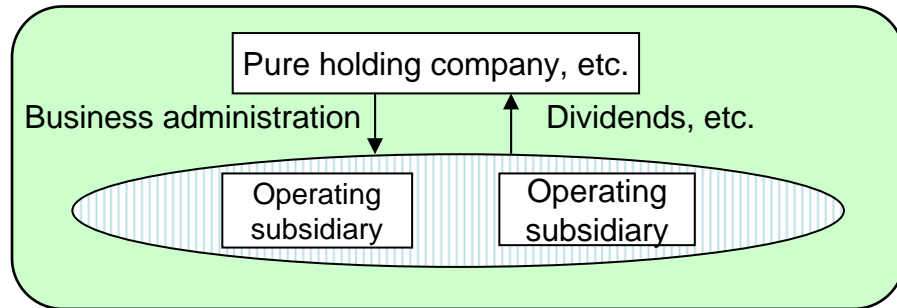


# Outline of “Revision of Insider Trading Regulations Corresponding to Grouping of Companies”

Report by the Working Group on Insider Trading Regulations, the Sectional Committee on Financial System of the Financial System Council (December 15, 2011)

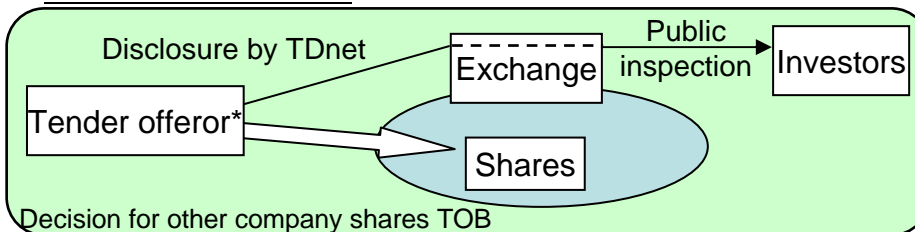
## I. Material Facts about Pure Holding Companies, etc.



→ It is pointed out that investor decisions on a pure holding company, etc. are made on a consolidated basis

In the case of a pure holding company, etc., minor criteria for determining not to fall under insider information should be set on consolidated basis figures, instead of a non-consolidated basis  
(Note) The scope of a pure holding company, etc. is companies which rely (80% or more) on profits (dividends, etc.) from group companies

## III. Publication Measures for Tender Offers by Person Other than Issuers



Decision for other company shares TOB

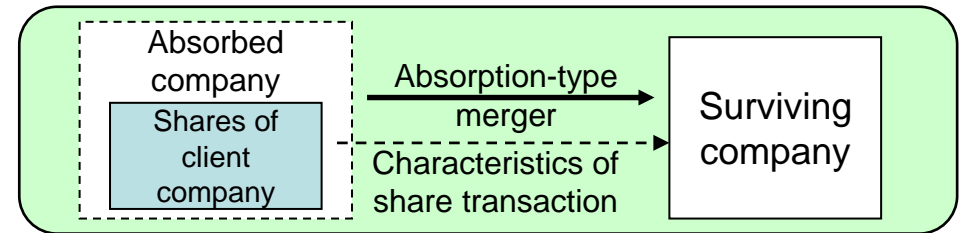
(Note) When the tender offeror is a person other than a listed company, then only in the case where disclosure is made under both companies' names via the TOB target company (listed company)

Approve disclosure of other company shares TOB by tender offeror through TDnet (timely disclosure information viewing system) as publication measure under insider trading regulations

(Reference) Disclosure of treasury shares TOB through TDnet is already allowed as a publication measure under existing law

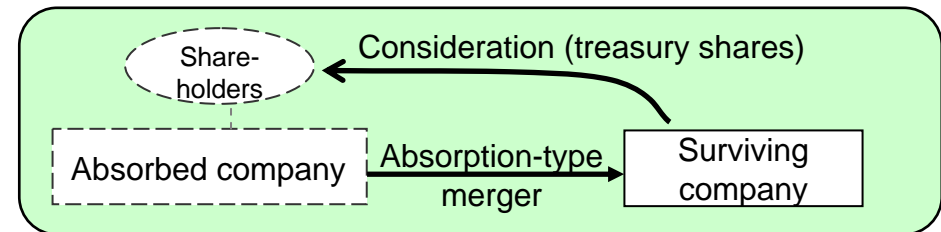
## II. Application of Insider Trading Regulations on Company Reorganizations

### Succession of held shares by reorganization



Succession of held shares by reorganization should be subject to insider trading regulation  
(same as in case of a business assignment)  
However, it shall not apply when there is a typically low risk of insider trading (e.g. if shares are part (less than 20%) of succession assets)

### Delivery of treasury shares as consideration of reorganization



→ In a reorganization, the focus is on succession of the business. Its character differs from typical insider trading which uses insider information for sale or purchase of shares

When treasury shares are delivered as the consideration of reorganization, there is a typically low risk of insider trading, so it shall not apply (same as when new shares are delivered as consideration)