of XXXX yen and general public offering of XXXX yen (estimated)") made under this temporary notifiable prospectus, the Company submitted a securities registration statement to the Director-General of XXX Local Finance (Branch) Bureau on [Date] pursuant to Article 5 of the Financial Instruments and Exchange Act, but the notification has yet to become effective.

2. Upon acquisition of the shares stated in the terms and conditions of public offering, the Company will deliver a notifiable prospectus containing all matters prescribed in laws and regulations before or at the same time as the offer for acquisition.
(Use of a Temporary Notifiable Prospectus as a Notifiable Prospectus)
13-3 The temporary notifiable prospectus referred to in Article 13, paragraph (1), item (ii) of the Cabinet Office Order on Disclosure may be used as the prospectus referred to in item (i) of that paragraph on and after the day on which the notification becomes effective, by, for example, inserting a document containing the matters set forth in that item in the temporary notifiable prospectus.

(Indication by a Material Other Than a Prospectus)
13-4 It should be noted that the materials used for the purpose of a public offering or secondary distribution of securities prescribed in Article 13, paragraph (5) of the Act (hereinafter referred to as the "other materials") include advertisements on radio, television, the internet, newspaper, and magazine, an indication by an oral explanation, etc., and a summary of the content of the prospectus, etc.

(Use of a Name Other Than a Prospectus)
13-5 With regard to a prospectus prepared pursuant to Article 13 of the Act, it is allowable to use a name that is easy to understand for investors, without using the term "prospectus." In this case, it should be noted that such phrase as "this document (in the case of using an electronic data processing system, this information) is a prospectus based on Article 13 of the Act" should be indicated at the top of the sheet of the front cover stating the name of the prospectus (including the backside of the front cover) (in the case of using an electronic data processing system, at a place displayed on the same screen), in order to clarify that the prospectus is a prospectus under the Financial Instruments and Exchange Act.

(Time of Use of Other Materials)
13-6 Other materials may be used even before the delivery of a prospectus.

(Notable Matters in Other Materials)
13-7 When using other materials, "the fact that investment decisions should be made by referring to the prospectus" and "the methods and places for acquisition of the prospectus," for example, are to be indicated in the other materials, in order not to mislead investors into believing that the other materials are the prospectus. In this case, it should be noted that only places for acquisition relating to the distributors using the other materials may be
indicated as "the places for acquisition of the prospectus."

(Indication of Projected Business Results in Other Materials)

13-8 The projected business results disclosed pursuant to rules of the financial instruments exchange or the authorized financial instruments firms association (including equivalent information disclosed by a company other than a listed company or an over-the-counter company; hereinafter referred to as the "projected business results, etc." in 13-8) may be used as other materials. Meanwhile, when using projected business results, etc., the assumptions that serve as the basis for the projected business results, etc., should also be indicated therein.

Regarding Article 15 (Notification Coming into Effect and Delivery of Prospectus) of the Act

(Notification of Specified Procedures Related to the Issuance of Securities during a Reorganization and Specified Procedures Related to the Delivery of Securities during a Reorganization Coming into Effect)

15-1 With regard to application of Article 15, paragraph (1) of the Act, securities subject to application of the main clause of Article 4, paragraph (1) of the Act, the main clause of paragraph (2) of that Article, and the main clause of paragraph (3) of that Article in the specified procedures related to the issuance of securities during a reorganization or the specified procedures related to the delivery of securities during a reorganization are to be handled in such manner that, unless the notification under those provisions of the Act has become effective, the corporate reorganization pertaining to the specified procedures related to the issuance of securities during a reorganization or the specified procedures related to the delivery of securities during a reorganization (meaning the corporate reorganization prescribed in Article 2-2, paragraph (1) of the Act) must not become effective under the Companies Act.

(Change to a Material Particular)

15-2 It should be noted that, even in the case where a prospectus has not been delivered, pursuant to the proviso to Article 15, paragraph (2) of the Act, if the issuer of the securities relating to the prospectus compares the content of a newly prepared prospectus for the securities and the content of the prospectus that was not delivered, and judges that there is a change to any material particular, the newly prepared prospectus must be delivered.
(Consent to Not Receiving Delivery of the Prospectus)
15-3 When intending to confirm that a person has "consented to not receiving delivery of the prospectus" under Article 15, paragraph (2), item (ii) of the Act, it should be noted that it should be confirmed by a clear method, such as the person obligated to deliver the prospectus recording the fact that the person acquiring the securities through a public offering or secondary distribution has consented to not receiving delivery of the prospectus by the following method.
   (i) A method of keeping a document of the consent signed by that person
   (ii) A method of keeping the matters stated in the consent transmitted by that person by using an electronic data processing system

(Easy to Understand Indication of an Amended Prospectus)
15-4 If having announced the issue price, etc. in lieu of an amended prospectus pursuant to Article 15, paragraph (5) of the Act, the announced issue price, etc. may be indicated in an easy to understand manner in other materials as well.

(Delivery of a Prospectus for Allotment of Share Option without Contribution)
15-5 It should be noted that the prospectus for allotment of share option without contribution must be delivered in advance or at the same time as the day on which the other party to the allotment of share option without contribution receives a notice under Article 279, paragraph (2) of the Companies Act, deeming that the share option certificates are acquired on that day.

Regarding Article 23-3 (Submission of a Shelf Registration Statement) of the Act

(Principal Financial Instruments Business Operators that Plan to Underwrite Securities)
23-3-1 The phrase "principal financial instruments business operators and registered financial institutions that plan to underwrite the securities" prescribed in Article 23-3, paragraph (1) of the Act means financial instruments business operators and registered financial institutions that plan to conclude a wholesale underwriting contract and that plan to be book runners. In this case, it should be noted that if there are no such operators or institutions, there is no need to state them.

(Application Mutatis Mutandis of Handling Concerning a Securities Registration Statement, etc.)
23-3-2 The provisions of 5-3 through 5-11, 5-14, 5-22-2, 5-23, 5-23-2, 5-25-2, 5-26 through 5-32, and 5-44 apply mutatis mutandis to the handling concerning a
shelf registration statement.

23-3-3 When stating the "Transition of the share price, the price-earnings ratio, and the stock trading volume" and "Status of submission of a statement of large-volume holdings, etc." by applying the provisions of 5-11 mutatis mutandis pursuant to the provisions of 23-3-2, their time of preparation should be stated clearly.

(Points to Note Regarding Submission of a Shelf Registration Statement)

23-3-4 When submitting a shelf registration statement, it should be noted that the statements of the shelf registration number and the planned issue period need to be confirmed with the Local Finance Bureau to which the statement is to be submitted, before the submission.

Meanwhile, it should be noted that a shelf registration statement needs to be submitted for each public offering or secondary distribution, and for each class of securities if the class of securities set forth in Article 2, paragraph (1) of the Act differs.

If the class of securities is the same, multiple shelf registration statements need not be submitted, in principle, but if it has been decided at the time of the shelf registration that the content, the purpose of issuance, etc. (hereinafter referred to as the "content, etc." in 23-3-4) of the securities differ, it is not precluded to submit a shelf registration statement for each relevant content, etc., and the relevant content, etc. is to be set down in the notes in the "Class of securities for the public offering (secondary distribution) subject to shelf registration" using Form 11 of the Cabinet Office Order on Disclosure.

(Use as a Pre-warning Anti-takeover Measure)

23-3-5 When making a shelf registration of securities with a special intention, such as making a shelf registration of share options to be used as a pre-warning anti-takeover measure, its content is to be specifically stated in "Other matters for disclosure."

Regarding Article 23-4 (Submission of an Amended Shelf Registration Statement) of the Act

(Reduction in the Amount of the Planned Amount of Issue)

23-4-1 The "part of an unissued portion ... is no longer likely to be issued within the planned issue period" prescribed in Article 14-5, paragraph (1), item (i) of the Cabinet Office Order on Disclosure means, for example, the case where
circumstances arise so that the planned amount of issue must be reduced, as a result of a substantial change in the production plan, capital investment plan, financial plan, etc. made during the shelf registration period.

(Handling of Decision of Book Runners)

23-4-2 It should be noted that, if principal financial instruments business operators that plan to underwrite the securities were undecided at the time of submitting the shelf registration statement, but were decided during the shelf registration period, an amended shelf registration statement for the decision of this matter needs not be submitted.

23-4-3 It should be noted that, if a document of the same type as those that are stated or should be stated in "Information on guarantor company, etc. of reporting company" has been newly submitted (however, if the company is not a continuous disclosure company, a case where the document has been newly prepared), an amended shelf registration statement needs to be submitted.

(Matter That Requires No Amendment)

23-4-4 It should be noted that, among the reasons for submission of an amended shelf registration statement set forth in Instructions on Preparation (3)(e) of Form 11-3 of the Cabinet Office Order on Disclosure, "Change to the underwriter" does not include a mere change in the name.

(Statement of an Amended Shelf Registration Statement)

23-4-5 It should be noted that, when submitting an amended shelf registration statement pursuant to Instructions on Preparation (3)(e) of Form 11-3 of the Cabinet Office Order on Disclosure, in order to make an amended statement easy to understand for investors, the amended content is to be stated by such a method as stating the content before the amendment and the amended content.

Regarding Article 23-5 (Effective Date of a Shelf Registration Statement) of the Act

(Application Mutatis Mutandis of the Handling Concerning a Securities Registration Statement)

23-5-1 The provisions of 8-1 and 8-2 (excluding (iv) and (v)) apply mutatis mutandis to the handling concerning the coming into effect of a shelf registration.
23-5-2 Notwithstanding 23-5-1, with regard to a shelf registration of short term bonds, etc. (meaning the securities subject to application of Article 23-8, paragraph (2) of the Act; the same applies in 23-5-4) and commercial papers, a notice may be made to the effect that the shelf registration will immediately become effective, by applying Article 8, paragraph (3) of the Act as applied mutatis mutandis pursuant to Article 23-5, paragraph (1) of the Act.

(Period for Suspension of the Validity of a Shelf Registration Designated by the Commissioner of the Financial Services Agency as a Result of Submission of and Amended Shelf Registration Statement)

23-5-3 If, after the day on which a shelf registration becomes effective, an amended shelf registration statement is submitted pursuant to Article 23-4 of the Act (excluding the case where it is submitted after the submission date of shelf registration supplements and before the offer is firm), the period for suspension of the validity of the shelf registration designated by the Commissioner of the Financial Services Agency pursuant to Article 23-5, paragraph (2) of the Act is to be as follows. However, this does not apply when this handling is found to be inappropriate.

A. If a document of the same type as a reference document of the shelf registration statement is newly submitted, the period is to be until the day on which the periods specified in the following items elapse for the respective grounds specified therein.

(i) If an annual securities report is newly submitted: basically two days, including the submission date (if the amended shelf registration statement is submitted without using an electronic data processing system for disclosure (meaning the electronic data processing system for disclosure prescribed in Article 27-30-2 of the Act; hereinafter referred to as an "electronic disclosure system" in 23-5-3), basically four days)

(ii) If a quarterly securities report or semiannual securities report is newly submitted: basically one day, including the submission date (if the amended shelf registration statement is submitted without using an electronic disclosure system, basically three days)

(iii) If an extraordinary report is newly submitted: basically one day, including the submission date (if the amended shelf registration statement is submitted without using an electronic disclosure system, basically two days)

(iv) If an amended report is newly submitted: basically one day, including the submission date (if the amended shelf registration statement is submitted without using an electronic disclosure system, basically two days)

B. If an amended shelf registration statement stating provisional conditions
concerning the securities planned to be issued is submitted, the period is to be one day, including the submission date.

C. If an amended shelf registration statement is submitted based on grounds other than those set forth in A. or B., the period is to be until the day on which basically one day (if the amended shelf registration statement is submitted without using an electronic disclosure system, basically two days) elapses, including the submission date.

23-5-4 Notwithstanding 23-5-3, with regard to a shelf registration of short term bonds, etc. and commercial papers, it is allowed not to apply Article 23-5, paragraph (2) of the Act.

(Voluntary Submission of a Written Withdrawal of Shelf Registration)
23-7-1 It should be noted that a shelf registration holder may voluntarily withdraw the shelf registration even in a case other than that specified in Article 23-7, paragraph (1) of the Act, by preparing a written withdrawal of shelf registration using Form 11-4 or Form 14-3 of the Cabinet Office Order on Disclosure and submitting it to the Director-General of a Local Finance Bureau, etc.

(Special Grounds for Withdrawal Relating to Delisting, etc.)
23-7-2 It should be noted that, in the case where a person that has submitted an annual securities report due to falling under the category of the issuer of securities prescribed in Article 24, paragraph (1), item (i) or (ii) of the Act conducts a shelf registration, if the person ceases to fall under the category of the issuer of securities prescribed in item (i) or (ii) of that paragraph during the shelf registration period, the person must submit a written withdrawal of shelf registration to the Director-General of a Local Finance Bureau, etc. without delay.

(Notice to the Financial Instruments Exchange, etc.)
23-7-3 When a shelf registration holder submits a written withdrawal of shelf registration to the Director-General of a Local Finance Bureau, etc., the Director-General of a Local Finance Bureau, etc. is to notify the financial instruments exchange or authorized financial instruments firms association of such fact without delay.

(Person to Whom a Written Withdrawal of Shelf Registration Should Be Submitted)
23-7-4 It should be noted that the Director-General of a Local Finance Bureau, etc. to whom a written withdrawal of shelf registration should be submitted is the Director-General of a Local Finance Bureau, etc. to whom the company submitted the shelf registration statement.

Regarding Article 23-8 (Submission of Shelf Registration Supplements) of the Act

(Submission of Shelf Registration Supplements by Using Indication in Formula)
23-8-1 It should be noted that, when stating shelf registration supplements by using indication in formula, the already fixed issue price or distribution price should be stated.

(Application Mutatis Mutandis of Handling Concerning a Securities Registration Statement, etc.)
23-8-2 The provisions of 4-13 through 4-20, 5-3 through 5-7-5, 5-8-3, 5-9 through 5-11, 5-14, 5-22-2, 5-23, 5-23-2, 5-25-2, 5-31, 5-32, and 7-2 apply mutatis mutandis to the handling concerning shelf registration supplements.

(Amendment of Shelf Registration Supplements)
23-8-3 If there is a minor amendment to be made, which is found not to affect investors' investment decisions, shelf registration supplements may be amended by submitting an amended shelf registration statement.

Regarding Article 23-9 (Submission of an Amended Shelf Registration Statement Due to a Formal Deficiency, etc.) of the Act

(Application Mutatis Mutandis of the Handling Concerning a Securities Registration Statement, etc.)
23-9-1 The provisions of 9-1 apply mutatis mutandis to the handling concerning a shelf registration statement or an amended shelf registration statement.

Article 23-10 (Order to Submit an Amended Shelf Registration Statement Due to a False Statement, etc.) of the Act

(Application Mutatis Mutandis of the Handling Concerning a Securities Registration Statement, etc.)
23-10-1 The provisions of 10-1 apply mutatis mutandis to the handling concerning a shelf registration statement, an amended shelf registration statement, or shelf registration supplements.
Regarding Article 23-11 (Suspension of the Validity of a Shelf Registration Due to a False Statement) of the Act

(Application Mutatis Mutandis of the Handling Concerning a Securities Registration Statement, etc.)

23-1-1 The provisions of 11-1 apply mutatis mutandis to the case where a shelf registration statement, an amended shelf registration statement, or shelf registration supplements contains a false statement about a material particular.

Regarding Article 23-12 (Preparation of the Shelf Registration Prospectus, etc.) of the Act

(Content of a Shelf Registration Prospectus, etc.)

23-12-1 The matters to be stated in the shelf registration prospectus, temporary shelf registration prospectus, or shelf registration supplementary prospectus prescribed in Article 13, paragraph (2) of the Act as applied mutatis mutandis pursuant to Article 23-12, paragraph (2) of the Act are to be the matters set forth in the following items for the respective categories of prospectuses set forth in those items.

(i) A shelf registration prospectus or temporary shelf registration prospectus: the matters to be stated in the shelf registration statement and all amended shelf registration statements that were submitted after the submission thereof.

(ii) A shelf registration supplementary prospectus: the matters to be stated in the shelf registration statement and all amended shelf registration statements and shelf registration supplements that were submitted after the submission of the shelf registration statement.

(Special Provisions on the Content of a Shelf Registration Prospectus, etc.)

23-12-2 When a shelf registration holder prepares a shelf registration prospectus, temporary shelf registration prospectus, or shelf registration supplementary prospectus, the shelf registration holder may state, as its corporate information, the content of the reference documents of the shelf registration statement, amended shelf registration statement, or shelf registration supplements. In this case, however, the entire content of the documents must be stated.

(Application Mutatis Mutandis of Handling Concerning Preparation of a Notifiable Prospectus, etc.)

23-12-3 The provisions of 13-1 apply mutatis mutandis to the handling in the case of submitting a shelf registration statement or a shelf registration statement
Regarding Article 24 (Submission of Annual Securities Reports and Copies Thereof) of the Act

(Time of Commencement of Submission of Annual Securities Reports)
24-1 If securities issued by a company that is not subject to application of the main clause of Article 24, paragraph (1) of the Act come to be categorized as the securities set forth in item (iii) of that paragraph, and fall under Article 16-2 of the Cabinet Office Order on Disclosure, it should be noted that the company must submit annual securities reports starting with one for the business year containing the day on which the securities came to be categorized as the securities set forth in Article 24, paragraph (1), item (iii) of the Act (referred to as the submission date of the securities registration statement).

(Handling of the Business Year of a Company to Which the Corporate Reorganization Act Is Applied)
24-2 If the Corporate Reorganization Act is applied to a company which is the issuer of the securities set forth in Article 24, paragraph (1), item (iii) or (iv) of the Act, the business year of the company is to be handled as follows.
(i) If an order of commencement of reorganization proceedings is made, the business year ends on that day.
(ii) The business year following (i) ends on the day of confirmation of the reorganization plan or the day of the close of reorganization proceedings (meaning the day of revocation of an order of commencement of reorganization proceedings, the day of disconfirmation of the reorganization plan, or the day of discontinuance of reorganization proceedings).
(iii) The business year following (ii) ends on the settlement date specified in the articles of incorporation (including any change under the reorganization plan).

(Written Application for Approval for Omission of Submitting an Annual Securities Report)
24-2-2 If it is difficult to calculate the numbers prescribed in the items of Article 15-3, paragraph (3) of the Cabinet Office Order on Disclosure due to such reason as that the day on which an application is filed based on Article 15-3 of the Cabinet Office Order on Disclosure is a considerable period of time after the day on which the issuer (limited to a foreign company; hereinafter the same
applies in 24-2-2) came to no longer fall under the category of the issuer of securities prescribed in Article 24, paragraph (1), item (i) of the Act or the day on which the public offering or secondary distribution of securities issued by the issuer was made (hereinafter referred to as the "delisting date, etc."), it should be noted that the numbers may be calculated by deeming the number of persons (excluding non-residents) stated in the register of the holders of the securities held by a financial instruments business operator, etc. that is entrusted with the custody of the securities as of any day during the period from the delisting date, etc. to the last day of the business year five business years before the business year containing the day of the application as the numbers prescribed in the items of that paragraph.

24-3 It should be noted that the number referred to in Article 16, paragraph (3), item (ii) of the Cabinet Office Order on Disclosure may be calculated by totaling the number of holders of the securities stated in the register of customers held by all financial instruments business operators which concluded a wholesale underwriting contract with the issuer or holder of the securities at the time of the public offering or secondary distribution of the securities in Japan.

(Attached Documents for a Written Application for Approval)

24-4 It should be noted that the documents "which have been reported at the annual shareholders meeting" prescribed in Article 16, paragraph (5), item (ii) of the Cabinet Office Order on Disclosure include those which have been reported at the annual shareholders meeting pursuant to Article 439 of the Companies Act.

(Obligation to Submit an Annual Securities Report in the Case of a Merger)

24-5 It should be noted that, if a company which had submitted an annual securities report pursuant to Article 24, paragraph (1), item (iii) of the Act effected a consolidation-type merger or is acquired, through an absorption-type merger, by a company that had not submitted an annual securities report, unless the incorporated company or surviving company pertaining to the consolidation-type merger or absorption-type merger has made a notification of a public offering or secondary distribution of securities under Article 4, paragraph (1), (2), or (3) of the Act, the incorporated company or surviving company falls under the category of the issuing company of the annual securities report prescribed in Article 24, paragraph (1), item (iii) of the Act, and must submit an annual securities report pursuant to the same paragraph.
(Handling of "Extremely Small Number of Holders")

24-6 When calculating the number of holders prescribed in Article 24, paragraph (1), item (iv) of the Act, if the issuer of the share certificates has issued, for example, common shares and preferred shares, it should be noted that Article 16-3, item (i) is to be applied without totaling the numbers of holders of the respective classes of share certificates (if the issuer has issued beneficiary certificates of securities in trust for which the entrusted securities are those share certificates (limited to those whose content of rights prescribed in Article 16-3, item (i), (a) of the Cabinet Office Order on Disclosure is the same as that of those share certificates) and depository receipts that indicate the rights pertaining to those share certificates, the numbers totaling the numbers of holders of these securities).

Meanwhile, it should be noted that the calculation of the number of holders will be based on the number of persons stated or recorded in the shareholder register, so if a group is registered by the name of a "shareholding association" in the shareholder register, the shareholding association is to be treated as a single shareholder.

(Written Application for Approval for Exemption from Submission of an Annual Securities Report)

24-7 The written application for approval referred to in Article 4, paragraph (1) of the Cabinet Order must contain the company name, address, the name of the representative person, and the reason for the application (which of the items of Article 4, paragraph (2) of the Cabinet Order the person falls under is to be stated specifically).

24-8 It should be noted that the phrase "promise concerning the holding period, etc." prescribed in Instructions on Preparation (26)i of Form 3 of the Cabinet Office Order on Disclosure means a promise on such matters as that, with regard to issuance of shares, etc. through third party allotment, etc. before offering of shares to the public., the acquirer will hold the shares, etc. for a certain period after they are offered to the public, pursuant to the rules of the financial instruments exchange or the authorized financial instruments firms association or the like.

24-9 When stating the matters referred to in Instructions on Preparation (26)i of Form 3 of the Cabinet Office Order on Disclosure, it should be noted that those matters should be stated even if the acquirer did not transfer the shares.
24-10 The provisions of 5-3, 5-6, 5-7-3, 5-10, 5-12 through 5-14, 5-16 through 5-23-2, 5-36, and 5-44 apply mutatis mutandis to the handling concerning an annual securities report. Furthermore, the provisions of 5-36 through 5-42 are applied mutatis mutandis to the handling concerning an annual securities report using Form 4 of the Cabinet Office Order on Disclosure.

24-11 If financial statements, etc. for the business year immediately preceding the business year containing the day of a public offering or secondary distribution were not contained in the securities registration statement pertaining to the public offering or secondary distribution because the content of the financial statements, etc. was not fixed, such as the case of submitting the securities registration statement on or before the day on which three months elapse from the day of commencement of the business year, it should be noted that the annual securities report prescribed in Article 24, paragraph (3) of the Act for the immediately preceding business year must be submitted without delay after the content of the financial statements, etc. becomes fixed, using Form 3 of the Cabinet Office Order on Disclosure in the case of a domestic company and Form 8 of the Cabinet Office Order on Disclosure in the case of a foreign company.

(Exemption from Obligation to Submit an Annual Securities Report)

24-12 It should be noted that, if, with regard to a company which is the issuer of the securities set forth in Article 24, paragraph (1), item (iii) of the Act (limited to share certificates or preferred equity investment certificates), the numbers of holders of the securities on the last day of the relevant business year and on the last days of each of the business years that began within four years before the day on which the relevant business year began are smaller than 300 persons, and the company receives acknowledgement of the Prime Minister as a company whose non-submission of an annual securities report does not damage the public interest or result in insufficient investor protection, pursuant to the proviso to Article 24, paragraph (1) of the Act, the company is not required to submit the annual securities report even if the number of holders of the securities on the last day of a business year which commences after the day of commencement of the relevant business year becomes 300 persons or more, as long as the securities do not newly fall under the items of Article 24, paragraph (1) of the Act.
(Handling of Approval of the Due Date for Submission of an Annual Securities Report, etc.)

24-13 If the issuer of any of the securities set forth in the items of Article 24, paragraph (1) of the Act files an application for the approval prescribed in the main clause of that paragraph, an appropriate determination should be made while taking note of the following points.

(1) Compelling reason

It should be noted that, if the issuer of any of the securities set forth in the items of Article 24, paragraph (1) of the Act files an application for the approval prescribed in the main clause of that paragraph, and if any of the following cases basically applies, the case is regarded as a case where "there is a compelling reason that the company cannot submit the document within such period."

(i) A case where preparation of financial statements or consolidated financial statements cannot be completed or an audit report cannot be received by the due date for submission, because of such reasons as that obligations are unfixed as a result of not being able to operate the computer used by the issuer due to a cut off of the power supply or any other reason.

(ii) A case where preparation of financial statements or consolidated financial statements cannot be completed or an audit report cannot be received by the due date for submission, because of such reasons as that obligations are unfixed as a result of the filing of a petition for commencement of rehabilitation proceedings based on the Civil Rehabilitation Act.

(iii) A case where a false statement on a material particular has been discovered in an annual securities report, etc. submitted in the past, and amendment of the financial statements or consolidated financial statements for the past fiscal year which are required for fixing the beginning balance of the current business year or the current consolidated fiscal year cannot be completed or an audit report cannot be received by the due date for submission, and where the issuer has announced such fact.

(iv) A case where an audit report cannot be received by the due date for submission because an audit corporation, etc. needs to conduct an additional audit procedure due to such reasons as that the audit corporation, etc. has identified, through its audit, a suspicion of a false representation about a material particular that has been made by an error or wrongful act that could lead to a false representation about a material particular in financial statements or consolidated financial statements of the issuer, and where the issuer has announced such fact.

(v) A case where the issuer of any of the securities set forth in the items of Article 24, paragraph (1) of the Act is a foreign person, and the person
cannot submit an annual securities report by the due date for submission due to laws and regulations or practices, etc. concerning accounts in the person's home country.

(2) Document proving the grounds for requiring approval

It should be noted that the phrase "document proving the grounds" prescribed in Article 15-2, paragraph (2), item (ii), Article 15-2-2, paragraph (3), item (v), and Article 17-4, paragraph (3), item (v) of the Cabinet Office Order on Disclosure is a document that objectively clarifies that the grounds for requiring approval have occurred, such as a news report or corporate information provided through timely disclosure which clearly states matters necessary for determining the necessity of extending the due date for submission.

Meanwhile, if the grounds for the application for approval fall under (1)(iii) or (1)(iv), not only the abovementioned document proving the grounds, but also a document stating the view of the audit corporation, etc., recognition of the representative person of the issuer about the filing of the application, and the measures to be implemented for submitting the annual securities report at an early stage should be checked.

(3) Due date for submission to be newly approved

When setting a due date to be newly approved, a period necessary and appropriate for the public interest or the protection of investors needs to be specified, also in coordination with the financial instruments exchange or authorized financial instruments firms association and the issuer's audit corporation, etc., by taking into consideration matters including the time of occurrence of the grounds for requiring the approval for the due date for submission, the possibility of recovery, the business scale of the issuer, and the complexity of the case for each individual case. In this case, it should be noted that the determination should be made by weighing between the detriment caused by the delay in disclosure of corporate information and the benefit of disclosing the correct corporation information.

Meanwhile, if the grounds for the application for approval fall under (1)(iii) or (1)(iv), and approval is to be made to extend the due date for submission by one month or more, the appropriateness of the period should be determined by giving consideration to the adverse effect on investors caused by the delay in disclosure of corporate information, and also taking into account the status of information disclosure by the issuer, such as whether the issuer checks for any error or wrongful act that could lead to a false representation about a material particular in disclosure, etc. based on the rules of the financial instruments exchange or the authorized financial instruments firms
association, and whether the issuer acknowledges the presence of any false statements on material particulars in the annual securities reports it has submitted in the past, and has announced its sincere efforts toward resolving and rectifying the problem to investors at an early stage.

(4) Encouraging to file an application

If an issuer has disclosed matters relating to (1)(iii) or (1)(iv) based on the rules of the financial instruments exchange or the authorized financial instruments firms association or the like, the Local Finance Bureau is to have the issuer promptly determine whether the application for approval prescribed in the main clause of Article 24 of the Act is required, and if the issuer determines that it is necessary to file the application, the Local Finance Bureau is to have the issuer promptly file the application.

Regarding Article 24-3 (Suspension of the Validity of Notifications Made Within One Year After the Submission of an Annual Securities Report Containing a False Statement) of the Act

24-3-1 The provisions of 11-1 apply mutatis mutandis to the case of having submitted an annual securities report containing a false statement about a material particular.

Regarding Article 24-4-2 (Submission of a Confirmation Letter) of the Act

24-4-2 It should be noted that the chief financial officer prescribed in Instructions on Preparation (4) of Form 4-2 or Instructions on Preparation (4) of Form 9-2 of the Cabinet Office Order on Disclosure means a person who has responsibilities equivalent to the representative person with regard to financial reporting in the case where the company has appointed such person, and does not include a person who is merely in charge of financial affairs.

Regarding Article 24-4-7 (Submission of Quarterly Securities Reports) of the Act

24-4-7-1 In the case of having changed the business year prescribed in the articles of incorporation, if the period of the first business year after the change exceeds three months, a quarterly securities report needs to be submitted. However, it is allowable not to submit a quarterly securities report if the last day of the first business year arrives before the due date for submission of the quarterly securities report.
24-4-7-2 It should be noted that, in the case where a company which is the issuer of the securities set forth in Article 24, paragraph (1), item (iii) or (iv) of the Act receives application of the Corporate Reorganization Act, if the day on which an order of commencement of reorganization proceedings is made arrives before the due date for submission of a quarterly securities report, submission of the quarterly securities report is required.

24-4-7-3 It should be noted that, in the case where securities (limited to the securities set forth in the items of Article 4-2-10, paragraph (1) of the Cabinet Order; the same applies in 24-4-7-5, 24-5-4, and 24-5-5) issued by a company whose business year exceeds three months come to be categorized as the securities set forth in Article 24, paragraph (1), item (i) or (ii) of the Act, submission of the following quarterly securities reports for the respective categories of cases set forth therein is required.

(i) If the day on which the securities came to be so categorized is a day within three months from the day of commencement of the business year: a quarterly securities report for the first quarterly accounting period of the business year (hereinafter referred to as the "first quarterly accounting period").

(ii) If the day on which the securities came to be so categorized is a day within six months from the day of commencement of the business year (excluding the case of falling under (i)): a quarterly securities report for the quarterly accounting period following the first quarterly accounting period (referred to as the "second quarterly accounting period" in (iii), 24-5-4, and 24-5-5).

(iii) If the day on which the securities came to be so categorized is a day within nine months from the day of commencement of the business year (excluding the case of falling under (i) or (ii)): a quarterly securities report for the quarterly accounting period following the second quarterly accounting period.

24-4-7-4 It should be noted that a company which is required to submit semiannual securities reports pursuant to Article 24-5, paragraph (1) of the Act and intends to submit quarterly securities reports pursuant to Article 24-4-7, paragraph (2) of the Act must submit quarterly securities reports starting with one for the first quarterly accounting period of the business year.

24-4-7-5 It should be noted that a company which submits a quarterly securities report pursuant to Article 24-4-7, paragraph (2) of the Act must continue to submit quarterly securities reports in and after the quarterly accounting period following the quarterly accounting period to which the quarterly securities report pertains.
However, it should be noted that, in the case where a company which intends to list securities it issues on a financial instruments exchange or register them as over-the-counter traded securities with an authorized financial instruments firms association has submitted a quarterly securities report pursuant to Article 24-4-7, paragraph (2) of the Act, but was unable to list the securities on a financial instruments exchange or register them as over-the-counter traded securities with an authorized financial instruments firms association, or in any other equivalent case, the company may submit semiannual securities reports under Article 24-5, paragraph (1) of the Act in and after the business year following the business year containing the quarterly accounting period to which the quarterly securities report pertains (excluding the case of being required to submit quarterly securities reports pursuant to Article 24-4-7, paragraph (1) of the Act).

(Special Provisions on Statement of Matters in the First Quarterly Securities Report to Be Submitted)

24-4-7-6 In the case where a company has not submitted a quarterly securities report for the quarterly accounting period in the previous business year corresponding to the current quarterly accounting period (hereinafter referred to as the "same quarter of the previous year") due to not falling under Article 24-4-7, paragraph (1) or (2) of the Act (including the case where it has not submitted a quarterly securities report pursuant to the proviso to 24-4-7-1), and the company states matters in a quarterly securities report for the current quarterly accounting period, it is not required to make a comparison with regard to matters that are requested to be compared with those in the same quarter of the previous year under the Instructions on Preparation of Form 4-3 and Form 9-3 of the Cabinet Office Order on Disclosure.

(Application Mutatis Mutandis of the Handling Concerning a Securities Registration Statement, etc.)

24-4-7-7 The provisions of 5-3, 5-6, 5-7-3, 5-10, 5-12-2, 5-13, 5-14, 5-16 through 5-21, 5-22-2, 5-23, 5-23-2, 5-44, and 24-13 apply mutatis mutandis to the handling concerning a quarterly securities report.

(Items of the Form)

24-4-7-8 In the case of stating the "Status of voting rights" pursuant to Instructions on Preparation (16)a of Form 4-3 of the Cabinet Office Order on Disclosure, if the status as of the last day of each quarterly accounting period cannot be stated, it is allowable to state the number of voting rights based on
the shareholder register as of the reference date immediately preceding the last
day of each quarterly accounting period.

24-4-7-9 It should be noted that, in the case of including a quarterly consolidated
cash flow statement prepared pursuant to Article 5-2, paragraph (2) or (3) of
the Regulation on Quarterly Consolidated Financial Statements (if quarterly
consolidated financial statements have not been prepared, a quarterly cash flow
statement prepared pursuant to Article 4-2, paragraph (2) or (3) of the
Regulation on Quarterly Financial Statements) in "Company's accounting" in a
quarterly securities report pertaining to the first quarterly accounting period
or the third quarterly accounting period (meaning the quarterly accounting
period following the second quarterly accounting period; the same applies in
24-4-7-10) to be submitted pursuant to Article 24-4-7, paragraph (1) or (2) of
the Act, such fact must be stated at the beginning of "Company's accounting"
in the quarterly securities report.

24-4-7-10 It should be noted that, in the case of including a quarterly consolidated
cash flow statement and a quarterly consolidated comprehensive income
statement or a quarterly consolidated profit and loss and comprehensive income
statement for a quarterly consolidated accounting period prepared pursuant to
Article 64, paragraph (3) or (4) or Article 83-2, paragraph (3) of the Regulation
on Quarterly Consolidated Financial Statements (if quarterly consolidated
financial statements have not been prepared, a quarterly profit and loss
statement for a quarterly accounting period prepared pursuant to Article 56,
paragraph (3) or (4) of the Regulation on Quarterly Financial Statements) in
"Company's accounting" in a quarterly securities report to be submitted
pursuant to Article 24-4-7, paragraph (1) or (2) of the Act, such fact must be
stated at the beginning of "Company's accounting" in the quarterly securities
report.

Regarding Article 24-5 (Submission of Semiannual Securities Reports,
Extraordinary Reports, and Copies Thereof) of the Act

24-5-1 In the case of having changed the business year prescribed in the articles
of incorporation, if the period of the first business year after the change exceeds
six months, a semiannual securities report needs to be submitted. However, it
is allowable not to submit a semiannual securities report if the last day of the
first business year arrives before the due date for submission of the semiannual
securities report.
24-5-2 It should be noted that, in the case where a company which is the issuer of the securities set forth in Article 24, paragraph (1), item (iii) or (iv) of the Act receives application of the Corporate Reorganization Act, if the day on which an order of commencement of reorganization proceedings is made arrives before the due date for submission of a semiannual securities report, submission of the semiannual securities report is required.

24-5-3 If securities issued by a company that is not subject to application of the main clause of Article 24, paragraph (1) of the Act and whose business year exceeds six months come to be categorized as any of the securities set forth in items (i) through (iii) of that paragraph, it should be noted that the company must submit a semiannual securities report for the six months from the day of commencement of the business year, only if the day on which the securities came to be so categorized arrives within six months from the day of commencement of the business year.

24-5-4 It should be noted that, if securities issued by a company which is required to submit semiannual securities reports pursuant to Article 24-5, paragraph (1) of the Act come to be categorized as the securities set forth in Article 24, paragraph (1), item (i) or (ii) of the Act (limited to the case where a securities registration statement (limited to one containing quarterly consolidated financial statements or quarterly financial statements for the second quarterly accounting period) using Form 2-4 or Form 2-7 of the Cabinet Office Order on Disclosure has not been submitted pursuant to Article 8, paragraph (2) of the Cabinet Office Order on Disclosure for the securities) during the period within three months from the day on which six months elapse from the day of commencement of the company's business year, the company is required to submit the semiannual securities report for the business year. It should be noted, however, that this does not apply if the company has already submitted a quarterly securities report for the second quarterly accounting period of the business year pursuant to Article 24-4-7 of the Act.

24-5-5 It should be noted that, if securities issued by a company which is required to submit quarterly securities reports pursuant to Article 24-4-7, paragraph (1) of the Act and whose business year exceeds six months come to be categorized as the securities set forth in Article 24, paragraph (1), item (i) or (ii) of the Act (limited to the case that falls under item (iii) or (iv) of that paragraph) during the period within three months from the day on which six months elapse from
the day of commencement of the company's business year, the company is
required to submit the semiannual securities report for the business year. It
should be noted, however, that this does not apply if the company has already
submitted a quarterly securities report for the second quarterly accounting
period of the business year.

(Special Provisions on Statement of Matters in the First Semiannual Securities
Report to Be Submitted)

24-5-6 In the case of stating matters in a semiannual securities report to be
submitted pursuant to Article 24-5, paragraph (1) of the Act which is to be
submitted first (including a semiannual securities report pertaining to the
business year following the business year in which the company has not
submitted a semiannual securities report pursuant to the proviso to 24-5-1), it
is not required to make a comparison with the same quarter of the previous
year in "Section 2. Business status" and "Section 5. Company's accounting" in
Part I of Form 5 of the Cabinet Office Order on Disclosure, "Section 2. Business
status" and "Section 4. Company's accounting" in Part I of Form 5-2 of the
Cabinet Office Order on Disclosure, or "Section 3. Business status" and "Section
6. Company's accounting" in Part I of Form 10 of the Cabinet Office Order on
Disclosure.

(Application Mutatis Mutandis of the Handling Concerning a Securities
Registration Statement, etc.)

24-5-7 The provisions of 5-3, 5-6, 5-7-3, 5-10, 5-12-2, 5-13, 5-14, 5-16 through 5-
21, 5-22-2, 5-23, 5-23-2, 5-44, and 24-13 apply mutatis mutandis to the handling
concerning a semiannual securities report.

(Due Date for Submission of an Extraordinary Report in the Case of Making a
Public Offering or Secondary Distribution in an Area Outside Japan)

24-5-8 In the case of making the public offering or secondary distribution of
securities prescribed in Article 19, paragraph (2), item (i) of the Cabinet Office
Order on Disclosure in an area outside Japan, if it is required to make a
notification, etc. to the administrative authority, etc. in that area, it should be
noted that the time of making that notice, etc. corresponds to "when a public
offering (excluding those made to less than 50 persons; hereinafter the same
applies in this item and paragraph (4)) or secondary distribution of securities ...
(excluding cases of a secondary distribution as prescribed in Article 2,
paragraph (4) of the Act where a solicitation for selling, etc. of already issued
securities of the same class implemented within one month prior to the day on
which said secondary distribution of securities is to be implemented was made to less than 50 persons, and limited to cases where the holder of said securities was a person listed in Article 4, paragraph (4), item (i) or (ii); hereinafter the same applies in this item and paragraph (4)) ... of which the total issue value or distribution value is 100 million yen or more, was commenced in an area outside Japan" as prescribed in Article 19, paragraph (2), item (i) of the Cabinet Office Order.

(Amended Report in the Case of Submitting an Extraordinary Report with the Conditions for Issuance Being Unfixed with Regard to the Issue Price, etc. of Securities)

24-5-9 In the case where the public offering or secondary distribution of securities prescribed in Article 19, paragraph (2), item (i) of the Cabinet Office Order on Disclosure has been commenced in an area outside Japan, if an extraordinary report has been submitted with the issue price, etc. being unfixed because the conditions for issuance including the issue price, etc. were unfixed at first, it should be noted that an amended report of the extraordinary report must be submitted when the issue price, etc. is decided.

24-5-10 The provisions of 24-5-9 apply mutatis mutandis to the case of having submitted an extraordinary report pursuant to Article 19, paragraph (2), item (ii) of the Cabinet Office Order on Disclosure.

(Decision on Whether or Not Submission of an Extraordinary Report for Corporate Bond Certificates with Share Options Is Required)

24-5-11 It should be noted that the provisions of the main clause of 4-5 apply mutatis mutandis to the case of submitting an extraordinary report for corporate bond certificates with share options pursuant to Article 19, paragraph (2), items (i) and (ii) of the Cabinet Office Order on Disclosure.

(Submission of an Extraordinary Report in the Case of Issuing Securities Not Through a Public Offering)

24-5-12 The phrase "securities ... which is acquired not through a public offering" prescribed in Article 19, paragraph (2), item (ii) of the Cabinet Office Order on Disclosure means securities of which issuance is based on a resolution at a board of directors meeting or a shareholders meeting and involves a capital increase in effect; for example, share certificates issued in the case set forth in 2-4(iii).
(Relationship Between the Acquirer and the Reporting Company)
24-5-13 The phrase "the investment relationship, business relationship, and other relationships equivalent thereto between the acquirer and the reporting company" prescribed in Article 19, paragraph (2), item (ii), (d) 2. of the Cabinet Office Order on Disclosure means not only the investment relationship and business relationship between the acquirer and the reporting company, but also their relationship in terms of personnel affairs, such as interlocking officers, and capital relationship, such as financial assistance and guarantee of obligations.

(Agreement Made Between the Acquirer and the Reporting Company on the Holding of Share Certificates)
24-5-14 The phrase "the agreement made between the acquirer and the reporting company on the holding period and other matters concerning the holding of the share certificates, share option certificates or corporate bond certificates with share options" prescribed in Article 19, paragraph (2), item (ii), (d), 3. of the Cabinet Office Order on Disclosure means not only an arrangement between the acquirer and the reporting company in terms the holding period of the share certificates or share option certificates, but also an arrangement in relation to the holding of the share certificates such as transfer, provision as collateral, and non-issuance of share certificates, if any.

(Public Inspection of Attached Documents)
24-5-15 It should be noted that the documents set forth in the items of Article 19, paragraphs (4) and (5) of the Cabinet Office Order on Disclosure constitute a part of the content of the extraordinary report referred to in Article 24-5, paragraph (4) of the Act and should be made available for public inspection.

24-5-16 It should be noted that the translations under Article 19, paragraph (6) of the Cabinet Office Order on Disclosure for the prospectus prescribed in paragraph (4), item (i), (c) of that Article are deemed to have been submitted even if they were summarized, as long as they satisfy the following requirements.
(i) The cover (the part stating the outline of the securities to which the public offering or secondary distribution pertains) and the table of contents of the prospectus are fully translated.
(ii) The name and the contact information (company name, address, and telephone number) of the person who can responsibly answer inquiries on the matters stated in the prospectus are stated in the margin of a page, etc. of
the translations.

(Specified Subsidiary Company)
24-5-17 It should be noted that calculation of the "ten percent" prescribed in Article 19, paragraph (10), item (i) of the Cabinet Office Order on Disclosure is to be based on the percentage of the total amount of net sales made by the subsidiary company to the reporting company to the total amount of purchases of the reporting company or the percentage of total amount of purchases made by the subsidiary company from the reporting company to the total amount of net sales of the reporting company.

(Grounds for the Change)
24-5-18 The phrase "the grounds ... for the change" prescribed in Article 19, paragraph (2), item (iii), (d) of the Cabinet Office Order on Disclosure means the specific grounds (including the grounds that caused the change (for example, sales of shares, acquisition of shares, incorporation, merger, dissolution, liquidation, etc.)) for which the company became categorized as or became no longer categorized as any of the companies set forth in the items of Article 8, paragraph (4) of the Regulation on Financial Statements or the other companies, etc. prescribed in the items of that paragraph.

(Case of Not Being Categorized as a Major Shareholder)
24-5-19 It should be noted that the following shares are not included in the number of shares held in the case of determining whether or not a person is categorized as the major shareholder prescribed in Article 19, paragraph (2), item (iv) of the Cabinet Office Order on Disclosure.
Meanwhile, the same applies to the major shareholder prescribed in the Instructions on Preparation of Forms 2 through 5 and Forms 7 through 10 of that Cabinet Office Order.
(i) Shares held by a person engaged in trust business as trust property.
(ii) Shares acquired by a person engaged in securities-related business through a business of underwriting or secondary distribution.
(iii) Shares held by a person who conducts the business prescribed in Article 156-24, paragraph (1) of the Act (securities finance company) in the course of its business.
(iv) Shares held by a person engaged in the business of custody and book-entry transfer of share certificates under the person's name in the course of business.
(Due Date for Submission of an Extraordinary Report in the Case of a Disaster)
24-5-20 The term "disaster" prescribed in Article 19, paragraph (2), items (v) and (xiii) of the Cabinet Office Order on Disclosure means a disaster caused by an earthquake, typhoon, flood, fire, explosion of explosives, aircraft crash, sinking of a ship, or the like, and the term "ceased" means the state in which there is no longer a risk for further occurrence of a disaster and reconstruction work can be started.

(Assets Damaged by a Disaster)
24-5-21 It should be noted that the phrase "the assets ... that have been damaged by said disaster" and "the assets that have been damaged by the serious disaster" prescribed in Article 19, paragraph (2), items (v) and (xiii) of the Cabinet Office Order on Disclosure include not only the parts affected by the disaster, but also the parts of the assets that function in an integrated manner with the affected parts, if the assets are goods or products, and whether or not certain parts should be included is to be rationally determined by taking into consideration the state of damage, etc.

(Settlement of a Suit)
24-5-22 It should be noted that the phrase "the suit ... is settled" prescribed in Article 19, paragraph (2), items (vi) and (xiv) of the Cabinet Office Order on Disclosure includes settlement not only by a court judgment, but also by reconciliation, private settlement, etc., and the term "the amount to be paid for the damages" includes not only the amount of compensation to be paid based on a court judgment, but also the amount that has been decided to be paid in reconciliation, private settlement, etc.

(Amount of Consideration for Acquisition of a Subsidiary Company)
24-5-22-2 It should be noted that the phrase "the aggregate amount paid or payable as consideration for the acquisition of subsidiary company" prescribed in Article 19, paragraph (2), item (viii)-2 of the Cabinet Office Order on Disclosure includes the amount of the trading value of shares or equity, and expenses, etc. such as fees and remunerations to be paid when acquiring the subsidiary company.

(Ancillary Acquisition of Subsidiary Company)
24-5-22-3 It should be noted that an acquisition of a subsidiary company "which was implemented ... ancillary to said acquisition of subsidiary company or implementation of which was decided by the business execution body" as
prescribed in Article 19, paragraph (2), items (viii)-2 and (xvi)-2 of the Cabinet Office Order on Disclosure is an acquisition of a subsidiary company that is found to be practically integrated with "said acquisition of subsidiary company" in light of the various conditions including the purpose and intention of the acquisition of the subsidiary company.

24-5-23 With regard to the matter for resolution prescribed in Article 19, paragraph (2), item (ix)-3 of the Cabinet Office Order on Disclosure, the matter for resolution at a board of directors meeting to be held immediately after the annual shareholders meeting for the business year pertaining to the annual securities report may be stated.

(Any Other Claims)

24-5-24 It should be noted that any other claims prescribed in Article 19, paragraph (2), items (xi) and (xviii) of the Cabinet Office Order on Disclosure include the rights to obtain reimbursement through performance of guarantee obligations (including those that are not recorded as assets due to processing the amount of performance of guarantee obligations as a loss).

(Amount of Influence on the Consolidated Profits and Losses)

24-5-25 The phrase "the amount of influence that the Event has on the consolidated profits and losses" prescribed in Article 19, paragraph (2), item (xix) of the Cabinet Office Order on Disclosure means the amount of influence on major profit and loss items such as ordinary profit and loss, and net income or net loss for the period before taxes. However, if it is difficult to calculate the amount accurately, an amount estimated by an appropriate method may be used.

24-5-26 When calculating "the amount of influence that the Event has on the consolidated profits and losses" referred to in 24-5-25, if the amount cannot be calculated based on the ownership ratio of the consolidated subsidiary company to which the event occurred as of the time of the occurrence of the event, the amount may be calculated based on the ratio used when preparing the consolidated financial statements of the consolidated company for the most recent consolidated fiscal year.

24-5-27 The provisions of 5-44, 7-4, and 7-7 apply mutatis mutandis to the handling concerning an extraordinary report.

(Application Mutatis Mutandis of the Handling Concerning a Securities
Registration Statement, etc.)

24-5-28 It should be noted that the provisions of 5-7-2 and 5-7-4 apply mutatis mutandis to the case of submitting an extraordinary report for corporate bond certificates, etc. with share options subject to exercise value change pursuant to Article 19, paragraph (2), items (i) and (ii) of the Cabinet Office Order on Disclosure.

In this case, when stating "Nature of the corporate bond certificates, etc. with share options subject to exercise value change," it should be noted that the item should be stated immediately after "Classes and issue names of securities," and that the item must be stated even if all or part of the matters set forth in 5-7-2(i) through (iv) are stated in another place in the extraordinary report.

24-5-29 The phrase "certain requirements" prescribed in Article 19, paragraph (2), item (i), (l), 1. of the Cabinet Office Order on Disclosure means the case where over-allotment is to be conducted by underwriters in a public offering or secondary distribution of securities, and where underwriters can exercise greenshoe options up to the number of the over-allotment securities.

24-5-30 It should be noted that, with regard to "the result of the resolution" prescribed in Article 19, paragraph (2), item (ix)-2, (c) of the Cabinet Office Order on Disclosure, whether or not the matter requiring a resolution was adopted, and the percentage of the voting rights for indicating the approval or disapproval that served as the basis should be stated.

(Statement of the Address of an Individual)

24-5-31 When stating the address of an individual pursuant to Article 19, paragraph (2) of the Cabinet Office Order on Disclosure, it is sufficient to state up to the municipality level (up to the ward level in the case of a government-designated city).

Regarding Article 25 (Public Inspection of Securities Registration Statements, Annual Securities Reports, etc.) of the Act

(Public Inspection of Securities Registration Statements, etc. at Principal Branch Offices)

25-1 It should be noted that a branch office which was not categorized as the principal branch office prescribed in Article 22, paragraph (2) of the Cabinet Office Order on Disclosure but newly becomes so categorized must keep also copies of the documents prescribed in the items of Article 25, paragraph (1) of
the Act that were submitted before the day on which it became categorized as a principal branch office, and make the documents available for public inspection until the periods set forth in those items elapse.

(Approval for Not Making Confidential Matters Available for Public Inspection)

25-2 It should be noted that, when making an approval under Article 25, paragraph (4) of the Act, the determination is to be made by comprehensively weighing factors including the content of the confidential matters, the necessity of not making the matters available for public inspection, and issues concerning protection of investors.

An application for approval is to be filed by submitting a written application (using an arbitrary form) containing the grounds for application. The applicant is to be requested to attach materials that serve as a reference, a written opinion of a person concerned, such as an audit corporation, or other documents, if necessary.

Meanwhile, with regard to an approval for a listed company (including a company planned to be listed), the opinion of the financial instruments exchange on which the company is or is to be listed should also be used as a reference, if necessary.

Efforts should be made to make a disposition within two months (excluding the period required for correcting the application and the period required for adding materials that are found to be necessary for the examination pertaining to the application) from the day on which the application reaches the office.

(Decision of Not Making Matters Available for Public Inspection Due to Issuance of an Order to Amend)

25-3 With regard to making a decision under Article 25, paragraph (6) of the Act, the necessity is to be studied also from the public interest or protection of investors. The decision could be made for, for example, cases that could mislead many investors in making investment decisions, such as a case where, despite having made a disposition under any of the items of that paragraph, it is found to be impossible to promptly submit an amended report, etc., or a case where a problem could arise in share price formation unless a step is promptly taken to not make the matters available for public inspection.

Regarding Article 166 (Parent and Subsidiary Companies) of the Act

(Parent and Subsidiary Companies)

166-1 It should be noted that, in the case of having carried out the procedure for
disclosure of information on the issuer of securities in circulation (meaning the procedure for disclosure of information on the issuer of securities in circulation prescribed in Article 6, paragraph (1) of the Supplementary Provisions of the Act Partially Amending the Securities and Exchange Act and the Financial Futures Trading Act (Act No. 96 of 2000)) by using an electronic data processing system for disclosure (meaning the electronic data processing system for disclosure prescribed in Article 27-30-2 of the Act) or by submitting a magnetic recording disk, the information is deemed to have been "made available for public inspection" as referred to in Article 29-3 of the Cabinet Order at the point when the information is recorded in the computer used by the Cabinet Office prescribed in Article 27-30-2 of the Act (limited to the case where the information is recorded in a manner in which it is made available to public inspection). However, it should be noted that, if the content concerning the parent company becomes subject to not being made available for public inspection, the information is not deemed to have been "made available for public inspection" even if it is recorded.

Supplementary Provisions

(Transitional Measures on Confirmation of Appropriateness by the Representative Person)

Supplementary-1 Among the "document" specified in Article 10, paragraph (1), item (i), (g) of the Cabinet Office Order on Disclosure of Corporate Affairs, etc. prior to amendment by Article 1 of the amendment Cabinet Office Order (hereinafter referred to as the "old Cabinet Office Order on Disclosure") (hereinafter referred to as the "written confirmation of the statement") and the documents specified in item (ii), (b) of that paragraph, the documents specified in item (iii), (b) of that paragraph, the documents specified in item (iii)-2 of that paragraph, the documents specified in item (iii)-3 of that paragraph, the documents specified in item (iv), (a) of that paragraph, the documents specified in item (v), (a) of that paragraph, and the documents specified in item (vi), (a) of that paragraph to which prior laws are to continue to govern pursuant to Article 3, paragraph (1) of the Supplementary Provisions of the Cabinet Office Order Partially Amending the Cabinet Office Order on Disclosure of Corporate Affairs, etc. (Cabinet Office Order No. 65 of 2007; hereinafter referred to as the "amendment Cabinet Office Order"), the "written confirmation of the statement" is to basically contain the following matters, and the representative person who confirms that the matters stated in the securities registration statement is to sign the written confirmation of the statement with an
indication of the person's title and affix the person's seal thereto.
(i) The fact that the person confirmed that the content of the securities registration statement is appropriate.
(ii) If the scope of the content confirmed is limited, such fact and the reason therefor.
(iii) The fact that, in making the confirmation, the person confirmed whether the system for appropriately preparing financial statements, etc. was functioning, and the content thereof.
(iv) Any notable matters to be stated regarding the confirmation.

Supplementary-2 Among the documents specified in Article 17, paragraph (1), item (i), (f) of the old Cabinet Office Order on Disclosure (hereinafter referred to as the "written confirmation of the annual securities report") and the documents specified in item (ii), (a) of that paragraph to which prior laws are to continue to govern pursuant to Article 3, paragraph (2) of the Supplementary Provisions of the amendment Cabinet Office Order, the "written confirmation of the annual securities report," and the document prescribed in Article 18, paragraph (2) of the old Cabinet Office Order on Disclosure and the "document" prescribed in paragraph (3), item (iii) of that Article to which prior laws are to continue to govern pursuant to Article 3, paragraph (3) of the Supplementary Provisions of the amendment Cabinet Office Order are to be prepared in the same manner as under the provisions of Supplementary-1.

C Individual Guidelines

I Handling Guideline for "Business-related risks, etc."

1. Examples of statements in the "Business-related risks, etc." prescribed in Instructions on Preparation (31)a of Form 2, Instructions on Preparation (7)a of Form 4-3, and Instructions on Preparation (10)a of Form 5 of the Cabinet Office Order on Disclosure are basically as follows. This does not preclude a company from stating different types of matters from the examples within the extent of not misleading investors, based on the company's judgment.

   (1) Matters concerning the corporate group's unique business management policy
   a. Over the past three years, the Group (the Company and its consolidated subsidiary companies) has posted profits of XX yen, XX yen, and XX yen per share respectively, but has not distributed dividends, in order to increase its internal reserves. The Group intends to maintain this policy in the immediate
future.
b. XX% of the Group's products are produced at the Group's overseas production bases. The major overseas production bases are Country A (XX% of the production), Country B (XX% of the production), and Country C (XX% of the production), and the balances of investments and loans to the companies in the respective countries are Country A (X billion yen), Country B (X billion yen), and Country C (X billion yen).
c. The Group does not file patent applications for any of the technologies it develops, in order to prevent technology leakage.

(2) Matters concerning extraordinary changes in the financial position, operating results, and cash flow

a. The Group's major products (constituting XX% of its sales) and their raw materials have been substantially affected by the conditions of international commodity markets. Because of this, the Group's past operating results have changed drastically as shown in the graphs below (show graphs of the product market conditions, raw material market conditions, and the Company's operating results).
b. The overseas plant construction work, which is the Group's major business, involved a large contract amount per construction project, and requires a long time until the completion. Meanwhile, some countries in which construction projects are implemented are currently in conflict with other countries, and there is a risk that the construction work will be considerably delayed. For example, in the XX term, the construction work in Country XX was considerably delayed due to the XX war, and as a result, the sales and profits both dropped sharply to about XX% of the period term.
c. The export ratio of the Group has been rising from XX% for the term ending [Month/Year], and XX% for the term ending [Month/Year], to XX% during the term ending (from [Date] to [Date]). Therefore, the Group has performed risk hedges through forward exchange contracts, etc., but the Group's operating results have been strongly affected by exchange-rate fluctuations.

(3) Matters concerning high dependence on specific business partners with whom continuity of transactions is unstable

a. Although sales to Company A constitute XX% of the Group's sales, the Group has not concluded a long-term delivery contract with Company A concerning the delivery quantity, price, etc.
b. The sales of the Company's products are largely dependent on overseas markets, including Country A, Country B, etc., which are currently unstable politically
and economically, and the degree of dependence is XX%.

(4) Matters concerning high dependence on specific products, technologies, etc. with unclear potential
a. The Company's major product, XX, has a high market share at XX%, but since it does not own patent rights, etc. on the components and production method of the product, entry of new competitors can be expected.
b. While the Company manufactures and sells Product XX based on Patent XX, the term of the patent on the product will expire in [Month/Year], so entry of new competitors can be expected after that.
c. The Company's products have a short life cycle, and the period from the starting of production to the ending of production had been short (XX months for Core Product A in the XX term; XX months for Core Product B in the XX term). The production of the currently marketed Core Product C started in [Month/Year].
d. The Company's major product is manufactured by introducing technology from US Company A, but the product is prohibited from export to the United States and Europe under the technology introduction contract.
   The product is mainly exported to the Middle East (XX%) and to Southeast Asia (XX%).
e. The Company has concluded a licensing contract with Company A concerning the development, etc. of its core product, XX. Therefore, the approval of Company A is required with regard to the standards and specifications of the core product, XX.

(5) Matters concerning damage relating to transactions based on particular trade practice
a. Consignment sale accounts for XX% of the Group's sales. Consignment sale is this industry's general trade practice in which products are deposited and sold on consignment based on trust in the consignee, and neither business security deposit nor physical security is collected from the consignee. The Group has posted a loss of XX million yen in the XX term due to the bankruptcy of its consignee.
b. The Group has concluded a contract to guarantee purchase of the entire amount for a specific period at a specific price with regard to the products it purchases, due to the industry's trade practice. The Company has posted a loss on disposal of products of XX million yen in the XX term.

(6) Matters concerning long-term industrialization or commercialization of a new product or a new technology
a. While reports have been made in newspapers, etc. about the Group's development of XX, it is currently in the prototype stage, and it will take at least another XX years to be commercialized and placed on the market.
b. The Group is constructing a new factory in order to industrialize Product XX, and its success or failure is expected to have a material impact on the future of the Group. The construction is planned to be completed in XX years, and because it will take time to master the adopted new technology, the factory is planned to enter into full operation XX years after its completion.

(7) Matters concerning particular legal regulations, etc.
a. While reports are currently being made in newspapers, etc. about Product XX that the Company is developing, it will take at least another XX years to file an application for approval. Also, there is no guarantee that the approval will be granted (the approval may not necessarily be granted).
b. A production adjustment cartel is currently implemented for the Company's Product XX (from [Month/Year] to [Month/Year]).
c. Although there were no legally stipulated product standards concerning the Company's Product XX, the US XX industry voluntarily established new product standards recently. As a result, the Company's export products are required to comply with those standards, but it is expected to take approximately XX years to develop compliant products.
d. The Company sells most of its products at its own stores, and is currently expanding its store network as a core activity of its business expansion strategy. However, the opening of new stores is subject to regulation under the XX Act and requires permission from the Ministry of XX.

(8) Matters concerning important litigation cases, etc.
a. A claim for damages of XXX million yen has been filed with the court by XX, alleging chemical injury from Product XX, which the Company had been selling until the XX term.
b. While the Company exports its major product, XX, mainly to the United States, Company A, which sells similar products in the United States, has filed an action with the US XX Court, claiming that the Company's product infringes on its patent right.

(9) Matters concerning material particulars relating to officers, employees, major shareholders, associated companies, etc.
a. The Company's president and director Y owns XX% of the shares of Company A, to which XX% of the Company's products are sold. Meanwhile, the transaction
prices and the conditions of transactions between the Group and Company A's group are the same as those between the Group and other purchasers.
b. The Company's president and director Y guarantees borrowings made by the Company from the bank.
c. The Company guarantees borrowings made by the Company's president and director Y from the bank.
d. The Company's [Number] leading sales representatives left the Company in [Month/Year]. They newly established a stock company, Company XX, and started the same business as the Company. As a result, the Company and Company XX became competitors.

(10) Matters concerning a material business relationship between a company and its officer or a shareholder that substantially holds the majority of the voting rights

a. The Company leases the building of its main office from the Company's president and director Y. The lease conditions are as follows (state the leased area, the rent paid, etc.), and the rental rate and the guarantee amount are decided based on the appraised value estimated by real property appraiser XX Office.

b. XX, which is a major material for the Company's Product XX, has been purchased from Firm XX. Firm XX's representative director Y is a shareholder who substantially holds the majority of the Company's voting rights.

Meanwhile, the conditions of transactions, including the purchase prices for the purchases from Firm XX, are the same as those for purchases from other suppliers.

c. The Company handles the domestic sale of all products of its parent company, Company A, excluding exports, as Company A's general sales agent.

Meanwhile, the conditions of transactions, including the purchase prices for the purchases from Company A, are decided at the beginning of each term between the two companies by taking into account the market trends and other factors.

(11) Matters concerning the future

The matters concerning the future as stated above are those determined by the Group as of the submission date of the securities registration statement ([Date]).
2. With regard to "an event or circumstance that would raise material doubt about an assumption that the company will stay in business in the future or any other event that has material impact on the business management of the reporting company" prescribed in Instructions on Preparation (31)b of Form 2, Instructions on Preparation (7)b of Form 4-3, and Instructions on Preparation (10)b of Form 5 of the Cabinet Office Order on Disclosure, state its specific content, including its impact on the business management.

It should be noted that, of the above, "an event or circumstance that would raise material doubt about an assumption that the company will stay in business in the future" is applicable as a result of the fact that basically the following events or circumstances (but not limited to them) occur independently or in a combined manner.

(1) A considerable decrease of sales
(2) Continuous occurrence of operating loss or negative operating cash flow
(3) Posting of a material operating loss, ordinary loss, or net loss for the current year
(4) Posting of material negative operating cash flow
(5) Insolvency
(6) Difficulty of repayment of operating payables
(7) Non-performance or difficulty of performance of the repayment clause of borrowings
(8) Difficulty of redemption of corporate bonds, etc.
(9) Difficulty of new fund procurement
(10) Request for exemption from obligation
(11) Difficulty of disposition of important assets that are scheduled to be sold
(12) Delay or suspension of dividends on dividend preferred shares
(13) Refusal of credit or continuation of transactions from a major supplier
(14) Loss of an important market or customer
(15) Lapse of an important right that is indispensable for business activities
(16) Personnel indispensable for business activities leaving the company
(17) Damage, loss, or disposition of important assets that are indispensable for business activities
(18) Restriction on important business based on laws and regulations
(19) Possibility of bearing an enormous amount of damages
(20) Considerable deterioration of the brand image

II Handling Guideline for "Management’s discussion and analysis of financial condition, results of operations and cash flow"
With regard to the phrase "measures for resolving or improving the material event, etc." prescribed in Instructions on Preparation (32)a(f) of Form 2, Instructions on Preparation (8)b of Form 4-3, and Instructions on Preparation (11)a(d) of Form 5 of the Cabinet Office Order on Disclosure, the specific content of the measures taken or planned to be taken by executives concerning factors that have or could have adverse effects on the financial health of the reporting company (including the time of implementation, the degree of feasibility, and the amount, etc.) should be stated. Examples of measures are basically as follows (but not limited to them).

1. A plan on disposition of assets (sale, etc. of securities, fixed assets, etc.)
2. A plan of fund procurement (new borrowing or refinancing, issuance of new shares or share options, issuance of corporate bonds, setting up overdraft for short-term borrowings, etc.)
3. A plan for exemption from obligations (extension of the repayment due date for borrowings, change of the repayment conditions, etc.)
4. Others (reduction of personnel expenses by reducing the number of personnel, reducing officers' remunerations, reducing the amount of dividend payments, etc.)

III Handling Guideline for Statement of "Third Party Allotment Pertaining to Issuance of Share Certificates, etc."

With regard to a statement for a third party allotment (meaning the third party allotment prescribed in Article 19, paragraph (2), item (i), (l) of the Cabinet Office Order on Disclosure; hereinafter the same applies in C Individual Guidelines III), the content of the examination to be made with particular priority by the Local Finance Bureau, if necessary, is as follows.

1. Subject matter of examination
   The subject matter of examination is mainly to be a statement submitted by a listed company, where the third party allotment falls under any of the following cases.
   (i) A case of a large-scale third party allotment (meaning a third party allotment to which the "Matters concerning a large-scale third party allotment" in Instructions on Preparation (23-6) of Form 2 applies; hereinafter the same applies in C Individual Guidelines III) (however, excluding a case where it is clear that the third party allotment is actually a capital alliance or subscription for shares by a group company).
   (Note) It should be noted that, in the case of a large-scale third party allotment to be conducted for net investment or fund procurement that does not fall
under the proviso, the necessity of examination should be determined by taking into consideration the content of the statements in the "policy on holding of share certificates, etc." in Instructions on Preparation (23-3) of Form 2 and "restriction on transfer of share certificates, etc." in Instructions on Preparation (23-4) of Form 2, and whether or not the grounds listed in (1)(iii) below apply.

(ii) A case of a third party allotment for which the attributes of the prospective investor are considered to be not well-known.

(Note) It should be noted that, a case where the prospective investor is a wholly owned subsidiary company of the listed company or a fund, etc. formed by the listed company is basically considered to be excluded from the subject matter of examination, but the necessity of examination should be determined by taking into consideration whether or not the grounds listed in (1)(iii) below apply.

(iii) A case where a statement, etc. is for a third party allotment that does not fall under (i) or (ii), but is any of the following cases: a case where the person submitting the statement has conducted another third party allotment within roughly the past six months; a case where the person submitting the statement has expanded its authorized capital recently; a case where the person submitting the statement conflicts with the insolvency standards or the standards on the market capitalization of listed shares of the financial instruments exchange on which the person's share is listed; a case where there were forfeited shares in a third party allotment conducted by the person submitting the statement in the past; a case where the person has conducted a third party allotment to the same prospective investor in the past; or any other case where examination is considered to be necessary.

(Note) Other possible cases where examination is considered to be necessary include a case where the most recent annual securities report or quarterly securities report contains notes on the going concern assumption, or a case where an extraordinary report on a change in the certified public accountant, etc. for auditing of financial documents has been submitted, and examination is necessary in light of the statements in the notes or the extraordinary report.

(iv) If class shares with put option for share certificates that fall under any of the items of Article 24, paragraph (1) of the Act (hereinafter referred to as "share certificates subject to submission of an annual securities report" in (iv)) are issued through a third party allotment, and a considerably large number of share certificates subject to submission of an annual securities
report are expected to be issued at the discretion of the prospective investor or an issuing entity, etc. during a short period of time, such case is considered not to be categorized as the case where "there is little likelihood of the relevant securities being held by a large number of persons" prescribed in Article 2, paragraph (3), item (ii), (c) of the Act. Therefore, in light of the recent amendment of the content of disclosure for third party allotments, there is a possibility that a person who submits an extraordinary report for a solicitation of offers to acquire such class share certificates, and tries to avoid submitting a securities registration statement would constitute a violation of laws and regulations. Accordingly, the necessity of a securities registration statement should be examined very carefully.

Meanwhile, if the requirements for submission of a securities registration statement are considered to be met as a result of examination, the relevant division of a Local Finance Bureau is to strongly demand submission of a securities registration statement, and if any person fails to respond to the demand, it is to promptly contact the relevant division of the FSA and discuss the measure to be taken.

(2) Examination outline

When conducting examination with regard to matters under Instructions on Preparation of Form 2, it is to be conducted according to the following examination outline.

In the examination, requests will be made to the person submitting the statement to give specific explanations, if necessary. However, it should be noted that sufficient consideration should be given with regard to statements such as matters concerning a secret of an individual, etc.

(i) Purpose of use of proceeds

A. The content of statement of the purpose of use of proceeds in Instructions on Preparation (20) should be examined from the viewpoint of whether the content, amount, and the planned time of payment for each category of the purpose of use of proceeds are stated according to the actual situation.

(Note) When examining whether matters are "stated according to the actual situation," if necessary, the Local Finance Bureau could check the business plan, financing, and the reason for fund procurement, etc. (including materials) corresponding to the content of the purpose of use, and in the case of share options, focus attention on the consistency in the content of the purpose of use stated in the disclosure documents, while giving consideration to the possibility and timing, etc. of exercising the rights.
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(Examples of materials)
- Statement of cash receipts and disbursements
- Written business plan
- Statement of repayment plan (when the purpose of use is repayment of borrowings, etc.)
- Materials showing the monthly repayment plan for each lender

Meanwhile, even if the purpose of use is consideration, such as a fee, to be paid by the person submitting the statement to a third party that has introduced or mediated the prospective investor, there is considered to be a need to state the purpose of use of proceeds depending on the mode of the consideration, such as when the proportion of the fee to the total amount of the paid-in amount is considerably high.

B. If a monetary claim owed by the person submitting the statement is the subject of contribution in the third party allotment, the Local Finance Bureau is to examine whether the purpose of use of the money pertaining to the monetary claim is stated in the same manner as in the case of money contribution.

C. It should be noted that submission of an amended statement will be needed if it becomes clear that an important change will occur to the purpose of use of proceeds (meaning the total amount of proceeds and the content, amount, and the planned time of payment for each category of the purpose of use of proceeds: hereinafter the same applies in C Individual Guidelines III) before completion of the payment.

Meanwhile, it should be noted that, if an important change occurs to the purpose of use of proceeds after completion of the payment, the content of the change is to be stated in the annual securities report (Instructions on Preparation (23)c of Form 3 of the Cabinet Office Order on Disclosure).

(ii) Status of the prospective investor

With regard to the status of the prospective investor, the Local Finance Bureau is to examine the content of statement from the viewpoint of whether the actual presence of the prospective investor has been confirmed based on materials, etc. as necessary and matters are stated according to the actual situation. In addition, it is to conduct examination on the following items.

A. Outline of the prospective investor

When examining the content of statement of "Outline of the prospective investor" in Instructions on Preparation (23-3)a of Form 2, the following points should be noted.

a. What method (for example, by a document such as the resident record or certificate of registered information or by visiting the address) the person
submitting the statement has used to confirm information on the address to be stated according to Instructions on Preparation (23-3)a(a) of Form 2 or the address prescribed in (c) and (d).

In addition, if the prospective investor is a corporation or other group other than a company submitting an annual securities report, what method the person submitting the statement has used to confirm information on the principal equity investors and operating partners, etc. to be stated according to the Instructions on Preparation.

b. With regard to the occupation of an individual prescribed in Instructions on Preparation (23-3)a(a), whether the name, address, and the business outline, etc. of the place of employment are stated, if there is a place of employment.

c. Whether investors that have invested in roughly 10% or more equity each are stated as the principal equity investors prescribed in Instructions on Preparation (23-3)a(c) and (d). If a principal equity investor has a person that corresponds to the joint holder prescribed in Article 27-23, paragraph (5) of the Act, whether the investment by the joint holder is also taken into account.

d. If the person submitting the statement has an agent, etc. in Japan as the person responsible for liaison at the principal office prescribed in Instructions on Preparation (23-3)a(c) and (d), there can be cases where the agent, etc. should be included in the statement, depending on the content of the agency work, etc.

(Note) The "content of the agency work, etc." is, for example, conducting work relating to the third party allotment as an agent.

e. If an operating partner, etc. of the group other than a corporation prescribed in Instructions on Preparation (23-3)a(d) corresponds to a group other than a corporation, there can be a case where operating partners, etc. of that group also need be checked, and this process needs to be repeated until the operating partners, etc. of the group are finally no longer a group other than a corporation.

B. Reason for selecting the prospective investor

With regard to the "reason for selecting the prospective investor" in Instructions on Preparation (23-3)c of Form 2, the Local Finance Bureau is to examine the reason for selecting the prospective investor as well as whether the process through which the person submitting the statement selected the prospective investor is specifically stated. In this case, if the person has studied the prospective investor based on introduction, mediation, or any other similar act by a third party, the content thereof
could also be stated.

C. Policy on holding of share certificates, etc.

With regard to the "policy on holding of share certificates, etc." in Instructions on Preparation (23-3)e of Form 2, the Local Finance Bureau is to examine the content of statement regarding the prospective investor's policy on holding of share certificates, etc. including the holding period and the plan for resale of share certificate, etc. (including shares acquired by exercising the share options allotted) by the prospective investor, taking into account the mode in which the person submitting the statement confirmed the policy (such as whether the person has confirmed the policy with the prospective investor in writing).

(Note) If there is a change to the parent company or the major shareholders of the person submitting the statement, the person needs to submit an extraordinary report without delay, so the Local Finance Bureau could check with the person the method the person uses to identify the prospective investor's holding status of share certificates, etc. according to the status of the prospective investor or the content of the prospective investor's policy on the holding of share certificates, etc.

Meanwhile, if the person submitting the statement has conducted another third party allotment within roughly the past six months, the Local Finance Bureau could examine the statement on the policy on the holding of share certificates, etc. after checking the current holding status, etc. of the share certificates, etc. pertaining to that third party allotment.

D. Status of funds, etc. required for payment

When examining the content of statement of "Status of funds, etc. required for payment" in Instructions on Preparation (23-3)f of Form 2, the following matters should be noted.

a. Whether the content of the funds or property to be used for the payment is specific.

b. What method is used to check the presence of the funds or property. For example, whether the person submitting the statement checks a document proving the presence of the funds or property, if necessary, in light of the prospective investor's procurement method of the funds to be paid, and the financial status of the prospective investor, etc.

c. If the prospective investor does not own the funds to be used for the payment at present, whether the prospect for the prospective investor to be owning the necessary funds at the time of payment is stated. For example, if the prospective investor is to prepare the funds to be used for
the payment through borrowing, whether the name of the lender and the outline of important preconditions, etc. for the lender to extend the loan, if any, are stated.

d. If a monetary claim owed by the person submitting the statement is the subject of contribution, whether the content of the monetary claim is specifically stated.

E. Actual state of the prospective investor

When examining the content of statement concerning the second sentence of "Actual state of the prospective investor" in Instructions on Preparation (23-3)g of Form 2, the following matters should be noted.

a. When determining whether the prospective investor is "an individual, corporation, or any other group that intends to enjoy economic profit by using violence or force or by committing fraud or any other criminal act," the Local Finance Bureau is to refer to the definition of "anti-social forces" prescribed in the "Guideline for How Companies Prevent Damage from Anti-Social Forces in Industry" (agreed upon at a meeting on June 19, 2007 of cabinet ministers responsible for anti-crime measures).

(Reference) "Guideline for How Companies Prevent Damage from Anti-Social Forces in Industry" (agreed upon at a meeting on June 19, 2007 of cabinet ministers responsible for anti-crime measures)

i. Fundamental principles for preventing damage from anti-social forces
   - Institutional response
   - Cooperation with external expert organizations
   - Ban on any relations, including transactions, with anti-social forces
   - Legal responses, both civil and criminal, in the event of an emergency
   - Prohibition of engagement in secret transactions with and provision of funds to anti-social forces

ii. Identification of anti-social forces

   In judging whether specific groups or individuals constitute "anti-social forces," which are defined as groups or individuals that pursue economic profits through the use of violence, force, and fraud, it is necessary not only to pay attention to whether they fit the definition in terms of their affiliation, such as whether they constitute or belong to "boryokudan" organized crime groups, "boryokudan" affiliated companies, "sokaiya" racketeer groups, groups engaging in criminal activities under the pretext of conducting social campaigns or political activities, and crime groups specialized in intellectual crimes, but also to whether they fit the definition in terms of the nature of their conduct,
such as whether they are making unreasonable demands that go beyond the limits of legal liability. (See “Key Points of Measures against Organized Crime,” a directive issued in the name of the Deputy Commissioner-General of the National Police Agency on October 25, 2004.)

(Note) "Any other criminal act" could include criminal acts concerning inappropriate transactions, such as spread of rumors, use of fraudulent means, market manipulation, and insider trading. Meanwhile, "whether the prospective investor has any relationship with a specific group, etc." could include, not only direct relationships, but also indirect relationships through an individual, corporation, and any other group that cooperates in or is involved in fund obtaining activities of a specific group, etc. by, for example, providing funds to the specific group, etc. or investing funds received from the specific group, etc. and returning the profits made through the investment to the specific group, etc.

b. With regard to whether or not the prospective investor is categorized as a specific group, etc., the Local Finance Bureau could check the matter not only regarding the prospective investor, but also regarding, for example, the prospective investor's parent company, principal equity investors, subsidiary companies, and officers, etc. With regard to whether or not the prospective investor has any relationship with a specific group, etc., the Local Finance Bureau could check matters which the prospective investor independently engages in according to its internal rules, etc. However, if there are no such matters, the Local Finance Bureau could check, for example, whether or not the prospective investor is involved in the operation of a specific group, etc. through the provision of funds or any other act, or has a relationship in which a specific group, etc. is involved in the business management of the prospective investor.

c. If the person submitting the statement has conducted an investigation using an investigation body, whether the name of the investigation body, etc. and the investigation results are specifically stated. Meanwhile, if the person submitting the statement has checked the actual state of the prospective investor through an interview with the prospective investor, the content of the interview could be specifically stated, but if the person has conducted an investigation without using an investigation body, etc., an explanation thereof could be specifically stated.

d. With regard to b. and c., if the prospective investor falls under a certain category, such as a financial institution, a financial instruments business
operator, or a person listed on an exchange, whether or not it will be sufficient to state confirmation that the prospective investor falls under the category would be determined based on the circumstances of the individual cases.

(iii) Matters concerning conditions of issuance

When examining the content of statement concerning "matters concerning conditions of issuance" in Instructions on Preparation (23-5) of Form 2, the following points should be noted.

A. If the third party allotment is to be conducted through contribution in kind, whether the basis for calculation of the value of the property to be made the subject of the contribution in kind is stated.

B. If the person submitting the statement has determined that the third party allotment is not categorized as interest bearing issuance, whether the reason for the determination is specifically stated.

(Note) In this case, sufficient study is likely to have been made from the viewpoint of the risk of a share price decline. In addition, in a third party allocation of shares, for example, if the issue price is lower than either the share price of the immediately preceding day or an amount obtained by applying a general discount rate (approximately 10%) to the average of the share prices one month, three months, and six months after the issuance, but the allocation has been determined not to be categorized as interest bearing issuance, the process of the determination is likely to have been specifically stated.

C. If the company auditor, audit and supervisory committee, or audit committee of the person submitting the statement has expressed its opinion on the lawfulness of the fact that the third party allotment will not be conducted through interest bearing issuance, whether the outline of the opinion as well as the outline of the determining factors that served as the basis of the opinion are stated.

D. If a third-party calculation agent has evaluated the theoretical price, etc. of the securities pertaining to the third party allocation, whether the name of the calculation agent, the subject of evaluation, and the outline of evaluation are stated in a way that is easy for investors to understand.

(iv) Necessity of a large-scale third party allocation

When examining the content of statement concerning the "Necessity of a large-scale third party allocation" in Instructions on Preparation (23-8) of Form 2, the following points should be noted.

A. Whether the "reason for conducting a large-scale third party allocation" prescribed in (23-8)a is specifically explained in association with the amount and the purpose of use of proceeds. Whether the person submitting the
statement has made comparison with other fund procurement means, such as issuance of securities of other classes, a capital increase through a public offering, allotment to shareholders, or borrowings, and if so, whether the outline of the determination based on the comparison is stated. If the person submitting the statement issues share option certificates or corporate bond certificates with share option certificates, whether an explanation is specifically stated in relation to the person's demand for funds, the timing of exercise of share options, and the presence or absence of conditions restricting the exercise of share opinions.

B. With regard to the "content of determination by the board of directors on the impact on existing shareholders" prescribed in (23-8)b, whether the determination made by the person submitting the statement regarding the benefits and detriments (meaning, for example, the impact of dilution of voting rights on other shareholders and measures against the risk of share price decline) brought to existing shareholders by a large-scale third party allotment is specifically stated.

C. The "opinion of a person independent from the corporate manager" could be, for example, the opinion of an outside director, outside company auditor, audit and supervisory committee, audit committee, or third party committee. If the person submitting the statement has acquired opinions of these persons, whether the name and the degree of independence of the attributes of the person who gave the opinion (including the affiliation and the degree of independence of the relationship between the affiliation and the person submitting the statement) are stated.

(v) Other matters of reference

With regard to "other matters of reference" in Instructions on Preparation (23-10) of Form 2, the Local Finance Bureau is to examine whether the matters considered to be necessary for disclosure, other than the items of the form, are stated regarding the third party allocation.

(3) Others

(i) Use of advance consultation

With regard to examination of a third party allocation, the Local Finance Bureau is to encourage the person submitting the statement to actively use the advance consultation system, because the matters to be examined are wide-ranging.

(ii) Handling when the prospective investor is unfixed, etc.

With regard to a statement containing unfixed parts in the matters to be stated regarding the prospective investor, in such case as where the corporation which is to be the prospective investor is in the process of incorporation, it should be noted that an amended statement needs to be submitted when the unfixed parts become
fixed. Meanwhile, it should be noted that, if there is a concern that an amended statement will not be submitted within the period prescribed in Article 8, paragraph (1) of the Act, the Local Finance Bureau is to promptly consider issuance of an order to submit an amended statement and an order suspending the validity of a notification, and, specifically, to respond to the matter pursuant to the provisions of B. Basic Guideline 9-1 or 10-1.

(iii) Examination of an extraordinary report

When an extraordinary report under Article 19, paragraph (2), item (i) or (ii) of the Cabinet Office Order on Disclosure has been submitted due to a third party allocation, the extraordinary report is to be examined in the same manner as a securities registration statement. In this case, the necessity of a securities registration statement for the target share certificates, etc. should also be carefully examined, and if the statement is considered to be required, a request is to be made to submit a securities registration statement. If any person fails to respond to the request, the relevant division of the Local Finance Bureau is to contact the relevant division of the FSA and discuss the measure to be taken.

IV Handling Guideline for Statement of "Tender Offer in the Case of Allocating Securities as the Consideration"

With regard to a statement pertaining to a public offering (secondary distribution) for a tender offer through which securities are allocated as the consideration, the content of the examination to be made with particular priority by the Local Finance Bureau, if necessary, is as follows.

(1) Examination outline

When conducting examination with regard to matters under Instructions on Preparation of Form 2-6, it is to be conducted according to the following examination outline.

(i) Content of allocation pertaining to reorganization (tender offer) and the basis for calculation thereof

When examining the content of allocation pertaining to reorganization (tender offer) and the basis for calculation thereof in Instructions on Preparation (4) of Form 2-6, the following points should be noted.

A. Whether the basis for calculation of the issue (distribution) price (if the issue (distribution) price is decided by the exchange ratio with the securities which are the subject of contribution, the exchange ratio) of the securities to be allocated as the consideration is specifically stated.
B. If the opinion of a third party has been heard at the time of the calculation, whether the name of the third party, an outline of the opinion, and the process through which the issue (distribution) price was decided based on the opinion are stated in a manner that is easy to understand for investors.

(ii) Matters concerning the conditions of issuance (delivery) in the case of a tender offer through which securities are allocated as the consideration

With regard to "Matters concerning the conditions of issuance (delivery) in the case of a tender offer through which securities are allocated as the consideration" in Instructions on Preparation (5-2) of Form 2-6, the Local Finance Bureau is to examine whether the idea of the person submitting the statement concerning the reasonableness of the conditions of issuance (delivery) is specifically stated.

(2) Others

When an extraordinary report under Article 19, paragraph (2), item (i) or (ii) of the Cabinet Office Order on Disclosure has been submitted due to a public offering (secondary distribution) for a foreign tender offer (meaning the foreign tender offer prescribed in Article 12, item (vii) of the Cabinet Order), the extraordinary report is to be examined in the same manner as a securities registration statement. In this case, the necessity of a securities registration statement for the target share certificates, etc. should also be carefully examined, and if the statement is considered to be required, a request is to be made to submit a securities registration statement. If any person fails to respond to the request, the relevant division of the Local Finance Bureau is to contact the relevant division of the FSA and discuss the measure to be taken.
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