

I Overview of Market System

1 Overview of TOKYO PRO Market

Established by Tokyo Stock Exchange, Inc. (hereinafter "TSE"), TOKYO PRO Market is a specified financial instruments exchange market (namely market for professionals) specializing in stocks, etc. TOKYO PRO Market adopts the J-Adviser system based on the Nominated Advisers (Nomads) system of AIM market established by London Stock Exchange.

(Table) Comparison of Listing System, etc. of TOKYO PRO Market and Mothers

Item	TOKYO PRO Market	Mothers
Disclosure	English or Japanese	Japanese
Listing criteria	No numerical criteria	Numerical criteria for the number of shareholders and market capitalization, etc.
Period from listing application to listing approval	10 business days (J-Adviser to express intent before listing application)	2 months (standard examination period)
Audit period before listing	Last 1 year	Last 2 years
Internal control report	Optional	Mandatory
Quarterly disclosure	Optional	Mandatory
Investors	Specified investors, etc. (i.e., professional investors)	No restriction

(1) Overview of Specified Financial Instruments Exchange Market

A specified financial instruments exchange market is generally called a "market for professionals" due to its rules to prohibit general investors from buying stocks, and the 2008 amendments to the Financial Instruments and Exchange Act allowed for the establishment of such markets. TSE established TOKYO PRO Market (stocks) and TOKYO PRO-BOND Market (bonds).

(2) Professional Investors

TOKYO PRO Market, a specified financial instruments exchange market, prohibits stock buying by general investors excluding specified investors, etc. in accordance with the Financial Instruments and Exchange Act and the regulations of TSE. Investors that can buy stocks at TOKYO PRO Market are called "specified investors, etc. (namely "professional investors")" and mainly classified into specified investors and certain non-residents. In addition, specified investors are classified into those defined as specified investors by relevant laws and those that meet certain requirements and can become specified investors by filing with their securities companies (namely "deemed" specified investors).

(Table) Overview of Specified Investors, etc.

Item	Example
Specified investor	Qualified institutional investor (financial institutions, etc.), national government, Bank of Japan
Specified investor (transferrable to general investor)	Listed company, stock company with capital of 500 million yen and more
"Deemed" specified investor	Stock company other than a specified investor, individual with financial assets or net assets worth 300 million yen and more
Non-resident	Individual who does not have an address or residence in Japan, corporation that does not have a principal place of business in Japan

General investors are not prohibited from selling stocks on a specified financial instruments exchange market. Therefore, general investors that own stocks before listing can sell such stocks on TOKYO PRO Market. Also, the relevant laws allow for exceptions where general investors can buy stocks.

(3) J-Adviser

TOKYO PRO Market adopts the "J-Adviser system" based on the Nominated Advisers (Nomads) system of AIM market established by London Stock Exchange. The 2008 amendments to the Financial Instruments and Exchange Act enabled the development of the J-Adviser system, and TSE entrusts certain business (investigation of compliance with the criteria for listing/delisting and with listing eligibility requirements) to an approved J-Adviser that meets certain qualifications. A J-Adviser investigates/confirms the listing eligibility of a company it supervises before listing, provides advice and guidance concerning timely disclosure after listing, and examines the status of compliance with requirements to maintain a listing. Please note that the J-Adviser system does not exempt a company listed on TOKYO PRO Market and its directors from obligations as a listed company.



(4) Principle-Based Approach

TSE applies a principle-based approach to the listing system of TOKYO PRO Market. The "principle-based approach" means that TSE is responsible for operating the market while making appropriate judgments on a case-by-case basis from a perspective of maintaining transparency and fairness of the market in accordance with the idea of each provision that stipulates principle-based handling in "Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities."

2 System of Initial Listing

(1) Flow of Initial Listing

Initial stock listing on TOKYO PRO Market is conducted through a J-Adviser (hereinafter "supervising J-Adviser") engaged by the stock's issuer (hereinafter, a stock company that files an application for listing is called "applicant company"). Specifically, a supervising J-Adviser investigates and confirms in advance whether an applicant company has qualifications to list on TOKYO PRO Market, and then the applicant company submits application forms for initial listing to TSE via the supervising J-Adviser, including the "Application Concerning Listing Eligibility" prepared by the supervising J-Adviser and the "Application Form for Initial Listing of Securities" prepared by the applicant company. Upon receipt of the listing application, TSE announces its details and approves listing in 10 business days from the date of filing. Subsequently, when the applicant company solicits for acquisition or purchases, etc. by specified investors, listing is done after taking the necessary procedures.

Various regulations concerning initial listing consist of "Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities" and "Enforcement Rules for Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities."

(2) Target Securities

Securities that can be listed on TOKYO PRO Market include common stocks, classified stocks, and trust beneficiary certificates. Specifically, the following 13 securities are covered in the definition of "Stocks, etc." in Rule 1, Item 3 of the Special Regulations of Securities Listing Regulations Concerning Specified Listed Securities.

(Table) List of Securities Defined as "Stocks, etc."

- A stock issued by a domestic corporation
- A stock issued by a foreign corporation
- A preferred equity contribution security
- A subscription warrant security issued by a domestic or foreign corporation
- ETN
- An investment trust beneficiary certificate
- A foreign investment trust beneficiary certificate
- An investment security
- A foreign investment security
- A foreign stock depositary receipt
- A domestic commodities trust beneficiary certificate
- A foreign securities trust beneficiary certificate
- A beneficiary certificate of a foreign beneficiary certificate issuing trust

When listing securities other than stocks, please check with the New Listings Department of TSE in advance since time may be required to confirm whether system modifications are necessary.

(3) Languages Used

TOKYO PRO Market is positioned as a listing venue for domestic and foreign companies that require risk capital, and disclosure materials and documents to be submitted to TSE can be prepared not only in Japanese but also in English. It is also possible to use different languages for documents, for example, Japanese for disclosure materials and English for documents submitted to TSE.

(4) Accounting Standards

It is possible to adopt Japanese GAAP, US GAAP, International Financial Reporting Standards (IFRS), or standards that a supervising J-Adviser as well as an audit firm deems equivalent to any of the abovementioned standards and TOKYO PRO Market deems appropriate. When using "standards TOKYO PRO Market deems appropriate," the issuer is required to disclose the differences in accounting principles and procedures from either one of the three standards.

3 Parties Involved in Listing and Their Roles

(1) J-Adviser

The J-Adviser is the most important partner for a company filing a listing application for TOKYO PRO Market. The J-Adviser establishes a cooperative framework with external professionals (lawyer, accountant, etc.) as necessary and investigates/confirms the listing eligibility of the applicant company while leading the series of administrative procedures from listing application to listing. In the listing preparation phase, the J-Adviser gives advice to the application company on capital policy as well as development of an internal structure toward listing as necessary, and also assists the company in financing and IR (investor relations) activities after listing.

In addition, if the J-Adviser is a securities company, it may undertake solicitation for acquisition or purchases, etc. for specified investors at the time of or after listing as a lead managing securities company.

For a listing, the applicant company has to conclude a "J-Adviser agreement" with one supervising J-Adviser before proceeding with actual listing preparations. The prerequisite for maintaining its listing is to keep such J-Adviser agreement effective.

The list of J-Advisers approved by TSE can be found on the TSE website (http://www.tse.or.jp/rules/promarket/company/adviser_list2.html).

(2) Audit Firm

The audit firm expresses an audit opinion on financial statements, etc. attached to the Specified Securities Information (or Issuer Filing Information) submitted based on the Special Regulations.

(3) Shareholder Services Agent

The shareholder services agent is an organization required to be engaged for smooth shareholder services and engages in preparation of a register of shareholders and handling of various rights granted to shareholders such as voting rights and dividends. A domestic applicant company is required to entrust a prescribed shareholder services agent with shareholder services when listing.

(4) Liquidity Provider

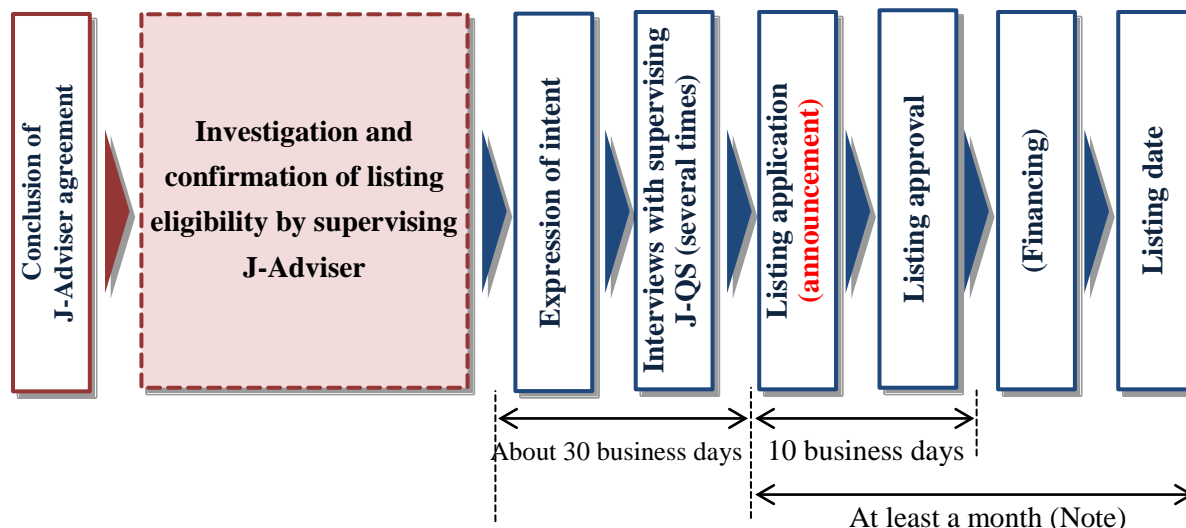
The liquidity provider, a trading participant of TSE, ensures smooth trading after the stocks of the applicant company are listed. When listing, the applicant company is required to appoint one or more

TSE trading participants as liquidity provider based on their consent. A trading participant appointed as a liquidity provider by an applicant company is required to submit a document to TSE that describes its policy to maintain liquidity.

4 Steps to Listing

The flow up to listing on TOKYO PRO Market is as follows. For a detailed schedule, please contact a J-Adviser.

(Table) Process and Duration of Steps from Expression of Intent to Listing



(Note) When an unlisted company is to be listed without financing, about a month may still be required from the announcement of listing application to listing due to procedures such as those concerning the computerization of stock certificates.

(1) Before Submitting a Listing Application

In order to list on TOKYO PRO Market, an issuer is required to conclude a "J-Adviser agreement" with one J-Adviser. After concluding the agreement, the supervising J-Adviser, mainly the J-QS in charge of the applicant company (supervising J-QS), investigates and confirms whether the applicant company has eligibility for listing on TOKYO PRO Market. Also, the applicant company prepares documents necessary for listing application based on advice and guidance provided by the supervising J-Adviser. These documents contain details on matters including business activities, financial condition, and directors.

After the supervising J-Adviser completes investigating and confirming the listing eligibility of the applicant company, the supervising J-Adviser expresses its intent for a listing application.

(2) Expression of Intent for Listing Application · Interviews with Supervising J-QS

The supervising J-Adviser expresses intent for a listing application within about 30 business days

prior to the actual listing application date by emailing the "Letter of Intent of Listing Application" to TSE. The letter contains the name of the applicant company, the contact information of the supervising J-Adviser, the desired listing schedule (listing application date, listing approval date and listing date) and other matters.

After expression of intent, staff in charge of examination at TSE (self-regulation organization) interviews with the supervising J-QS to check whether the process of investigation and confirmation of listing eligibility by the supervising J-Adviser was appropriate. All communications with TSE from expression of intent to listing approval are conducted via the supervising J-Adviser. As such, in general, TSE does not directly contact the applicant company.

(3) Listing Application

The applicant company is required to file a listing application by submitting the "Application Form for Initial Listing of Securities" via its supervising J-Adviser by at least 10 business days prior to the desired listing approval date. Upon the completion of filing the listing application, the following information from attachments to the application documents of the applicant company will be disclosed.

- Specified Securities Information (or Issuer Filing Information)
- "Written Oath Regarding Application for Initial Listing"
- "Report Regarding Corporate Governance"
- Articles of incorporation of the applicant company

(4) After Listing Approval by TSE

a. Announcement of Listing Approval

Listing is approved in 10 business days from the listing application date.

b. Listing

In accordance with the listing agreement concluded with TSE, the applicant company, as a listed company on TOKYO PRO Market, is required to comply with various regulations regarding timely disclosure, etc. from the listing date.

On the listing date, a listing ceremony is held at TSE and the listed company will receive a listing certificate and commemorative gifts from TSE.

5 Obligations after Listing

(1) Maintenance of J-Adviser Agreement

A company listed on TOKYO PRO Market is required to keep its "J-Adviser agreement" effective after listing. The agreement is concluded with its supervising J-Adviser prior to listing. A J-Adviser agreement serves as a prerequisite for initial listing and maintenance of listing. While the minimum scope of items that should be included are stipulated in the rules, TSE does not provide a standard template. As such, a J-Adviser will be required to prepare its agreement form.

(Table) Items to be Included in a J-Adviser Agreement

Rule 306 of the Enforcement Rules for Special Regulations
(1) Non-disclosure of information received from the counterparty to the agreement and prohibition of inappropriate use of such information
(2) Obligations of a J-Adviser in the course of fulfilling J-Adviser obligations based on the Special Regulations
(3) Obligations of a supervised company in the course of observing the provisions of Part 2 of the Special Regulations
(4) Necessarily occurring obligations of a supervised company in the course of allowing a J-Adviser to fulfill its obligations based on the Special Regulations, as well as the necessary occurring obligations of a supervised company in the course of notifying its J-Adviser of changes in its business or organization
(5) Matters related to costs, notices, termination, etc.
(6) Correspondence between a J-Adviser and its supervised company
(7) Obligation to give prior notice pertaining to termination of an agreement between a J-Adviser and its supervised company (prior notice is required, as a general rule, at least one month in advance of termination)
(8) Other matters deemed necessary by the Exchange

A company listed on TOKYO PRO Market is required to maintain its J-Adviser agreement by receiving guidance and advice from its supervising J-Adviser and properly fulfilling obligations as a listed company.

(2) Timely Disclosure

As with companies listed on other exchanges, a company listed on TOKYO PRO Market has

obligations to conduct timely and appropriate disclosure of corporate information. Items that are subject to timely disclosure for companies listed on TOKYO PRO Market are almost the same as those for companies listed on other exchanges. Timely disclosure is made via TDnet (**T**imely **D**isclosure **net**work), a system for registration and dissemination of timely disclosure jointly used by financial instruments exchanges in Japan. Information disclosed is communicated to the press via TDnet and posted on the "Timely Disclosure Information Browsing Service," making it available to the public on the Internet.

URL of Timely Disclosure Information Browsing Service

<http://www.tse.or.jp/listing/disclosure/index.html>

At TOKYO PRO Market, the supervising J-Adviser provides guidance and advice where necessary and carries out administrative work for the listed company's timely disclosure. Specifically, the supervising J-Adviser stands between TSE and the listed company to provide guidance and advice for timely disclosure to the listed company and make arrangements with TSE regarding registration to TDnet.

(Table) Major Corporate Information Subject to Timely Disclosure

- Information of a listed company
 - Decisions made at a listed company
 - Facts which occurred at a listed company
 - Account settlement information of a listed company
 - Revision, etc. of earnings forecast and dividend forecast of a listed company
 - Other information
 - (Disclosure of the status of conversion or exercise of MSCB, etc., disclosure of items for controlling shareholders, etc., related party transactions, change in supervising J-Adviser, etc.)
- Information of subsidiaries, etc.
 - Decisions made at subsidiaries, etc.
 - Facts which occurred at subsidiaries, etc.
 - Revision, etc. of earnings forecasts of subsidiaries, etc.

Securities listed on TOKYO PRO Market are also subject to insider trading regulations of the Financial Instruments and Exchange Act. Since there is no restriction on sales of stocks at TOKYO PRO Market, depending on its situation, prior to listing, the issuer may consider developing a system to manage trading of treasury stock by officers and employees.

(3) Disclosure of Issuer Filing Information

A company listed on TOKYO PRO Market is required to prepare and disclose "Issuer Filing Information" within three months from the last day of the most recent business year/interim accounting period or a consolidated accounting period/consolidated interim accounting period.

Issuer Filing Information is disclosure material equivalent to statutory disclosure for companies listed on other exchanges, such as a securities report, and is prepared based on the form stipulated by TSE (Form 4 of the appendix to the Enforcement Rules for Special Regulations). Means to disclose Issuer Filing Information can be either (1) posting on the TSE website or (2) posting on the listed company's website. When selecting (2), the issuer is required to promptly submit Issuer Filing Information (in PDF) to TSE via the supervising J-Adviser. TSE will immediately post data submitted by the supervising J-Adviser on its website.

Once posted, it is necessary to maintain the posting of such Issuer Filing Information until the next one is posted. When there is any change or revision to be made to the content of such Issuer Filing Information, the listed company is required to swiftly disclose details upon consultation with its supervising J-Adviser.

(4) Means to Ensure Effectiveness and Delisting

At TOKYO PRO Market, the supervising J-Adviser confirms, as part of its J-Adviser operations, whether the listed company continues to be eligible for listing. When the supervising J-Adviser determines that the listed company is no longer eligible, the J-Adviser will accordingly terminate the J-Adviser agreement. If the listed company receives a notice of termination of the agreement from its supervising J-Adviser and fails to conclude a J-Adviser agreement with a different J-Adviser within a specified period, it will get delisted.

Also, TSE may take any of the following measures to ensure effectiveness.

- Public announcement measure
- Designation of Disclosure in Question Securities
- Submission of improvement report
- Designation of Securities on Alert
- Delisting a listed stock, etc.
- Listing agreement violation penalty

A listed company will also be delisted if it submits the "Delisting Application Form" upon passing a special resolution at a general shareholders meeting.