

Reference

Securities Listing Regulations (Excerpt)

Rule 2. Definitions

The meanings of the terms referred to in each of the following items in these regulations shall be as defined in each of such items:

(Omitted)

(96) Tradable shares mean shares excluding shares as prescribed by the Enforcement Rules as securities held by entities who individually hold 10% or more of the total number of such security, out of the securities pertaining to an initial listing application for or listed securities or any other securities, the circulation of which is poor.

Enforcement Rules for Securities Listing Regulations (Excerpt)

Rule 8. Definition of Tradable Shares

1. Securities as prescribed by the Enforcement Rules prescribed in Rule 2, Item 96 of the Regulations, in principle, mean securities held by any of the entities or partnerships, etc. (see Note 1 below) referred to in each of the following Items 1 through 4 and other securities deemed inappropriate by the Exchange to be included in tradable shares:

(Note 1) The term "partnerships, etc." means the partnership, etc. prescribed in Article 165-2, Paragraph 1 of the Act; the same shall apply in this rule.

(1) Issuer of the security;

(2) Entities or partnerships, etc. that hold 10% or more of the total number of the security;
and

(3) Persons and entities referred to in the following a. through d.:

a. Officers of the issuer of said security (meaning directors, accounting advisors (including employees of an accounting advisor who are in charge of accounting advice if the accounting advisor is a corporation; the same shall apply hereinafter), company auditor, and executive officer (including governor, auditor, and a person who can be regarded as equivalent thereto) including officer stock ownership plan; the same shall apply hereinafter in this rule);

b. Spouse and relatives by blood within the second degree of kinship of an officer of the issuer of said security;

c. Company (including corporations other than a company) whose majority voting rights of all shareholders (see Note below) are held by those referred to in a. or b. above; and

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(Note) The term "voting rights" shall include voting rights of all employees, all members, all partnerships, or all investment contributors, and in the case of a stock company, excluding the voting rights of the shares that cannot be exercised for all matters that are subject to a resolution at a general meeting of shareholders and including the voting rights of the shares for which the shareholder is deemed to have voting rights under the provisions of Article 879, Paragraph 3 of the Companies Act.

d. Related company of the issuer of said security and officers thereof.

(4) Entities referred to in the following a. to c. (limited to those having main an office in Japan)

a. A bank prescribed in Article 2, Paragraph 1 of the Banking Act (Act No. 59 of 1981) (excluding a bank mainly engaged in trust business activities specified in Article 1, Paragraph 1 of the Act on Engagement in Trust Business Activities by Financial Institutions (Act No. 43 of 1943)(hereinafter referred to as the "trust bank"))

b. A life insurance company prescribed in Article 2, Paragraph 3 of the Insurance Business Act (Act No. 105 of 1995) and a non-life insurance company prescribed in Paragraph 4 of the same article.

c. A corporation other than a trust bank, a financial instruments business operator prescribed in Article 1, Item 31, (d) of the Cabinet Office Ordinance on Disclosure, a government-related financial institution, a cooperative structured financial institution or a securities finance company prescribed in Article 2, Paragraph 30 of the Act.

2. Notwithstanding the provisions of the preceding paragraph, securities held by the entity referred to in Item 2 of the preceding paragraph shall be included in tradable shares if they fall under any of the securities referred to in the following items:

(1) Securities included in an investment trust or pension trust and other securities included in a trust that is organized for the purpose of investment management of trust assets by an investment advisor or a bank engaging in the trust business, or an entity deemed equivalent thereto who is authorized to manage investments of the trust assets under a discretionary investment contract or other contracts, or pursuant to provisions of law;

(2) Securities held in the course of its business by an entity that engages in business operations related to custody of assets of an investment corporation or foreign investment corporation;

(3) Securities held by a securities finance company or a financial instruments business operator that pertain to margin transactions;

(4) Securities in the account of a depository pertaining to depository receipts (including

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registered holders of the depository); and

(5) Other securities substantially held by entities other than an entity that holds 10% or more of the total number of said security that are deemed appropriate by the Exchange.

3. For securities specified in the provisions of the preceding paragraph when securities referred to in each of the items of the preceding paragraph are deducted from securities held by entities referred to in Paragraph 1, Item 2 of the same paragraph, if the resulting number of the securities after such deduction becomes less than 10% of the total number of the securities, the securities after such deduction shall be included in tradable shares.

Enforcement Rules for Securities Listing Regulations - Supplementary Provisions (Excerpt)

Article 2. Transitional Measure Regarding the Definition of Tradable Shares

Notwithstanding the provisions of the revised Article 8, Paragraph 1, out of securities held by a person referred to in Item (4) of the same paragraph (excluding those referred to in Items (1) through (3) of the same paragraph), those for which said person's purpose of ownership is clearly for pure investment according to any of the documents listed in the following items and which the Exchange deems appropriate based on the trading conditions shall be included in the definition of tradable shares for the time being. In this case, the issuer of such securities shall submit said document(s) to the Exchange and agree that the Exchange shall make said document available for public inspection. (However, this shall not apply to cases according to the documents listed in Item (1)).

(1) Large shareholding reports, statements of changes, or amended reports submitted during the past five years.

(2) Shareholding status report prescribed by the Exchange

(3) Other documents deemed appropriate by the Exchange.

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