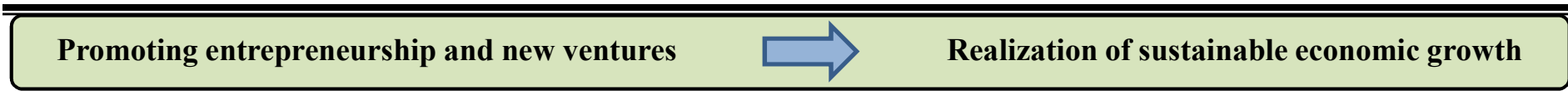


Outline of the report by the "Working Group on the Provision of Risk Money to Emerging and Growing Companies" of the Financial System Council (Dec. 25, 2013)



Provision
of funds needed to
commercialize technologies and ideas

Measures to promote provision of risk
money at commercialization stages

- 1. Promotion of the use of crowdfunding***
 - Relaxation of entry requirements to be an equity crowdfunding intermediary
 - Establishment of rules to protect investors
- 2. Establishment of a framework for trading non-listed shares**

Establishment of a new trading system for non-listed shares to meet the need for trading of such shares and also to promote fund-raising at the local level
- 3. Promotion of investment in start-ups by venture capital providers that are subsidiaries of insurance companies**

Abolishment of the small-to-medium-enterprises requirements on companies receiving additional investment in order to promote investment by venture capital providers that are subsidiaries of insurance companies

Issues involved in supporting business start-ups

Understanding of the current status and issues regarding the support of start-ups by venture capitals

Provision
of funds needed for
significant growth and development

Measures to promote new listing
of companies

- 1. Reduction of requirements on new stock listings**
 - ① Reduction in the disclosure requirement burden of financial statements when newly listing stock, from past five years to two years
 - ② Exemption from an audit certification by a certified public accountant on "Internal Control Report" for three years after new stock listing
- 2. Lowering of the minimum shareholder number requirement for emerging markets**

Minimum shareholder number requirement to be lowered in order to promote new listing of stocks in emerging markets

- Other measures to enhance the systems**
- 1. Exempting listed companies from the requirement to submit a "Large Shareholding Report" when they acquire or dispose of treasury stocks
 - 2. Review of the compensation liabilities of listed companies to secondary-market investors when the issuer has disclosed a document containing a false statement
(Change from "strict liability" to "liability with fault" (burden of proof lies with the relevant listed company))

Provision
of funds needed
under maturing, globalization, etc.

Facilitation of fund-raising
by listed companies

- 1. Shortening the period of fund-raising by listed companies**

With respect to public offerings by well-known companies in the market, shortening the period from the notification to the issuance of the securities
(Abolition of the waiting period from the submission of Securities Registration Statement to the effective date of such notification)
- 2. Clarification of acts that do not constitute "pre-filing offer"**

Promotion of information provision by companies planning to increase capital through clearly defining the acts that do not constitute "pre-filing offer" prohibited by law

* A scheme in which emerging and growing companies and providers of funds are connected via the Internet so that funds are collected from a large number of fund providers who contribute a small amount each.