Securities Listing Regulations
[Rule 1 through Rule 826]
as of June 1, 2018

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Part 1
General Provisions

Rule 1. Purpose
1. These Regulations shall, pursuant to the provisions of Rule 1-3, Paragraph 4 of the Business Regulations, provide for listing, listing supervision, and delisting of securities, and other necessary matters pertaining to listed securities.
2. Any amendment to these Regulations shall be made by a resolution of the Board of Directors of the Exchange; provided, however, that this shall not apply to cases where the substance of the amendment is of minor significance.

Rule 2. Definitions
The meanings of the terms enumerated in each of the following items in these Regulations shall be as defined in each of such items:
   (1) A company that voluntarily adopts IFRS means a company that prepares financial statements, etc. or quarterly financial statements, etc. in accordance with a designated international accounting standard as prescribed in Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (the Ordinance of the Ministry of Finance No.28 of 1976; hereinafter referred to as the "Consolidated Financial Statements Ordinance") and submits such statements, etc. to the Prime Minister, etc.
   (1)-2 An ETN means, of the securities issued in foreign countries provided in Article 2, Paragraph 1, Item 17 of the Act, that which possesses the same qualities as a bond as prescribed in Item 5 of the same paragraph, and whose redemption price tracks a specific indicator (meaning quotations of a financial instrument market or other indicators; the same shall apply hereinafter).
(1)-3 An ETN trust beneficiary certificate means, of the securities trust beneficiary certificates prescribed in Article 2-3, Item 3 of the Enforcement Ordinance, that whose entrusted security is an ETN;
(1)-4 An investment trust managed based on instructions from the settlor means an investment trust managed based on instructions from the settlor prescribed in Article 2, Paragraph 1 of the Investment Trust Act;
(1)-5 An investment trust managed without instructions from the settlor means an investment trust managed without instructions from the settlor prescribed in Article 2, Paragraph 2 of the Investment Trust Act;
(1)-6 A unit means a trading unit prescribed in Rule 15 of the Business Regulations;
(2) A parent company means a parent company prescribed in Article 8, Paragraph 3 of the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. (the Ordinance of the Ministry of Finance No.59 of 1963) (hereinafter referred to as the "Financial Statements, etc. Ordinance");
(3) A parent company, etc. means a parent company, other related companies prescribed in Rule 8, Paragraph 17, Item 4 of the Financial Statements, etc. Ordinance or their parent company;
(4) A foreign country means a country or a region other than Japan;
(5) A foreign company means an issuer of a foreign stock, etc.;
(6) A foreign stock means, out of the securities referred to in Article 2, Paragraph 1, Item 17 of the Act, a security with a nature of a stock referred to in Item 1 of the same paragraph;
(7) A foreign stock, etc. means a foreign stock or a foreign stock depositary receipt, etc.;
(8) A beneficial shareholder of a foreign stock, etc. means a beneficial shareholder of a foreign stock, etc. prescribed in the rules concerning custody and book-entry transfer settlement of foreign stocks, etc. set forth by a designated book-entry transfer institution;
(9) The book-entry transfer operation for foreign stocks, etc. means business concerning custody and book-entry transfer of foreign stocks, foreign stock depositary receipts, senior securities (meaning senior securities prescribed in Rule 813, Paragraph 1), foreign ETFs, foreign spot commodity ETFs, and country funds for which a designated book-entry transfer institution receives approval as a concurrent business pursuant to the provisions of the proviso of Article 9, Paragraph 1 of the Book-Entry Transfer Act;
(10) A foreign stock trust beneficiary certificate means, out of securities trust beneficiary certificates prescribed in Article 2-3, Item 3 of the Enforcement Ordinance, a security trust beneficiary certificate whose entrusted security (meaning an entrusted security prescribed in Article 2-3, Item 3 of the Enforcement Ordinance; the same shall apply hereinafter) is a foreign stock;
(11) A foreign stock depositary receipt means a security representing rights pertaining to a foreign stock which is a security referred to in Article 2, Paragraph 1, Item 20 of the Act;
(12) A foreign stock depositary receipt, etc. means a foreign stock depositary receipt or a foreign stock trust beneficiary certificate;
(13) A foreign financial instruments exchange, etc. means a foreign financial instruments exchange or a foreign organized over-the-counter market specified by the Enforcement Rules;
(13)-2 A foreign investment security means a foreign investment security prescribed in Article 2, Paragraph 1, Item 11 of the Act;
(13)-3 A foreign investment trust means a foreign investment trust prescribed by Article 2, Paragraph 22 of the Investment Trust Act;
(13)-4 A foreign investment corporation means a foreign investment corporation prescribed in Article 2, Paragraph 23 of the Investment Trust Act;
(14) A foreign holding company means a foreign company whose primary business is to control business activities of another company by owning its stocks;
(15) A Cabinet Office Ordinance on Disclosure means the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (Cabinet Office Ordinance No.5 of 1973);
(16) A company means a company or a foreign company or cooperative structured financial institution prescribed in Article 2, Item 1 of the Companies Act (Act No.86 of 2005);
(17) A stock, etc. means a domestic stock, etc. or a foreign stock, etc.;
(18) A shareholder services agent means a corporate institution which is not an issuer but generally undertakes shareholder services (including works pertaining to preferred equity investments; the same shall apply hereinafter) such as notification to shareholders, etc., in addition to transfer of shares, and also which is an administrator of shareholder registry prescribed in Article 123 of the Companies Act or an administrator of preferred equity investment registry prescribed by the Preferred Equity Investment Act;
(18)-2 A shareholder, etc. record date means a record date pertaining to the status of major shareholders or of large contributors included in a securities report.
(19) A related company means a related company prescribed in Article 8, Paragraph 8 of the Financial Statements, etc. Ordinance;
(20) Audit certification means audit certification prescribed in Article 193-2, Paragraph 1 of the Act;
(21) Audit certification, etc. means audit certification or certification corresponding to audit certification;
(22) Certification corresponding to audit certification means certification deemed to correspond to audit certification prescribed in Article 1-3 of the Cabinet Office Ordinance on Audit Certification;
(23) A Cabinet Office Ordinance on Audit Certification means the Cabinet Office Ordinance on Audit Certification of Financial Statements, etc. (the Ordinance of the Ministry of Finance No.12 of 1957);
(24) A managing trading participant means a trading participant of the Exchange, out of managing financial instruments firms;
(25) An affiliated company means an affiliated company prescribed in Article 8, Paragraph 5 of the Financial Statements, etc. Regulation;
(26) A corporate group means a company, its subsidiaries and affiliated companies;
(27) A business group means a business group prescribed in Article 4, Paragraph 1, Item 1 of the Consolidated Financial Statements Ordinance;
(27)-2 A stock with voting rights means, out of domestic stocks, a class of stocks whose voting rights are not restricted as to important issues including selection and dismissal of board members at general shareholders meetings;
(28) A record date, etc. means a record date set pursuant to the provisions of the Companies Act or the Preferred Equity Investment Act and a record date in cases where the book-entry transfer institution prescribed by Article 2, Paragraph 2 of the Book-Entry Transfer Act notifies all beneficial shareholders pursuant to the provisions of Article 151, Paragraph 1 or Paragraph 8 of the same Act (including cases where they are applied mutatis mutandis in Article 235 of the same Act);
(29) A cooperative structured financial institution means a cooperative structured financial institution prescribed in the Preferred Equity Investment Act;
(30) A false statement means a false statement as to financial statements, etc. in the case where a company receives a revision order (meaning, as a general rule, a revision order pertaining to Article 10 of the Act (including cases where it is applied mutatis mutandis in Article 24-2, Article 24-4-7, and Article 24-5 of the Act) or Article 23-10 of the Act) or a surcharge payment order (meaning an order pertaining to Article 172-2, Paragraph 1 of the Act (including cases where it is applied mutatis mutandis in Article 24-7, Paragraph 4 of the same article) or Article 172-4, Paragraph 1 or Paragraph 2 of the Act) from the Prime Minister, etc., or where accusation pertaining to Article 197 or Article 207 of the Act is made by the Prime Minister, etc. or the Securities and Exchange Surveillance Commission, or where a company submits a revision notice, registration statement of issuing revision or revision statement and, in addition, where the detail of such revisions is deemed important;
(31) A financial instruments firm means an entity who carries out class 1 financial instruments business prescribed in Article 28, Paragraph 1 of the Act, out of the financial instruments firms prescribed in Article 2, Paragraph 1 of the Act;
(32) An exchangeable corporate bond means a corporate bond (meaning a security as prescribed by Article 2, Paragraph 1, Item 5 of the Act or a bond with the characteristics of the security referred to in Item 5 of the same paragraph out of the securities referred to in Item 17 of the same paragraph; the same shall apply hereinafter), which shall be redeemed in the form of a domestic stock or foreign stock of a specified company other than the issuer upon the claim of the holder of the corporate bond;
(33) A certified public accountant means a certified public accountant or a foreign certified public accountant prescribed in Article 16-2, Paragraph 5 of the Certified Public Accountant Act (Act No.103 of 1948);
(34) A certified public accountant, etc. means a certified public accountant, an audit firm or an entity corresponding to these;
(35) A public offering means an issue or disposal of a stock, etc. or depositary receipt (meaning the security referred to in Article 2, Paragraph 1, Item 20 of the Act) representing the rights pertaining to the stock, etc. by a general offering;
(36) A subsidiary means a subsidiary company prescribed by Article 8, Paragraph 3 of the Financial Statements, etc. Regulation;
(37) A subsidiary-linked dividend stock means an equity share of a class whose substance is that the issuer pays surplus dividend to shareholders in accordance with the business performance, dividend, etc. of its consolidated subsidiary (meaning a consolidated subsidiary prescribed by Article 2, Paragraph 4 of the Consolidated Financial Statements Ordinance; the same shall apply hereinafter);
(37)-2 Internationally Active Shinkin Banks means Internationally Active Shinkin Banks prescribed in Article 1, Item (9)-3 of "Criteria for Judging Whether Capital of a Shinkin Bank and the a Federation of Shinkin Banks Is Sufficient in Light of the Assets Held, etc. (Financial Services Agency Notification No. 21 of 2006) under the provision of Article 14-2 of the Banking Act which is applied mutatis mutandis in Article 89, Paragraph 1 of the Shinkin Bank Act;
(37)-3 An Internationally Active Banks, etc. means Internationally Active Banks, the Norinchukin Bank, Internationally Active Shinkin Banks, and the Shoko Chukin, Ltd. prescribed in Article 1, Item (10)-2 of "Criteria for Judging Whether Capital of a Bank Is Sufficient in Light of the Assets Held, etc. (The Financial Services Agency
Notification No. 19 of 2006) under the provision of Article 14-2 of the Banking Act."

(38) A bond means a bond excluding a corporate bond with subscription warrants (meaning a bond attached with subscription warrants; the same shall apply hereinafter), an exchangeable corporate bond or an ETN;

(39) Financial statements, etc. means financial statements (meaning balance sheets, income statements, statements of changes in net assets, cash flow statements, and ancillary statements), and consolidated financial statements (meaning consolidated balance sheets, consolidated income statements and consolidated statements of comprehensive income or consolidated statements of income and comprehensive income, consolidated statements of changes in net assets, consolidated cash flow statements, and consolidated ancillary statements) or financial documents;

(40) Financial documents means documents concerning financial calculation of a foreign company;

(41) A treasury stock means a stock, etc. held by the issuer of such stock, etc.;

(41)-2 An asset management company means an asset management company prescribed in Article 2, Item 19 of the Investment Trust Act (including entities which have been entrusted by such asset management company with some rights pertaining to the management of assets entrusted by the investment corporation);

(42) A designated book-entry transfer institution means a book-entry transfer institution prescribed in Article 2, Paragraph 2 of the Book-Entry Transfer Act, which is an entity specified by the Enforcement Rules;

(42)-2 A controlling shareholder means a parent company or an entity specified by the Enforcement Rules as entity which directly or indirectly hold a majority of the voting rights;

(43) Quarterly financial statements, etc. means consolidated quarterly balance sheets, consolidated quarterly income statements and consolidated quarterly statements of comprehensive income or quarterly statements of consolidated income and comprehensive income, and consolidated quarterly cash flow statements (in cases of a company which is not a company that should prepare consolidated financial statements, it means quarterly balance sheets, quarterly income statements, and quarterly cash flow statements) (including interim financial statements, etc. in cases of a specified business company);

(43)-2 A quarterly report means a quarterly report prescribed in Article 24-4-7, Paragraph 1 of the Act (including cases of applying mutatis mutandis in the Act) (in cases of a foreign entity that submits a document as a substitute for such quarterly report pursuant to Paragraph 6 of the same article (including cases of applying mutatis mutandis in the Act), such document);

(43)-3 A beneficiary certificate means a beneficiary certificate prescribed in Article 2, Paragraph 7 of the Investment Trust Act, Article 185, Paragraph 1 of the Trust Act, and Article 2, Item 15 of the Asset Securitization Act;

(43)-4 An equity contribution security means a security provided in Article 2, Paragraph 1, Item 6 of the Act;

(43)-5 A listed ETN trust beneficiary certificate means an ETN trust beneficiary certificate listed on the Exchange;

(44) A listed foreign company means an issuer of a listed foreign stock, etc.;

(45) A listed foreign stock means a foreign stock listed on the Exchange;

(46) A listed foreign stock, etc. means a listed foreign stock or a listed foreign stock depositary receipt, etc.;

(47) A listed foreign stock trust beneficiary certificate means a foreign stock trust
beneficiary certificate listed on the Exchange;
(48) A listed foreign stock depositary receipt means a foreign stock depositary receipt listed on the Exchange;
(49) A listed foreign stock depositary receipt, etc. means a listed foreign stock depositary receipt or a listed foreign stock trust beneficiary certificate;
(50) A listed company means an issuer of a listed stock, etc.;
(50)-2 A listed company audit firm means an audit firm that is registered in the list of listed company audit firms based on the Registration System for Listed Company Audit Firms of The Japanese Institute of Certified Public Accountants;
(51) A listed stock, etc. means a stock, etc. listed on the Exchange;
(51)-2 A listed stock with voting rights means a stock with voting rights which is listed on the Exchange;
(52) A listed exchangeable corporate bond means an exchangeable corporate bond listed on the Exchange;
(53) A listed bond means a bond listed on the Exchange;
(53)-2 An applicant for choice of its listing market means an entity who applies to choose to either remain listed on Mothers or change its listing market to a Main Market;
(54) Deleted.
(55) A listed convertible bond means a convertible bond listed on the Exchange;
(56) A listed domestic company means an issuer of a listed domestic stock, etc.;
(57) A domestic stock means a domestic stock listed on the Exchange;
(58) A listed domestic stock, etc. means a listed domestic stock or a listed preferred equity investment security;
(58)-2 A listed stock without voting rights means a stock without voting rights which is listed on the Exchange;
(59) A listed security means a security listed on the Exchange;
(60) A listed preferred stock, etc. means a preferred stock, etc. listed on the Exchange;
(61) A listed preferred equity investment security means a preferred equity investment security listed on the Exchange;
(62) A subscription warrant security means a security with the characteristics of a subscription warrant security referred to in Item 9 in the same paragraph out of securities referred to in Article 2, Paragraph 1, Item 9 of the Act or the securities referred to in Article 2, Paragraph 1, Item 17 of the same act;
(63) Initial listing means a listing of a security of the class or the number which is not listed on the Exchange;
(64) An initial listing applicant means an issuer where the issuer whose stock, etc. is not listed on the Exchange applies for initial listing of its stock, etc.;
(64)-2 The Trust Act means the Trust Act (Act No.108 of 2006);
(65) Shareholder directed spin-off means a demerger in which all or part of the shares of a succeeding company or a newly created company will be delivered to the shareholders of the demerged company at the time of such demerger;
(66) Distribution with a quantitative limit means an off-auction distribution or a distribution corresponding to this in accordance with the rules and regulations of any other financial instruments exchange in Japan in which a limit to the purchase application quantity is set up at less than fifty (50) units;
(67) The Enforcement Ordinance means the Enforcement Ordinance of the Financial Instruments and Exchange Act (Cabinet Order No.321 of 1965);
(67)-2 Third-party allotment means a third-party allotment as prescribed in Article 19, Paragraph 2, Item 1, Sub-item (I) of the Cabinet Office Ordinance on Disclosure.
(68) Off-auction distribution means an off-auction distribution prescribed in Rule 42 of the Business Regulations;
(69) The number of shares for a basic unit means the number of shares per trading unit prescribed by Article 2, Item 20 of the Companies Act;
(70) Interim financial statements, etc. means interim financial statements (meaning interim balance sheets, interim income statements, interim statements of changes in net assets, and interim cash flow statements), interim consolidated financial statements (meaning interim consolidated balance sheets, interim consolidated income statements and interim consolidated statements of comprehensive income or interim statements of consolidated income and comprehensive income, and interim consolidated statements of changes in net assets, as well as interim consolidated cash flow statements);
(71) Multiple listing means listing or continuous trading on foreign financial instruments exchange(s), etc., or what is specified by the Enforcement Rules as equivalent to this;
(72) The end of the most recent business year, etc. means the end of an immediately prior business year or a day where six (6) months have lapsed counting from the commencement day of such a business year, or a day specified by the Enforcement Rules;
(73) Provisions for technical listing mean the provisions of Article 208, Article 215, or Article 216-9;
(74) Conversion means that, in cases of a stock, a company delivers another class of shares or subscription warrants in exchange for acquiring shares issued by the company, and in cases of subscription warrants, the company delivers shares or subscription warrants in exchange for acquiring subscription warrants issued by the company;
(75) A convertible bond means that the purpose of the contribution at the time of the execution of the subscription warrants is a corporate bond pertaining to such corporate bond with subscription warrants, out of the corporate bonds with subscription warrants;
(75)-2 Investment Management Business means the investment management business prescribed in Article 28, Paragraph 4 of the Act;
(75)-3 An investment security means an investment security prescribed in Article 2, Paragraph 15 of the Investment Trust Act;
(75)-4 Simultaneous listing means the expectation of being listed or continuously traded on a foreign financial instruments exchange, etc. (limited to a foreign financial instruments exchange that the Exchange deems appropriate) around the same time of initial listing on the Exchange, or an equivalent state specified by the Enforcement Rules;
(75)-5 An investment trust means an investment trust prescribed in Article 2, Paragraph 3 of the Investment Trust Act;
(75)-6 An investment trust management company means an investment trust management company prescribed in Article 2, Paragraph 11 of the Investment Trust Act (including entities which have been entrusted by such investment trust management company with the authority, in whole or in part, to give instructions for investment of the investment trust assets of an investment trust managed based on instructions from the settlor);
(75)-7 The Investment Trust Act means the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951).
(75)-8 The Investment Trust Act Enforcement Ordinance means the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Prime
Minister's Office Order No. 129 of November 17, 2000);
(75)-9 The Investment Trust Act Enforcement Order means the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000);
(75)-10 An investment corporation means an investment corporation prescribed in Article 2, Paragraph 12 of the Investment Trust Act;
(75)-11 The Investment Corporation Accounting Ordinance means the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006);
(75)-13 A specified business company means a company which carries out business as referred to in each item of Article 17-15, Paragraph 2 of the Cabinet Office Ordinance on Disclosure;
(75)-14 The Regulated Securities Disclosure Ordinance means the Cabinet Office Ordinance on Disclosure of Information, etc. of Regulated Securities (Ordinance of the Ministry of Finance No. 22 of 1993);
(76) The Prime Minister, etc. means the Prime Minister or an entity (including foreign administrative agencies corresponding to these in cases of a foreign company or any other foreign entity) entrusted with authority belonging to the Prime Minister pursuant to the provisions of laws and regulations;
(77) A domestic company means an issuer of a domestic stock, etc.;
(78) A domestic stock means a domestic stock (excluding preferred stocks, etc.) referred to by Article 2, Paragraph 1, Item 9 of the Act;
(79) A domestic stock, etc. means a domestic stock or a preferred equity investment security;
(79)-2 Insider trading means trading prohibited by Article 166 and Article 167 of the Act;
(79)-3 Insider trading, etc. means insider trading and acts prohibited under the provisions of Article 167-2 of the Act;
(79)-4 An internal control report means an internal control report prescribed in Article 24-4-4, Paragraph 1 of the Act (including cases of applying mutatis mutandis in the Act) (in cases of a foreign entity that submits a document as a substitute for such internal control report pursuant to the provisions of Article 24, Paragraph 8 of the Act that is applied mutatis mutandis with rewording in Paragraph 6 of the same article (including cases of applying mutatis mutandis in the Act), such document);
(80) A takeover defense measure means a measure which is introduced prior to the commencement of a takeover by an entity who is not desirable to the managers, out of the measures which make the realization of acquisition of a listed company by issuing new shares or subscription warrants difficult (meaning an act to acquire as many shares that influence may be exerted on the company; the same shall apply hereinafter), where the main purpose of such a company is not the business purpose such as fundraising, etc.;
(81) An issuer is an issuer prescribed in Article 2, Paragraph 5 of the Act;
(81)-2 A interim report means an interim report prescribed in Article 24-5, Paragraph 1 of the Act (including cases of applying mutatis mutandis in the Act) (in cases of a foreign entity that submits a document as a substitute for such interim report pursuant to the provisions of Paragraph 7 of the same article (including cases of applying mutatis mutandis in the Act), such document);
(81)-3 A non-participating preferred stock means, out of a class of stocks which have
precedence on surplus dividends, a stock whose shareholder is unable to receive dividend from the residual distributable amount after receiving payment of preferred dividend;

(82) The Book-Entry Transfer Act means the Act Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. (Act No.75 of 2001);

(83) The Act means the Financial Instruments and Exchange Act (Act No.25 of 1948);

(84) An offered stock means an offered stock prescribed in Article 199, Paragraph 1 of the Companies Act and an offered preferred equity investment prescribed by the Preferred Equity Investment Act, and shares allotted pursuant to the provisions of foreign laws and regulations corresponding to these;

(84)-2 Offered stock, etc. means offered stocks, offered subscription warrants (including own subscription warrants to be disposed) as prescribed in Article 238, Paragraph 1 of the Companies Act, or subscription warrants allotted pursuant to provisions of corresponding laws and regulations of any foreign country;

(85) A home country means a home country or region specified by the Enforcement Rules as a country or a region to which a foreign company or any other foreign entity belongs;

(86) A home country, etc. means a home country and a country or region where a foreign financial instruments exchange, etc. is located, and a security issued by a foreign company or any other foreign entity is listed or is continuously traded on said exchange;

(87) A stock without voting rights means, out of domestic stocks, a stock whose rights to vote on important issues including selection and dismissal of board members at general shareholders meetings are restricted;

(88) A security means a security as prescribed by Article 2, Paragraph 1 of the Act;

(88)-2 A securities registration statement means a registration statement prescribed in Article 5, Paragraph 1 of the Act (including cases of applying mutatis mutandis in the Act) (in cases of a foreign entity that submits a document as a substitute for such registration statement pursuant to the provision of Paragraph 6 of the same article (including cases of applying mutatis mutandis in the Act), such document and supplementary documents), and documents attached thereto as well as amendment statements thereof.

(88)-3 A securities report means a securities report prescribed in Article 24, Paragraph 1 (including cases of applying mutatis mutandis in the Act) (in cases of a foreign entity that submits a document as a substitute for such securities report pursuant to Paragraph 8 of the same article (including cases of applying mutatis mutandis in the Act), such document);

(89) Securities reports, etc. means securities notification, securities registration statement, securities registration supplementary documents and attached documents to these documents, reference documents pertaining to these documents, securities reports and their attached documents, interim reports, quarterly reports and prospectuses;

(90) A preferred stock, etc. means a non-participating preferred stock and subsidiary-linked dividend stock;

(91) Preferred equity investment means preferred equity investment as prescribed by the Preferred Equity Investment Act;

(92) A preferred equity investment security means a preferred equity investment security as prescribed by the Preferred Equity Investment Act;

(93) The Preferred Equity Investment Act means the Act on Preferred Equity Investment by Cooperative Structured Financial Institution (Act No.44 of 1992);
(94) A depository, etc. means, in cases of a foreign stock depositary receipt, a depository pertaining to such foreign stock depositary receipt, in cases of a foreign stock trust beneficiary certificate, a trustee (meaning a trustee as prescribed by Article 2, Paragraph 5 of the Trust Act) pertaining to such foreign stock trust beneficiary certificate, and in cases of a foreign ETF trust beneficiary certificate (meaning a foreign ETF trust beneficiary certificate as prescribed by Rule 1001, Item 3; the same shall apply hereinafter in this rule) and a foreign spot commodity ETF trust beneficiary certificate (meaning a foreign spot commodity ETF trust beneficiary certificate prescribed in Rule 1001, Item 5; the same shall apply hereinafter in this rule), a trustee pertaining to such foreign ETF trust beneficiary certificate or such foreign spot commodity ETF trust beneficiary certificate, and in cases of a foreign infrastructure trust beneficiary certificate (meaning a trust beneficiary certificate prescribed in Rule 1201, Item 2-4; the same shall apply hereinafter in this rule), a trustee pertaining to such foreign infrastructure trust beneficiary certificate;

(95) A deposit agreement, etc. means, in cases of a foreign stock depositary receipt, a deposit agreement pertaining to such foreign stock depositary receipt, in cases of a foreign stock trust beneficiary certificate, a trust agreement pertaining to such foreign stock trust beneficiary certificate, in cases of a foreign ETF trust beneficiary certificate and a foreign spot commodity ETF trust beneficiary certificate, a trust agreement pertaining to such foreign ETF trust beneficiary certificate and such foreign spot commodity ETF trust beneficiary certificate, and in cases of a foreign infrastructure trust beneficiary certificate, a trust agreement pertaining to such foreign infrastructure fund trust beneficiary certificate, and;

(96) Tradable shares means 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.

Rule 3. Entrustment of Self-Regulatory Operations
1. Out of the self-regulatory operations prescribed in Article 84, Paragraph 2 of the Act, the Exchange may entrust operations enumerated in each of the following items to Japan Exchange Regulation (hereinafter referred to as "JPX-R"):
   (1) Operation concerning listing and delisting of securities; and
   (2) Operation concerning examination of disclosure of information pertaining to an issuer of a listed security carried out by such issuer, and measures such as regulatory actions against an issuer of a listed security.
2. An issuer of a security pertaining to an initial listing application and an issuer of a listed security must comply with the examination, survey and report or claims for materials, etc. that JPX-R carries out as the operation entrusted to JPX-R by the Exchange pursuant to the provisions of the preceding paragraph.
3. The Exchange shall give approval or take measures such as regulatory actions on the basis of the results of the examination or survey, etc. carried out by JPX-R as the operation entrusted to JPX-R pursuant to the provisions of Paragraph 1.

Rule 4. Notification of Trading Halt and Removal of Halt
When the Exchange halts trading in a listed security or removes a trading halt, it shall notify the issuer of such listed security of this fact.

Rule 5. Submission, etc. of Documents in Japanese or English

DISCLAIMER: This translation may be used for reference purposes only. This English version is not an official translation of the original Japanese version. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. This translation is subject to change without notice. Tokyo Stock Exchange, Inc., Japan Exchange Regulation, Japan Exchange Group, Inc., and/or their affiliates shall individually or jointly accept no responsibility or liability for damage or loss caused by any error, inaccuracy, misunderstanding, or changes with regard to this translation.
1. Documents, etc. to be submitted to the Exchange by an issuer of a security pertaining to an initial listing application, an issuer of a listed security or any other entity who makes submission and disclosure, etc. of documents, etc. on the basis of the rules of the Exchange (hereinafter referred to as an "issuer, etc. of a listed security") shall be in accordance with each of the following items:

(1) Documents, etc. that an issuer, etc. of a listed security submits to the Exchange shall be, as a general rule, prepared in the Japanese language;

(2) Notwithstanding the provisions of the preceding item, where the issuer, etc. of a listed security is a foreign country or a foreign corporation, they may be prepared in the English language pursuant to the provisions of the Enforcement Rules, except documents, etc. as specified by the Enforcement Rules; and

(3) Where documents, etc. that an issuer, etc. of a listed security submits are not written in the Japanese or English language, a copy of their translation shall be, as a general rule, attached pursuant to the provisions of the Enforcement Rules.

2. Regarding matters on monetary amounts, out of the descriptions stated in the documents to be submitted to the Exchange as prescribed in the preceding paragraph, monetary amounts shall be shown in the currency of the issuer’s country and the Japanese currency (which shall be translated at a foreign exchange market rate as specified by the Enforcement Rules).

Rule 6. Submission of Documents, etc. Recorded by Electromagnetic Means

1. Documents, etc. that an issuer, etc. of a listed security should carry out pursuant to the rules and regulations of the Exchange can be submitted by electromagnetic records stating the substance of such documents, etc.; provided, however, that this shall not apply to documents, etc. that the Exchange deems necessary to be submitted in writing.

2. In application of rules and regulations of the Exchange where an electromagnetic record pursuant to the provisions of the preceding paragraph is submitted, such submission shall be deemed to be submission of documents, etc. in the same paragraph by written documents, and, in addition, in application of rules and regulations of the Exchange, an electromagnetic record and matters recorded in such an electromagnetic record shall be deemed to be a document corresponding to such electromagnetic record and matters stated in such document, respectively.

Rule 7. Consideration of Legal System, etc. of Home Country, etc.

In application of the rules and regulations of the Exchange to a foreign country or a foreign corporation where the foreign country or the foreign corporation is an issuer, etc. of a listed security, the Exchange shall take into account legal systems, practices and customs, etc. in such foreign country or the country, etc. of the foreign corporation.

Rule 8. Entrustment to the Enforcement Rules

The Exchange may prescribe necessary details concerning listing of a security, timely disclosure by an issuer of a listed security, delisting and any other matters concerning a listed security in the Enforcement Rules, in addition to matters prescribed in these Regulations.
General Provisions

Rule 101. Main Markets
1. The markets pertaining to stocks, etc. (including preferred stocks, etc.; the same shall apply in this rule) excluding the stocks, etc. listed on Mothers as specified in the following rule or JASDAQ as specified in Rule 103, out of the stocks, etc. listed on the Exchange, shall be called the Main Markets.
2. A domestic stock or foreign stock, etc. newly listed on the Main Markets shall be assigned to the Second Section Market, except those assigned to the First Section Market pursuant to the provisions of this part.

Rule 102. Mothers
1. The Exchange has established a listing system for stocks, etc. (excluding preferred equity investment securities; the same shall apply in this rule and the following rule) of emerging companies with high growth potential, with the aim of allowing such companies to raise funds in an orderly manner, thereby facilitating the growth of new industries, and also providing investors with a variety of investment vehicles in the market of the Exchange.
2. The market for stocks, etc. that the Exchange lists based on the system specified by the preceding paragraph shall be referred to as "Mothers" (market of the high-growth and emerging stocks).
3. The general term for foreign stocks, etc., out of the stocks, etc. listed on Mothers, shall be defined by the Enforcement Rules.

Rule 103. JASDAQ
1. The Exchange has established a listing system for stocks, etc. and equity contribution securities of growing companies with diverse businesses, with the aim of providing more opportunities for listing and fund-raising, thereby contributing to the cultivation of a wide-range of industries, and providing investors with a variety of investment options in the market of the Exchange.
2. The market for stocks, etc. and equity contribution securities that the Exchange lists based on the system specified in the preceding paragraph shall be referred to as "JASDAQ."
3. Within JASDAQ, a sub-division for companies of a certain business scale and performance for which business expansion is expected (hereinafter referred to as "Standard"), and a sub-division for companies with unique technologies or business models with abundant future growth potential (hereinafter referred to as "Growth") shall be established.
4. Stocks, etc. listed on JASDAQ will be categorized in either "Standard" or "Growth."

Chapter 2
Initial Listing

Section 1
General Provisions

Rule 201. Initial Listing Application
1. Initial listing of a stock, etc. shall be conducted by application of an issuer of such stock, etc. Details of the stock, etc. pertaining to the initial listing application in this case shall be provided by the Enforcement Rules.
2. Initial listing may be applied for a stock, etc. issued by a company that will be established...
by a listed company by a merger for creating a new company, stock transfer, or demerger for creating a new company (limited to those specified by the Enforcement Rules) also prior to its establishment (limited to after the resolution of a general shareholders meeting (where application is for initial listing of a preferred equity investment security, it should be a general meeting of ordinary equity investors (meaning a general meeting of ordinary equity investors as prescribed by the Preferred Equity Investment Act; the same shall apply hereinafter), and where a resolution of a general meeting of preferred equity investors (meaning a general meeting of preferred equity investors as prescribed by the Preferred Equity Investment Act; the same shall apply hereinafter) is required, it should be a general meeting of ordinary equity investors and a general meeting of preferred equity investors) of such listed company pertaining to such merger for creating a new company, stock transfer, or demerger for creating a new company), and listing of the stock, etc. on the basis of such initial listing application prior to its establishment shall be made by such listed company by application. In this case, matters necessary for procedures regarding the listing application and application of other provisions shall be as specified by the Enforcement Rules.

3. The provisions of the preceding two paragraphs shall not apply to domestic stocks to be listed in accordance with the listing order in Article 125 of the Act.

4. Examination of a stock, etc. for which application is made for initial listing shall be made pursuant to the provisions of Rules 205 through 210, Rules 212 through 216, or Rules 216-3 through 216-10.

5. Provisions of Rules 202 through 217 shall not apply to a stock, etc. whose issuer is a listed company.

**Rule 202. Preliminary Application**

1. An entity who intends to make an application for initial listing of a stock, etc. (excluding an entity to whom the provisions for technical listing applies) may make a preliminary application for initial listing application (hereinafter referred to as the "preliminary application") by submitting an "Securities Initial Listing Preliminary Application" that contains such matters as the planned day for making an initial listing application and other matters, and documents prepared in a manner equivalent to documents necessary for initial listing application (such documents will suffice, if they are submitted to the extent possible) after a day which is three (3) months prior to the end of the most recent business year immediately preceding the day on which such initial listing application is made.

2. Where a preliminary application is made pursuant to the provisions of the preceding paragraph, the Exchange shall make examination as to whether it has the likelihood of meeting the provisions of Rules 205 through 207, Rule 210, Rules 212 through 214, or Rules 216-3 through 216-8.

3. The provisions of Rule 204, Paragraph 9, Rule 211, Paragraph 9, and Rule 216-2, Paragraph 9 shall be applied mutatis mutandis to the examination defined in the preceding paragraph.

**Rule 203. Listing Agreements, etc.**

1. Where the Exchange lists a stock, etc. pertaining to an initial listing application, the issuer of the stock, etc. pertaining to such initial listing application shall submit a "Listing Agreement" prescribed by the Exchange and specified by the Enforcement Rules.

2. The Listing Agreement referred to in the preceding paragraph shall take effect on the day of the listing of the stock, etc. pertaining to the initial listing application.

3. The Exchange shall make an entry of the description and other matters specified by the Enforcement Rules in the listed securities ledger on the day of listing the stock, etc.
pertaining to the initial listing application.

4. Where a stock, etc. (excluding preferred equity investment securities; the same shall apply in this paragraph) that is issued is to be delisted due to falling under the provisions of Rule 601, Paragraph 1, Item 18 (including where it falls under the provisions of Rule 602, Paragraph 1, Item 1 or Paragraph 2, Item 3; Rule 603, Paragraph 1, Item 6; Rule 604, Paragraph 1, Item 2 or Paragraph 2, Item 1; Rule 604-2, Item 3; Rule 604-3, Item 2; Rule 604-4, Paragraph 1, Item 2; or Rule 604-5, Item 2) and, in addition, where a stock, etc. that will be issued in exchange for such stocks, etc. will be listed pursuant to the provisions of Rule 303, the issuer shall be deemed to be the issuer of listed stocks, etc. at or after the delisting until the stock, etc. to be issued in exchange.

Section 2  
Initial Listing on Main Markets

Rule 204. Documents to be Submitted, etc. Pertaining to Initial Listing Application

1. An initial listing applicant who makes an initial listing application for the Main Market shall submit a "Security Initial Listing Application Form" predetermined by the Exchange which contains the trade name or corporate name of such applicant, the name, class, and number of shares to be issued of the stock, etc. pertaining to such application, and other matters specified by the Enforcement Rules as the substance concerning the initial listing applicant, and a "Written Oath Concerning Application for Initial Listing" prescribed by the Exchange and specified by the Enforcement Rules, when it makes an initial listing application.

2. The articles of incorporation, "Securities Report for Initial Listing Application" containing matters concerning the business group to which the initial listing applicant belongs and the status of its accounts, other important matters, etc. concerning the substance of the business, and other documents specified by the Enforcement Rules shall be attached to the Security Initial Listing Application Form prescribed in the preceding paragraph. However, with regard to documents specified in the Enforcement Rules out of such documents, it shall be deemed sufficient to submit them by a date specified by the Exchange on a case-by-case basis.

3. Notwithstanding the provisions of the preceding paragraph, an initial listing applicant who makes an initial listing application for the Main Market pursuant to the provisions for technical listing shall attach the articles of incorporation and other documents specified by the Enforcement Rules to the Security Initial Listing Application Form prescribed by Paragraph 1.

4. Where an initial listing application is made before the establishment pursuant to the provisions of Rule 201, Paragraph 2, documents which cannot be submitted at the time of the initial listing application (limited to those deemed inevitable by the Exchange on a case by case basis), out of the attached documents specified by the preceding two paragraphs, will suffice, if they are submitted immediately after submission becomes possible.

5. Where an initial listing applicant who makes an initial listing application for the Main Markets makes notification concerning subscription of a security or notification concerning the secondary offering of a security or submission of a notice to the Prime Minister, etc. during the period from the first day of the business year containing the application day for initial listing to the day on which listing is made, or where it falls under any other cases specified by the Enforcement Rules, it shall submit documents specified by the Enforcement Rules.

6. An initial listing applicant who makes an initial listing application for the Main Markets...
shall undergo an audit, interim audit, or quarterly review (including an interim audit, in cases of a specified business company; the same shall apply hereinafter) by two (2) or more certified public accountants or an audit firm, and shall attach an audit report, interim audit report or quarterly review report (including an interim audit report, in cases of a specified business company; the same shall apply hereinafter) prepared by such certified public accountants or audit firm on such audits on the basis of such audit, etc., in conformity with the provisions of Article 193-2 of the Act, in accordance with the Enforcement Rules, with respect to documents concerning accounting calculation specified by the Enforcement Rules, out of the documents to be submitted pursuant to the provisions of each of the preceding paragraphs; provided, however, that the same shall not apply to cases where the initial listing applicant is a foreign company specified by the Enforcement Rules.

7. An initial listing applicant who makes an initial listing application for the Main Markets (excluding foreign companies to which the provisions of the proviso in the preceding paragraph apply) shall submit a copy of a summary audit report, a summary interim audit report, or a summary quarterly review report (including a summary interim audit report in cases of a specified business company; the same shall apply hereinafter) prepared by certified public accountants or an audit firm with respect to the audit, the interim audit, or the quarterly review (excluding those specified by the Enforcement Rules) prescribed in the preceding paragraph as provided by the Enforcement Rules.

8. An initial listing applicant who makes an application for initial listing on the Main Markets shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm to the documents concerning financial calculation as specified by the Enforcement Rules in addition to the provisions of Paragraph 6.

9. The Exchange may request an initial listing applicant to submit an informational report or materials in addition to the documents prescribed in each of the preceding paragraphs and to provide cooperation for listing examination, where it deems necessary for listing examination.

10. Where the Exchange approves listing of a stock, etc. pertaining to an initial listing application, the initial listing applicant who makes an application for initial listing on the Main Markets shall submit documents specified by the Enforcement Rules, out of the documents enumerated in Paragraphs 2 through 8, and shall agree that the Exchange makes such documents and the documents specified by the Enforcement Rules available for public inspection, out of the documents submitted by the initial listing applicant pursuant to the provisions of this rule, before and after the listing.

11. Where the Exchange approves listing of a stock, etc. pertaining to an initial listing application, the initial listing applicant who makes an application for initial listing on the Main Markets shall submit documents enumerated in each of the following items, and shall agree that the Exchange makes documents enumerated in Item 2 available for public inspection before and after the listing:

(1) The "Written Confirmation Regarding Compliance with Exchange Rules and Regulations" predetermined by the Exchange; and

(2) The document containing the effect that the representative of such initial listing applicant is aware that the "Securities Report for Initial Listing Application" prescribed by Paragraph 2 and other documents specified by the Enforcement Rules do not contain any untrue statements and the reason as specified by the Enforcement Rules.

12. In the cases prescribed in the preceding paragraph, an initial listing applicant referred to in each of the following items shall submit documents specified in each of such items, and
shall agree that the Exchange makes such documents available for public inspection before and after the listing:

(1) An initial listing applicant who makes an initial listing application as to a domestic stock, etc. and a foreign stock, etc. for which the Exchange is a main market:
   The report containing matters concerning corporate governance as specified by the Enforcement Rules; and

(2) An initial listing applicant whose structure of the business group is deemed to be peculiar by the Exchange:
   The report containing risk information pertaining to the structure of the business group

**Rule 205. Formal Requirements of Domestic Companies**

Listing examination for the Main Markets specified by Rule 207 pertaining to domestic stocks, etc. shall be carried out on domestic stocks, etc. that meet each of the following items. In this case, details of such each item shall be provided by the Enforcement Rules:

(1) **Number of shareholders:**
   The number of shareholders (meaning the number of entities who own at least a unit of the stock, etc.; the same shall apply hereinafter) is expected to reach 800 or more by the time of listing;

(2) **Number of tradable shares:**
   The following a. through c. must be satisfied; provided, however, that, in cases of multiple listing or simultaneous listing, the following a. and either b. or c must be satisfied:
   a. The number of tradable shares is expected to reach 4,000 units or more by the time of listing;
   b. The market capitalization of the tradable shares as of the listing day is expected to reach 1 billion yen or more; and
   c. The number of tradable shares is expected to reach 30% or more of the listed stocks, etc. by the time of listing;

(3) **Market capitalization:**
   The market capitalization as of the listing day is expected to reach 2 billion yen or more;

(4) **Number of consecutive years of conducting business:**
   The business activities have been continuously carried out by setting up a board of directors (meaning a jointly organized financial institution or an institution corresponding to this in cases of a foreign company; the same shall apply hereinafter) since a day before the day which is three (3) years prior to the end of a business year immediately prior to the business year containing the initial listing application day;

(5) **Amount of net assets:**
   The amount of net assets on the listing day is expected to reach at least 1 billion yen;

(6) **Amount of profits and market capitalization:**
   The following a. or b. must be satisfied:
   a. The total amount of profits in the last two (2) years (the last years are counted from the end of the most recent business year before the initial listing application day; the same shall apply in this chapter) shall be at least 500 million yen;
   b. The market capitalization as of the listing day is expected to reach at least 50 billion yen, except cases where sales for the last year are less than 10 billion yen;

(7) **False statement or adverse opinion, etc.:**
   The following a. through d. must be satisfied:
a. No false statement is made in the securities reports, etc. which contain or make reference to financial statements, etc. for each business year or each consolidated accounting year which ended in the last two (2) years or quarterly financial statements, etc. for a quarterly accounting period in each business year or for a consolidated quarterly accounting period in each consolidated accounting year;
b. The audit report attached to financial statements, etc. for each business year or each consolidated accounting year which ended in the last two (2) years (excluding an audit report attached to financial statements, etc. for a business year and a consolidated accounting year which ended in the last year) contains an "unqualified opinion" or a "qualified opinion with exceptions" of certified public accountants, etc.; provided, however, that the same shall not apply to cases where the Enforcement Rules so specify; and
c. The audit report attached to financial statements, etc. for the business year and consolidated accounting year which ended in the last year and a quarterly review report attached to quarterly financial statements, etc. for a quarterly accounting period in the business year or for a consolidated quarterly accounting period in the consolidated accounting year contain an "unqualified opinion" or an "unqualified conclusion" (in cases of a specified business company, including an "opinion that the interim financial statements, etc. provide useful information") of certified public accountants, etc.; provided, however, that the same shall not apply to the cases specified by the Enforcement Rules; and
d. Where a stock, etc. pertaining to an initial listing applicant is listed on any other financial instruments exchange in Japan, such stock, etc. shall not fall under the following (a) and (b):
   (a) The internal control report pertaining to the business year ending in the last year contains the fact that "appraisal results cannot be provided" contained in; and
   (b) The internal control audit report regarding the internal control report pertaining to a business year ending in the last year contains the fact that "no opinion is provided".

(7)-2 Audit by a listed company audit firm:
The financial statements, etc. for each business year or consolidated accounting year ending in the last two (2) years as well as the quarterly financial statements, etc. for a quarterly accounting period in the business year or for a quarterly consolidated accounting period in the consolidated accounting year ending in the last year have undergone audit or quarterly review equivalent to that in the provisions of Article 193-2 of the Act by a listed company audit firm (including audit firms registered in the list of associate registered audit firms based on the Registration System for Listed Company Audit Firms of The Japanese Institute of Certified Public Accountants (limited to those which have undergone quality control reviews by The Japanese Institute of Certified Public Accountants)) (excluding those deemed inappropriate by the Exchange).

(8) Establishment of a shareholder services agent:
Shareholder services have been entrusted to an institution specified by the Enforcement Rules as the applicant's shareholder services agent (hereinafter referred to as a "shareholder services agent approved by the Exchange"), or an informal consent of undertaking the entrustment of such shareholder services from the shareholder services agent has been received; provided, however, that the same shall not apply to a shareholder services agent approved by the Exchange;

(9) Share Unit:
The Share Unit shall be expected to be 100 shares at the time of listing; provided,
however, that the same shall not apply to the cases specified by the Enforcement Rules;
(9)-2 Classes of stock:
   In the case that a stock, etc. pertaining to the initial listing application, such stock, etc. shall be, as a general rule, any of stocks referred to in the following a. through c. In this case, the initial listing applicant for the stock referred to in b. shall not have securities other than said stock as to which the applicant makes initial listing application
   a. In the case of a company issuing one class of stock with voting rights, said stock with voting rights;
   b. In the case of a company issuing multiple classes of stock with voting rights, a class of stock with voting rights whose value of rights, etc. to receive economic benefits including claim for surplus dividend pertaining to the number of shares that enables exercise of one voting right at a general shareholders meeting with regard to important matters including selection and dismissal of board members is higher than any other class of stock; or
   c. Stock with no voting rights
(10) Restriction on transfer of shares:
   Transfer of shares pertaining to an initial listing application is not restricted or it is expected that there will be no restriction by the time of listing; provided, however, that the same shall not apply to cases where transfer of shares is restricted pursuant to the provisions of special laws specified by the Enforcement Rules at the same time the details of the restriction are deemed not to hinder trading in the market of the Exchange;
(11) Handling by the designated book-entry transfer institution:
   The relevant issue is subject to the book-entry transfer operation of the designated book-entry transfer institution, or is likely to be so by the time of listing; and
(12) Expected implementation of merger, etc.:
   The merger, etc. shall not fall under the following a. and b.:
   a. Where a merger (excluding a merger between an initial listing applicant and its subsidiary or a merger between subsidiaries of an initial listing applicant, and a merger falling under Rule 208, Item 1 or Item 2), demerger (excluding a demerger between an initial listing applicant and its subsidiary or a demerger between subsidiaries of an initial listing applicant), making other company a subsidiary or making a subsidiary a non-subsidiary or transfer of a business to or from other entity (excluding transfer of a business between an initial listing applicant and its subsidiary or between subsidiaries of an initial listing applicant) is scheduled to be carried out on or after the initial listing application day and within two (2) years from the end of the most recent business year before such day, (including where a subsidiary of an initial listing applicant has carried out or plans to carry out a merger, demerger and transfer of a business to or from other entity) and, in addition, where the Exchange deems that an initial listing applicant will cease to be a substantial surviving company by such an act; provided, however, that the same shall not apply where the Enforcement Rules so specify; and
   b. Where a merger in which an initial listing applicant becomes a dissolution company, a stock swap or a stock transfer whereby it becomes a wholly-owned subsidiary of another company is expected to be carried out within two (2) years from the end of the business year immediately prior to the business year containing the initial listing application day (except cases where such acts are scheduled to be carried out before the listing day).
Rule 206. Formal Requirements for Foreign Companies

1. Listing examination as prescribed in the following rule pertaining to foreign stocks, etc. (excluding cases of multiple listing) shall be carried out for cases falling under each of the following items. In this case, details of such each item shall be provided by the Enforcement Rules:
   (1) The case shall fall under Items 1 through 7 and Item 12 of the preceding rule;
   (2) Handling by a book-entry transfer institution:
       Said issue shall be subject to the custody and book-entry transfer operation for foreign stocks, etc. or the book-entry transfer operation of the designated book-entry transfer institution, or is expected to become so by the time of listing;
   (3) Restriction on transfer of stocks, etc.:
       There is no restriction on transfer of a foreign stock, etc. pertaining to an initial listing application, or it is expected that there will be no restriction by the time of listing; provided, however, that the same shall not apply to cases where imposing a restriction on transfer of a foreign stock, etc. is deemed necessary to receive application of provisions of laws in its home country or a case equivalent to this and, in addition, where its details are deemed not to hinder trading in the Exchange market; and
   (4) Deposit agreement, etc.:
       Where an initial listing applicant is an applicant for initial listing of a foreign stock depositary receipt, etc., the deposit agreement, etc. concerning a foreign stock depositary receipt, etc. and any other agreement pertaining to an initial listing application shall be those entered into pursuant to the provisions of the Enforcement Rules.

2. Listing examination as prescribed in the following rule pertaining to a foreign stock, etc. (limited to cases of multiple listing) shall be carried out for those falling under each of the following items. In this case, details of such each item shall be provided by the Enforcement Rules:
   (1) Status of distribution of a foreign stock, etc.:
       A remarkably large number of shares is deemed not to be held by specific shareholders or holders of a foreign stock depositary receipt, etc.;
   (2) Item 1, Item 2, Sub-item a., Items 3 through 7, and Item 12 of the preceding rule must be satisfied; and
   (3) Items 2 through 4 of the preceding paragraph must be satisfied.

3. Notwithstanding the provisions of the preceding two paragraphs, where an initial listing applicant is a privatized foreign company (meaning a foreign company operated by the government in its home country as a result of transfer of assets, rights and duties from an entity who has invested in all the amounts of the capital, or a foreign company where the majority of the total number of outstanding shares (including treasury shares) has been held by the government of its home country and, in addition, where, as a result of sale of all or part of the equities held by the government, such equities come to be owned by the private sector, or a foreign company which the Exchange deems to be of such a kind; the same shall apply hereinafter), a company falling under each of the following items shall be subject to listing examination as prescribed in the following rule pertaining to a foreign stock, etc., despite where the company does not fall under Items 4, 6, and 7 of the preceding rule which are applied in Paragraph 1, Item 1 and Item 2 of the preceding paragraph. In this case, details of each such item shall be provided by the Enforcement Rules:
   (1) Number of consecutive years in business conduct:
The business operated by a privatized foreign company has been in continuous operation on or before a day which is three (3) years prior to the end of the business year immediately preceding the business year containing the application for initial listing day;

(2) Amount of profits or market capitalization:
   The following a. or b. must be satisfied:
   a. The total amount of profits in the last two (2) years (where the Enforcement Rules specify, a period for up to two (2) years as specified by the Exchange) shall be at least 500 million yen;
   b. The market capitalization as of the listing day is expected to reach at least 50 billion yen, excluding cases where sales for the last year (where the Enforcement Rules specify, a period for up to one (1) year as specified by the Exchange) are less than 10 billion yen;

(3) False statement or adverse opinion, etc.:
   The following a. through d. must be satisfied:
   a. False statement is not made in securities reports, etc. which contain or make reference to financial documents for each business year which ended in the last two (2) years (where the Enforcement Rules specify, the period for up to two (2) years as specified by the Exchange; the same shall apply to the following b.);
   b. Audit reports attached to financial documents for each business year ended in the last two (2) years (excluding those attached to financial statements, etc. for the business year and the consolidated accounting year which ended in the last year) shall contain an "unqualified opinion" or a "qualified opinion with exceptions"; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise;
   c. Audit reports attached to financial documents for the business year ended in the last year shall contain an "unqualified opinion" of certified public accountants, etc.; provided, however, that the same shall not apply where the Enforcement Rules so specify; and
   d. Where a foreign stock, etc. pertaining to an initial listing applicant is listed on any other financial instruments exchange in Japan, such stock, etc. shall not fall under the following (a) and (b):
      (a) The internal control report pertaining to the business year ending in the last year contains the fact that "appraisal results cannot be provided"; and
      (b) The internal control audit report regarding the internal control report pertaining to the business year ending in the last year contains the fact that "opinions are not expressed";

(4) In accordance with the division of the following a. or b., such a. or b. must be satisfied:
   a. Cases other than those of multiple listing:
      Item 1 and Item 2 of the preceding paragraph must be satisfied; or
   b. Cases of multiple listing:
      Item 1 and Item 2, Sub-item a. of the preceding rule and Item 1 of the preceding paragraph must be satisfied;

(5) Item 3, Item 5, and Item 12 of the preceding paragraph must be satisfied; and

(6) Paragraph 1, Items 2 through 4 must be satisfied.

Rule 207. Listing Examination
1. Listing examination of a stock, etc. for which an initial listing application is made on the
Main Markets shall be carried out on the matters enumerated in each of the following items concerning an initial listing applicant and its corporate group:

1. Corporate continuity and profitability:
   A business is operated continuously and a stable revenue base is present;

2. Soundness of corporate management:
   A business is carried out fairly and faithfully;

3. Effectiveness of corporate governance and internal management system of an enterprise:
   Corporate governance and internal management system are properly prepared and functioning;

4. Appropriateness of disclosure of corporate information, etc.:
   The applicant is in a status where disclosure of the corporate information, etc. may be carried out in an appropriate manner; and

5. Other matters deemed necessary by the Exchange from the viewpoint of the public interest or the protection of investors.

2. Listing examination in the preceding paragraph shall be carried out on the basis of the documents submitted by the initial listing applicant pursuant to the provisions of each paragraph of Rule 204 and questions, etc.

3. Listing examination in Paragraph 1 (excluding listing examination pertaining to foreign stocks, etc.) shall be completed approximately within the period specified by the Enforcement Rules.

4. Necessary matters concerning listing examination defined in Paragraph 1 shall be prescribed by the guidelines for listing examination, etc.

5. Where an initial listing applicant is deemed to be unlikely to fall under Rule 205, Item 7, Sub-item a. (including cases where it is applied mutatis mutandis in Paragraph 1, Item 1 and Paragraph 2, Item 3 of the preceding rule) or Paragraph 3, Item 3, Sub-item a. of the preceding rule, listing examination as in Paragraph 1 shall be postponed.

Rule 208. Technical Listing
Notwithstanding the provisions of Rule 205 through the preceding rule, in each of the following cases, where a company specified by each of such items applies for listing of a stock, etc. issued by the company as specified by the Enforcement Rules on the Main Markets (limited to cases specified by the Enforcement Rules if a parent company of the surviving company specified by Item 1 or a parent company of such other company specified by Item 3 is a foreign company), listing examination shall be carried out as specified by the following rule:

1. Where a listed stock, etc. is delisted due to dissolution caused by a merger of a listed company on the Main Markets:
   The newly created company or the surviving company, or the parent company of the surviving company pertaining to such merger (limited to cases where stocks, etc. issued by such company will be issued at the time of such merger);

2. Where a listed foreign stock, etc. is delisted due to falling under Rule 602, Paragraph 2, Item 1 as a result of a merger caused by amendment to the governing law for the establishment of a listed company on the Main Markets and, in addition, where foreign stocks, etc. of the surviving company pertaining to such merger will be immediately listed or continuously traded on a foreign financial instruments exchange, etc.:
   The surviving company pertaining to such merger;

3. Where a listed company on the Main Markets becomes a wholly-owned subsidiary of another company by a stock swap, stock transfer and other means or where it is specified
Rule 209. Listing Examination Pertaining to Technical Listing

1. Listing examination of a stock, etc. issued by a company specified by each item of the preceding rule shall, as a general rule, be conducted pursuant to the criteria specified in each of the following items:

(1) Where such stock, etc. is a domestic stock, etc., Rule 205, Items 8 through 11 must be satisfied, and where it is a foreign stock, etc., Rule 206, Paragraph 1, Items 2 through 4 must be satisfied;

(2) Where the Exchange deems that the details and exercise of shareholders rights as prescribed by Rule 601, Paragraph 1, Item 17 of such stock, etc. are unduly restricted as of the time of the listing, and the stock, etc. is unlikely to fall under Item 19 and Item 20 of the same paragraph;

(3) Where such stock, etc. is a domestic stock, etc. or a foreign stock, etc. (excluding cases of multiple listing), all of the following of a. through d. must be satisfied:
   a. The number of shareholders is expected to reach 400 or more by the end of the first business year ending after the listing;
   b. The number of tradable shares is expected to reach 2,000 units or more by the end of the first business year ending after the listing;
   c. The market capitalization of the tradable shares is expected to reach 500 million yen or more by the end of the first business year ending after the listing; and
   d. The number of tradable shares is expected to reach 5% or more of the total number of the listed stock, etc. by the end of the first business year ending after the listing; and

(4) Where such stock, etc. is a foreign stock, etc. (excluding cases of multiple listing), such foreign stock, etc. is unlikely to fall under Rule 602, Paragraph 2, Item 2 by the end of the first business year ending after the listing.

2. With regards to the application of the provisions of Item 3 of the preceding paragraph pertaining to a company whose shareholder, etc. record date is not the end of a business year, "the end of the first business year after listing" in the same item shall be "the first shareholder, etc. record date after listing".
Rule 210. Assignment of Stock to the First Section Market at Initial Listing

1. The Exchange may assign a domestic stock which qualifies under each of the following items to the First Section Market (excluding stock without voting rights if an identical issuer has simultaneously made applications for initial listing of stock with voting rights as well as stock without voting rights), out of the domestic stocks, etc. for which an application is made for initial listing on a Main Market and which qualify under each item of Rule 205 and each item of Rule 207, Paragraph 1. Details of each such item in this case shall be provided by the Enforcement Rules:

   (1) Number of shareholders:
       The number of shareholders is expected to reach 2,200 or more by the time of listing;

   (2) Tradable shares:
       The following a. and b. must be satisfied; provided, however, that, in cases of multiple listing or simultaneous listing, the following a. and either b. or Rule 205, Item 2, Sub-item b. must be satisfied:
       a. The number of tradable shares is expected to reach at least 20,000 units by the time of listing; and
       b. The number of tradable shares is expected to reach at least 35% of the total number of shares of the stock, etc. by the time of listing; and

   (3) Market capitalization:
       The market capitalization as of the listing day is expected to reach at least 25 billion yen.

2. The Exchange may assign a foreign stock which qualifies under each item of the preceding paragraph (limited to Item 2, Sub-item a. of the same paragraph for the same item in cases of multiple listing) to the First Section Market, out of the foreign stocks, etc. for which an application is made for initial listing on the Main Market and which qualify under each item of each paragraph of Rule 206 and each item of Rule 207, Paragraph 1.

3. Where a company which issues a listed stock, etc. (excluding a listed preferred equity investment security; the same shall apply in this rule) assigned to the First Section Market is subject to the provisions of the preceding two rules, if it qualifies under each of the following items, the Exchange may assign it to the First Section Market in accordance with the types of the stock, etc. in each of the following items:

   (1) Domestic stocks (excluding stock without voting rights if an identical issuer has made simultaneous applications for initial listing of stock with voting rights as well as stock without voting rights) or foreign stocks, etc. (excluding cases of multiple listing)
       All of the following a. through c. must be satisfied:
       a. The number of shareholders is expected to reach at least 2,000 by the end of the first business year ending after the listing;
       b. The number of tradable shares is expected to reach 10,000 units or more by the end of the first business year ending after the listing; and
       c. The market capitalization of the tradable shares is expected to reach 1 billion yen or more by the end of the first business year ending after the listing; and

   (2) Foreign stocks, etc. (limited to cases of multiple listing):
       There is no likelihood that the circulation status of such foreign stock, etc. will fall under Rule 311, Paragraph 4, Item 1 by the time of listing.

4. With regards to the application of the provisions of Item 1 of the preceding paragraph pertaining to a listed company whose shareholder, etc. record date is not the end of a business year, "the end of the first business year after listing" in the same item shall be "the first shareholder, etc. record date after listing".

5. Where an identical issuer has made simultaneous applications for initial listing of stock
Section 3
Initial Listing on Mothers

Rule 211. Documents to be Submitted Pertaining to Initial Listing Application, etc.

1. An initial listing applicant who makes an application for initial listing on Mothers shall, when it makes an initial listing application, submit a "Security Initial Listing Application Form" as prescribed by the Exchange which contains the trade name or corporate name of such applicant, the name, class, and number of shares to be issued of the stock, etc. pertaining to the initial listing application (excluding a preferred equity investment security; the same shall apply in this section and the next section.), and other matters specified by the Enforcement Rules as the details of the initial listing applicant and a "Written Oath Concerning Initial Listing Application" in a form set out by the Exchange as specified by the Enforcement Rules.

2. The initial listing applicant shall attach the articles of incorporation, "Securities Report for Initial Listing Application" containing matters concerning the business group to which the applicant belongs and the status of its accounts, other important matters, etc. concerning the details of the business, and other documents specified by the Enforcement Rules to the Security Initial Listing Application Form as prescribed in the preceding paragraph. However, with regard to documents specified in the Enforcement Rules out of such documents, it shall be deemed sufficient to submit them by a date specified by the Exchange on a case-by-case basis.

3. Notwithstanding the provisions of the preceding paragraph, an initial listing applicant who makes an application for initial listing on Mothers subject to the provisions for technical listing shall attach the articles of incorporation and other documents as specified by the Enforcement Rules to the Security Initial Listing Application Form as prescribed by Paragraph 1.

4. Where an initial listing application is made before the establishment pursuant to the provisions of Rule 201, Paragraph 2, documents which cannot be submitted at the time of the initial listing application (limited to those deemed inevitable by the Exchange on a case by case basis), out of the attached documents specified by the preceding two paragraphs, will suffice, if they are submitted immediately after submission becomes possible.

5. Where an initial listing applicant who makes an application for initial listing on Mothers makes notification concerning offering of a security or notification concerning the secondary offering of a security or submission of a notice to the Prime Minister, etc. during the period from the first day of the business year containing the initial listing application day to the day on which listing is made, or where it falls under any other cases specified by the Enforcement Rules, it shall submit documents as specified by the Enforcement Rules.

6. An initial listing applicant who makes an application for initial listing on Mothers shall have documents concerning financial calculation as specified by the Enforcement Rules, out of the documents to be submitted pursuant to the provisions of each of the preceding paragraphs, be subject to an audit, an interim audit or a quarterly review by two (2) or more certified public accountants or an audit firm and shall, based on such audits and
review, attach an audit report, an interim audit report, or a quarterly review report prepared by such certified public accountants or audit firm, pursuant to the provisions of Article 193-2 of the Act, in accordance with the Enforcement Rules, with respect to. Details in this case shall be provided by the Enforcement Rules.; provided, however, that the same shall not apply to cases where the initial listing applicant is a foreign company specified by the Enforcement Rules.

7. An initial listing applicant who makes an application for initial listing on Mothers (excluding the foreign company to which the provisions of the proviso in the preceding paragraph applies) shall submit a copy of a summary audit report, a summary interim audit report or a summary quarterly review report prepared by certified public accountants or an audit firm with respect to the audit, the interim audit or the quarterly review prescribed by the preceding paragraph (excluding those specified by the Enforcement Rules) as specified by the Enforcement Rules.

8. An initial listing applicant who makes an application for initial listing on Mothers shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm to the documents concerning financial calculation as specified by the Enforcement Rules in addition to the provisions of Paragraph 6, as specified by the Enforcement Rules.

9. The Exchange may, if it deems necessary for listing examination, request an initial listing applicant to submit an informational report or materials in addition to the documents prescribed in each of the preceding paragraphs and/or to provide cooperation in listing examination.

10. The initial listing applicant who makes an application for initial listing on Mothers shall, if the Exchange approves the listing of a stock, etc. pertaining to the initial listing application, submit documents enumerated in Paragraphs 2 through 8 which are specified by the Enforcement Rules, and shall agree that the Exchange makes such documents and other documents submitted by the initial listing applicant pursuant to the provisions of this rule which are the documents specified by the Enforcement Rules available for public inspection before and after the listing.

11. Where the Exchange approves listing of a stock, etc. pertaining to an initial listing application, the initial listing applicant who makes an application for initial listing on Mothers shall submit the documents enumerated in each of the following items, and shall agree that the Exchange makes documents enumerated in Item 2 available for public inspection before and after the listing:

   (1) The "Written Confirmation Regarding Compliance with Exchange Rules and Regulations" predetermined by the Exchange; and

   (2) The written document containing the effect that the representative of such initial listing applicant is aware that the "Securities Report for Initial Listing Application" prescribed by Paragraph 2 and other documents specified by the Enforcement Rules do not contain any untrue statements and the reason as specified by the Enforcement Rules.

12. In the cases prescribed in the preceding paragraph, an initial listing applicant referred to in each of the following items shall submit documents specified in each of such items, and shall agree that the Exchange makes such documents available for public inspection before and after the listing:

   (1) An initial listing applicant who makes an initial listing application of a domestic stock, etc. and a foreign stock, etc. for which the Exchange is a main market:

       The report containing matters concerning corporate governance as specified by the Enforcement Rules; and

   (2) An initial listing applicant whose corporate group structure is deemed to be peculiar by
the Exchange:
The report containing risk information pertaining to the structure of the corporate group

Rule 212. Formal Requirements for Domestic Companies
Listing examination defined in Rule 214 pertaining to a domestic stock, etc. shall be carried out on the domestic stock, etc. which meets each of the following items. In this case, details of each such item shall be provided by the Enforcement Rules:

(1) Number of shareholders:
The number of shareholders is expected to reach at least 200 by the time of listing;

(2) Number of tradable shares:
The following a. through c. must be satisfied; provided, however, that, in cases of multiple listing or simultaneous listing, the following a. and either b. or c. must be satisfied:
   a. The number of tradable shares is expected to reach at least 2,000 units by the time of listing;
   b. The market capitalization of the tradable shares on the listing day is expected to reach at least 500 million yen; and
   c. The number of tradable shares is expected to reach at least 25% of the shares of the listed stock, etc. by the time of listing;

(3) Implementation of public offering:
The applicant must carry out a public offering of a stock, etc. of at least 500 units pertaining to an initial listing application during the period from the initial listing application day to the day preceding the listing day; provided, however, that the same shall not apply to cases where the initial listing applicant is a company which will succeed the business due to a shareholder directed spin-off of the listed company and the initial listing application is carried out before such shareholder directed spin-off and, in addition, no public offering of a stock, etc. pertaining to the initial listing application is made during the period from the initial listing application day to the day preceding the listing day;

(4) Market capitalization:
The market capitalization as of the listing day is expected to reach at least 1 billion yen;

(5) Number of consecutive years of business conduct:
The applicant has conducted the business activities, setting up a board of directors for at least a year before the initial listing application day;

(6) False statement or adverse opinion, etc.:
The following a. through d. must be satisfied:
   a. The audit report attached to a "Securities Report for Initial Listing Application" (excluding an audit report attached to financial statements, etc. for the business year or the consolidated business year ending in the last year) shall contain an "unqualified opinion" or a "qualified opinion with exceptions" of certified public accountants, etc.; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise;
   b. The audit report (limited to an audit report attached to financial statements, etc. for the business year or the consolidated business year ended in the last year), an interim audit report or a quarterly review report attached to a "Securities Report for Initial Listing Application" shall contain an "unqualified opinion", an "opinion that the interim financial statements, etc. provide useful information" or an "unqualified conclusion" of certified public accountants, etc.; provided, however, that the same shall not apply to cases
c. No false statement shall be made in a Securities Report, etc. containing or making reference to financial statements, etc., interim financial statements, etc., or quarterly financial statements, etc. pertaining to the audit report, the interim audit report, or the quarterly review report prescribed by a. and the preceding b.; and
d. Where a stock, etc. pertaining to an initial listing applicant is listed on any other financial instruments exchange in Japan, such stock, etc. shall not fall under the following (a) and (b):
(a) The internal control report pertaining to the business year ending in the last year contains the fact that "appraisal results cannot be provided"; and
(b) The internal control audit report regarding an internal control report pertaining to a business year ending in the last year contains the fact that "opinions are not expressed";

(6)-2 Audit by a listed company audit firm:
The financial statement, etc., an interim financial statement, etc. or a quarterly financial statement contained in or attached to a "Securities Report for Initial Listing Application" have undergone audit, interim audit or quarterly review equivalent to that in the provisions of Article 193-2 of the Act by a listed company audit firm (including audit firms registered in the list of associate registered audit firms based on the Registration System for Listed Company Audit Firms of The Japanese Institute of Certified Public Accountants (limited to those which have undergone quality control reviews by The Japanese Institute of Certified Public Accountants)) (excluding those deemed inappropriate by the Exchange); and

(7) Rule 205, Items 8 through 11 must be satisfied.

Rule 213.  Formal Requirements of Foreign Companies
1. Listing examination as prescribed in the following rule pertaining to a foreign stock, etc. (excluding cases of multiple listing) shall be carried out for those qualifying under each of the following items:
   (1) Items 1 through 6 of the preceding paragraph must be met; and
   (2) Rule 206, Paragraph 1, Items 2 through 4 must be met.
2. Listing examination as prescribed in the following rule pertaining to a foreign stock, etc. (limited to cases of multiple listing) shall be carried out for those qualifying under each of the following items. Details of each such item in this case shall be provided by the Enforcement Rules:
   (1) Rule 206, Paragraph 1, Items 2 through 4 must be satisfied; and
   (2) Item 1, Item 2, Sub-item a., and Items 3 through 6 of the preceding rule must be satisfied.

Rule 214.  Listing Examination
1. Listing examination of a stock, etc. for which an initial listing application is made on Mothers shall be carried out on the matters enumerated in each of the following items concerning an initial listing applicant and its corporate group:
   (1) Appropriateness of the disclosure of corporate information, risk information, etc.:
       The company is able to make disclosure of the corporate information, risk information, etc. may be carried out in an appropriate manner;
   (2) Soundness of corporate management:
       The company is carrying out business in a fair and faithful manner;
   (3) Effectiveness of corporate governance and internal management system of an
Corporation governance and internal management system are developed in accordance with the size or corporate maturity, etc. of the enterprise and are functioning properly;

(4) Reasonableness of the business plan

The listing applicant has developed reasonable and suitable business plans, and has developed the operating base necessary for executing such business plans, or there is reasonable expectation that it will develop such operating base;

(5) Other matters deemed necessary by the Exchange from the viewpoint of the public interest or the protection of investors.

Rule 215. Technical Listing

Notwithstanding the provisions of Rule 212 through the preceding rule, in each of the following items, where a company specified by each of such items makes an application for listing of a stock, etc. issued by the company on Mothers as specified by the Enforcement Rules (limited to cases specified by the Enforcement Rules if a parent company of the surviving company specified by Item 1 or a parent company of such other company specified by Item 3 is a foreign company), listing examination shall be carried out as specified by the following rule:

(1) Where a listed stock, etc. (excluding a listed preferred equity investment security) is delisted due to a dissolution caused by a merger of a Mothers-listed company (excluding cases where the Exchange deems the Mothers-listed company is not a substantial surviving company when the Mothers-listed company creates a new company by a merger with a company listed on a market other than Mothers):

The newly created company or the surviving company or the parent company of the surviving company pertaining to such merger (limited to cases where a stock, etc. issued by such company will be issued at the time of such merger);

(2) Where a listed foreign stock, etc. is delisted due to falling under Rule 602, Paragraph 2, Item 1 which is applied by the provisions of Rule 604, Paragraph 2, Item 3 as a result of a merger caused by amendment to the governing law for the establishment of a Mothers-listed company and, in addition, where a stock, etc. of the surviving company pertaining to such merger will be immediately listed or continuously traded on a foreign financial instruments exchange, etc.:

The surviving company pertaining to such merger;

(3) In the case that a Mothers-listed company becomes a wholly-owned subsidiary of another company by a stock swap, stock transfer, and other means or the case of circumstances equivalent to the above case as specified by the Enforcement Rules (excluding cases where, if a Mothers-listed company carries out such act at the same
time a company listed on a market other than Mothers carries out such act, the Exchange
deems that the Mothers-listed company is not a substantial surviving company with
respect to such other company after such act):

Such other company or its parent (limited to cases where stocks, etc. issued by such
company will be delivered at the time of such stock swap, stock transfer and other
means);

(4) Where a listed foreign stock, etc. is delisted due to falling under Rule 602, Paragraph 2,
Item 1 as applied by the provisions of Rule 604, Paragraph 2, Item 3 as a result of an
organizational change of a Mothers-listed company to a foreign holding company at the
same time a foreign stock, etc. of such foreign holding company will be immediately
listed or continuously traded on a foreign financial instruments exchange, etc.:

Such foreign holding company; and

(5) Where a Mothers-listed company is delisted due to falling under the case where the
Mothers-listed company ceases to be the party to the listing agreement specified by Rule
601, Paragraph 1, Item 12 pursuant to the provisions of Rule 603, Paragraph 1, Item 6,
Rule 604, Paragraph 1, Item 2 or Paragraph 2, Item 1 by making another company
succeed the listing agreement based on an absorption-type demerger agreement or an
incorporation-type demerger plan at the time of carrying out a shareholder directed spin-off (limited to the case where the Exchange deems that such other company will
succeed the principal business of the Mothers-listed company (excluding the case where,
in the event that the Mothers-listed company carries out such act and a company listed
on a market other than Mothers carries out such act, the Exchange deems that the
Mothers-listed company is not a substantial surviving company with respect to such
other company after such act)):

Such other company (limited to the case where a stock, etc. issued by such
company will be delivered at the time of such shareholder directed spin-off)

Rule 216. Listing Examination Pertaining to Technical Listing

1. Listing examination of a stock, etc. issued by a company as specified by each item of the
preceding rule shall, as a general rule, be made pursuant to the criteria specified by each
of the following items:

(1) Where such stock, etc. is a domestic stock, etc., Rule 205, Items 8 through 11 must be
satisfied, and where it is a foreign stock, etc., Rule 206, Paragraph 1, Items 2 through 4
must be satisfied;

(2) Where with respect to such stocks, etc. the Exchange deems that the details and
exercise of rights of shareholders prescribed in Rule 601, Paragraph 1, Item 17 are
unduly restricted as of the time of the listing, and the stock, etc. are not expected to fall
under Item 19 and Item 20 of the same paragraph;

(3) Where such stock, etc. is a domestic stock, etc. or a foreign stock, etc. (excluding cases
of multiple listing), all of the following a. through d. must be satisfied:

a. The number of shareholders is expected to reach at least 150 by the end of the first
business year ending after the listing;

b. The number of tradable shares is expected to reach at least 1,000 units by the end of the
first business year ending after the listing;

c. The market capitalization of the tradable shares is expected to reach at least 250 million
yen by the end of the first business year ending after the listing; and

d. The number of tradable shares is expected to reach at least 5% of the total number of
shares of a listed stock, etc. by the end of the first business year ending after the listing; and
Section 3-2
Initial Listing on JASDAQ

Rule 216-2. Documents to be Submitted, etc. pertaining to Initial Listing

1. An initial listing applicant who makes an initial listing application for JASDAQ shall submit a "Security Initial Listing Application Form" predetermined by the Exchange which contains the trade name or corporate name of such applicant, the name, class, and number of shares to be issued of the stock, etc. pertaining to such application, a sub-division, and other matters specified by the Enforcement Rules as the substance concerning the initial listing applicant, and a "Written Oath Concerning Application for Initial Listing" prescribed by the Exchange and specified by the Enforcement Rules, when it makes an initial listing application.

2. The Articles of Incorporation, "Securities Report for Initial Listing Application" containing matters concerning the business group to which the initial listing applicant belongs and the status of its accounts, other important matters, etc. concerning the substance of the business, and other documents specified by the Enforcement Rules shall be attached to the Security Initial Listing Application Form prescribed in the preceding paragraph. However, with regard to documents specified in the Enforcement Rules out of such documents, it shall be sufficient to submit them by a date specified by the Exchange on a case-by-case basis.

3. Notwithstanding the provisions of the preceding paragraph, an initial listing applicant who makes an initial listing application for JASDAQ pursuant to the provisions for technical listing shall attach the Articles of Incorporation and other documents specified by the Enforcement Rules to the Security Initial Listing Application Form prescribed by Paragraph 1.

4. Where an initial listing application is made before the establishment pursuant to the provisions of Rule 201, Paragraph 2, documents which cannot be submitted at the time of the initial listing application (limited to those deemed inevitable by the Exchange on a case-by-case basis), out of the attached documents specified in the preceding two paragraphs, will suffice, if they are submitted immediately after submission becomes possible.

5. Where an initial listing applicant who makes an initial listing application for JASDAQ makes notification concerning public offering of a security or notification concerning the secondary offering of a security or submission of a notice to the Prime Minister, etc. during the period from the first day of the business year containing the application day for initial listing to the day on which listing is made, or where it falls under any other cases specified by the Enforcement Rules, it shall submit documents specified by the Enforcement Rules.

6. An initial listing applicant who makes an initial listing application for JASDAQ shall undergo an audit, interim audit, or quarterly review by two (2) or more certified public accountants or an audit firm, and shall attach an audit report, interim audit report or quarterly review report prepared by such certified public accountants or audit firm on such
audits on the basis of such audit, etc., pursuant to the provisions of Article 193-2 of the Act, in accordance with the Enforcement Rules, out of the documents to be submitted pursuant to the provisions of each of the preceding paragraphs; provided, however, that the same shall not apply to cases where the initial listing applicant is a foreign company specified by the Enforcement Rules.

7. An initial listing applicant who makes an initial listing application for JASDAQ (excluding foreign companies to which the provisions of the proviso in the preceding paragraph apply) shall submit a copy of a summary audit report, a summary interim audit report, or a summary quarterly review report prepared by certified public accountants or an audit firm with respect to the audit, the interim audit, or the quarterly review (excluding those specified by the Enforcement Rules) prescribed in the preceding paragraph as provided by the Enforcement Rules.

8. An initial listing applicant who makes an application for initial listing on JASDAQ shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm to the documents concerning financial calculation as provided by the Enforcement Rules in addition to the provisions of Paragraph 6.

9. The Exchange may request an initial listing applicant to provide cooperation for listing examination, such as submitting an informational report or materials in addition to the documents prescribed in each of the preceding paragraphs, where it deems necessary for listing examination.

10. Where the Exchange approves listing of a stock, etc. pertaining to an initial listing application, the initial listing applicant who makes an application for initial listing on JASDAQ shall submit documents specified by the Enforcement Rules, out of the documents enumerated in Paragraphs 2 through 8, and shall agree that the Exchange makes, out of such documents and other documents submitted by the initial listing applicant pursuant to the provisions of this rule, documents specified by the Enforcement Rules available for public inspection before and after the listing.

11. Where the Exchange approves listing of a stock, etc., pertaining to an initial listing application, the initial listing applicant who makes an application for initial listing on JASDAQ shall submit documents enumerated in each of the following items, and shall agree that the Exchange makes the document enumerated in Item 2 available for public inspection before and after the listing:

(1) The "Written Confirmation Regarding Compliance with Exchange Rules and Regulations" predetermined by the Exchange; and

(2) The written document containing the effect that the representative of such initial listing applicant is aware that the "Securities Report for Initial Listing Application" prescribed by Paragraph 2 and other documents specified by the Enforcement Rules do not contain any untrue statements and the reason for such awareness as specified by the Enforcement Rules.

12. In cases prescribed in the preceding paragraph, an initial listing applicant who makes an initial listing application as to a domestic stock, etc. and a foreign stock, etc. for which the Exchange is a main market shall submit a report containing matters concerning corporate governance as specified by the Enforcement Rules, and shall agree that the Exchange makes such documents available for public inspection before and after the listing.

Rule 216-3. Formal Requirements for Domestic Companies (Standard)

1. Listing examination specified by Rule 216-5 pertaining to domestic stocks shall be carried out for those that meet each of the following items. In this case, details of each item shall
be provided by the Enforcement Rules:

(1) Share distribution
   The following a. and b. must be satisfied:
   a. During the period from the initial application day to the day preceding the listing day, a
      public offering or secondary offering shall be conducted for at least the higher of either
      1,000 units or 10% of the number of listed shares, etc. expected at the time of listing.
      However, the same shall not apply in cases (a) where the stock, etc. issued by the initial
      listing applicant is listed on a domestic financial instruments exchange, or (b) where (i)
      the initial listing applicant is a company which will succeed the business due to a
      shareholder-directed spin-off of the listed company, (ii) the initial listing application is
      carried out before such shareholder-directed spin-off, and (iii) no public offering or
      secondary offering of stock, etc. pertaining to the initial listing application is made
      during the period from the initial listing application day to the day preceding the listing
      day;
   b. The number of shareholders is expected to reach at least 200 by the time of listing;

(2) Market capitalization of tradable shares:
   The market capitalization of tradable shares is expected to reach at least JPY 500 million
   by the time of listing;

(3) Net Asset Value:
   The net asset value is expected to reach at least JPY 200 million by the time of listing;

(4) Profits or Market Capitalization:
   The following a. or b. must be satisfied:
   a. Profits during the most recent year are at least JPY 100 million;
   b. Market capitalization is expected to reach JPY 5 billion by the time of listing;

(5) The following a. and b. must be satisfied:
   a. Rule 212, Item 6 and Item 6-2 must be satisfied;
   b. Rule 205, Items 8 through 11 must be satisfied;

Rule 216-4. Formal Requirements for Foreign Companies (Standard)
1. Listing examination as prescribed in the following rule pertaining to a foreign stock, etc.
   shall be carried out for those that meet each of the following items:

(1) Share distribution
   The following a. and b. must be satisfied.
   a. During the period from the initial application day to the day preceding the listing day, a
      public offering or secondary offering shall be conducted for at least the higher of either
      the number of shares specified in the following (a) through (f), according to the
      classifications provided in such items, or 10% of the number of listed shares expected
      at the time of listing (excluding cases where the stock, etc. pertaining to the initial
      listing application is listed on another domestic or foreign financial instruments
      exchange). However, the same shall not apply in cases where (i) the initial listing
      applicant is a company which will succeed the business due to a shareholder-directed
      spin-off of the listed company, (ii) the initial listing application is carried out before
      such shareholder-directed spin-off, and (iii) no public offering or secondary offering of
      stock, etc. pertaining to the initial listing application is made during the period from the
      initial listing application day to the day preceding the listing day;
   (a) Issues with a trading unit of 1,000 shares (hereinafter referred to as "1,000-unit
       issues")
      1 million shares
   (b) Issues with a trading unit of 500 shares (hereinafter referred to as "500-unit issues")
500,000 shares
(c) Issues with a trading unit of 100 shares (hereinafter referred to as "100-unit issues")
100,000 shares
(d) Issues with a trading unit of 50 shares (hereinafter referred to as "50-unit issues")
50,000 shares
(e) Issues with a trading unit of 10 shares (hereinafter referred to as "10-unit issues")
10,000 shares
(f) Issues with a trading unit of 1 share (hereinafter referred to as "1-unit shares")
1,000 shares

b. The number of domestic investors is expected to reach at least 200 by the time of listing.

(2) The following a. and b. must be satisfied.
a. Items 2 through 4 in the preceding paragraph must be satisfied; and
b. Rule 206, Paragraph 1, Items 2 through 4 and Rule 212, Item 6 must be satisfied.

Rule 216-5. Listing Examination (Standard)
1. Listing examination of a stock, etc. for which an initial listing application is made for JASDAQ (limited to stocks, etc. selected for Standard as a sub-division) shall be carried out on the matters enumerated in each of the following items concerning an initial listing applicant and its corporate group:
   (1) Business continuity:
       There are no obstacles to continuity of business activities;
   (2) Establishment of sound corporate governance and internal management system:
       Corporate governance and internal management system have been established in accordance with corporate scale and function effectively;
   (3) Reliability of Corporate Actions:
       Corporate actions which cause market disorder are not expected;
   (4) Appropriateness of disclosure of corporate details, etc.:
       The company is capable of appropriately disclosing corporate details, etc.;
   (5) Other matters deemed necessary by the Exchange from the viewpoint of the public interest or investor protection.

2. Listing examination in the preceding paragraph shall be carried on the basis of the documents submitted by the initial listing applicant pursuant to the provisions of each paragraph of Rule 216-2 and questions, etc.

3. Listing examination in Paragraph 1 (excluding listing examination pertaining to foreign stocks, etc.) shall be carried out with a view to completing within the period specified in the Enforcement Rules.

4. Necessary matters concerning listing examination in Paragraph 1 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where an initial listing applicant is deemed to be unlikely to satisfy Rule 212, Item 6, Sub-item c. which is applied pursuant to the provisions of Rule 216-3, Item 5, Sub-item a. or Item 2, Sub-item b. of the preceding rule, listing examination in Paragraph 1 shall be postponed.

Rule 216-6. Formal Requirements for Domestic Companies (Growth)
Listing examination specified in Rule 216-8 pertaining to domestic stocks shall be carried out on those that meet each of the following items. In this case, details of each item shall be provided by the Enforcement Rules:
   (1) Net asset value:
(Provisional Reference Translation)

Net asset value is expected to be positive on the day of listing;

(2) The following a. through c. must be satisfied:
   a. Rule 216-3, Item 1 and Item 2 must be satisfied;
   b. Rule 212-6, Item 6 and Item 6-2 must be satisfied;
   c. Rule 205, Items 8 through 11 must be satisfied.

Rule 216-7.  Formal Requirements for Foreign Companies (Growth)

Listing examination specified in the following rule pertaining to a foreign stock, etc. shall be carried out on those that meet each of the following items. In this case, details of each item shall be provided by the Enforcement Rules:

(1) Item 1 of the preceding rule must be satisfied;
(2) Rule 216-4, Item 1 must be satisfied;
(3) Rule 216-3, Item 2 must be satisfied;
(4) Rule 206, Paragraph 1, Items 2 through 4 and Rule 212, Item 6 must be satisfied.

Rule 216-8.  Listing Examination (Growth)

1. Listing examination of a stock, etc. for which an initial listing application is made on JASDAQ (limited to stocks, etc. selected for Growth as a sub-division) shall be carried out on the matters enumerated in each of the following items concerning an initial listing applicant and its corporate group:

   (1) Corporate growth potential:
       The company has growth potential;

   (2) Establishment of sound corporate governance and internal management systems in accordance with the stage of growth:
       Corporate governance and internal management systems have been established in accordance with the company's stage of growth and function effectively;

   (3) Reliability of Corporate Actions
       Corporate actions which cause market disorder are not expected;

   (4) Appropriateness of disclosure of corporate details, etc.:
       The company is capable of appropriately disclosing corporate details, etc.;

   (5) Other matters deemed necessary by the Exchange from the viewpoint of the public interest or investor protection.

2. Listing examination in the preceding paragraph shall be carried on the basis of the documents submitted by the initial listing applicant pursuant to the provisions of each paragraph of Rule 216-2 and questions, etc.

3. Listing examination in Paragraph 1 (excluding listing examination pertaining to foreign stocks, etc.) shall be carried out with a view to completing within the period specified in the Enforcement Rules.

4. Necessary matters concerning listing examination described in Paragraph 1 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where an initial listing applicant is deemed to be unlikely to satisfy Rule 212, Item 6, Sub-item c. which is applied pursuant to the provisions of Rule 216-6, Item 2, Sub-item b. or Item 2 of the preceding rule, listing examination in Paragraph 1 shall be postponed.

Rule 216-9.  Technical Listing

1. Notwithstanding the provisions of Rule 216-3 through the preceding rule, in each case of the following items, where a company specified by each of such items makes an application for listing of a stock, etc. issued by the company on JASDAQ as specified by the Enforcement Rules (limited to cases specified by the Enforcement Rules if a parent
company of the surviving company specified in Item 1 or a parent company of such other company specified in Item 3 is a foreign company), listing examination shall be carried out as specified by the following rule:

(1) Where a listed stock, etc. (excluding a listed preferred equity contribution security) is delisted due to a dissolution caused by a merger of a JASDAQ-listed company (excluding cases where the Exchange deems the JASDAQ-listed company, which belongs to the same sub-division as that chosen on such application, is not a substantial surviving company when the JASDAQ-listed company creates a new company by a merger with a Main Market, Mothers, or separate JASDAQ sub-division-listed company):

The newly created company or the surviving company or the parent company of the surviving company pertaining to such merger (limited to cases where a stock, etc. issued by such company will be delivered at the time of such merger);

(2) Where a listed foreign stock, etc. is delisted due to falling under Rule 602, Paragraph 2, Item 1 applied pursuant to the provisions of Rule 604-3, Item 3 or Rule 604-5, Item 3, due to a merger for changing the governing law for the establishment of a JASDAQ-listed company and, in addition, where a stock, etc. of the surviving company pertaining to such merger will be immediately listed or continuously traded on a foreign financial instruments exchange, etc.:

The surviving company pertaining to such merger;

(3) Where a JASDAQ-listed company becomes a wholly-owned subsidiary of another company by a stock swap, stock transfer, or other means or where it is specified by the Enforcement Rules as a status equivalent to this (excluding cases where, if a JASDAQ-listed company carries out such act at the same time a company listed on the Main Market, Mothers, or a separate JASDAQ sub-division carries out such act, the Exchange deems that the JASDAQ-listed company in the same sub-division selected in such application is not a substantial surviving company with respect to such other company after such act):

Such other company or the parent of such other company (limited to cases where stocks, etc. whose issuer is such company will be delivered at the time of such stock swap, stock transfer, or other means);

(4) Where a listed foreign stock, etc. is delisted due to falling under Rule 602, Paragraph 2, Item 1 applied pursuant to the provisions of Rule 604-3, Item 3 or Rule 604-5, Item 3, due to an organizational change of a JASDAQ-listed company to a foreign holding company and, in addition, where a stock, etc. of such foreign holding company will be immediately listed or continuously traded on a foreign financial instruments exchange, etc.:

Such foreign holding company; and

(5) Where a JASDAQ-listed company is delisted due to falling under the case where the JASDAQ-listed company ceases to be a party to the listing agreement specified by Rule 601, Paragraph 1, Item 12 pursuant to the provisions of Rule 604-2, Item 3, Rule 604-3, Item 2, Rule 604-4, Paragraph 1, Item 2, or Rule 604-5, Item 2 by making another company succeed the listing agreement based on an absorption-type demerger agreement or an incorporation-type demerger plan at the time of carrying out a shareholder-directed spin-off (limited to cases where the Exchange deems that such other company will succeed the principal business of the JASDAQ-listed company (excluding cases where, in the event that the JASDAQ-listed company carries out such act and a company listed on the Main Market, Mothers, or a separate JASDAQ sub-division carries out such act, the Exchange deems that the JASDAQ-listed company

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Rule 216-10. Listing Examination Pertaining to Technical Listing

1. Listing examination of a stock, etc. issued by a company specified by each item of the preceding rule shall, as a general rule, be made pursuant to the criteria specified in each of the following items:

(1) Where such stock, etc. is a domestic stock, the following a. through c. must be satisfied:
   a. Rule 205, Items 8 through 11 must be satisfied;
   b. The number of shareholders is expected to reach at least 150 by the end of the first business year ending after the listing;
   c. The number of tradable shares is expected to reach at least 500 units by the end of the first business year ending after the listing.

(2) Where such stock, etc. is a foreign stock, the following a. through c. must be satisfied:
   a. Rule 206, Paragraph 1, Items 2 through 4 must be satisfied;
   b. The preceding Item b. must be satisfied;
   c. The number of tradable shares is expected to reach at least the number provided in the following Items (a) through (f) according to the issue classification provided in such items:
      (a) 1,000-unit issues
          500,000 shares
      (b) 500-unit issues
          250,000 shares
      (c) 100-unit shares
          50,000 shares
      (d) 50-unit shares
          25,000 shares
      (e) 10-unit shares
          5,000 shares
      (f) 1-unit shares
          500 shares

(3) Where with respect to such stock, etc. the Exchange deems that the details and exercise of rights of shareholders prescribed in Rule 601, Paragraph 1, Item 17 are unduly restricted as of the time of listing, and the stock, etc. is not expected to fall under Item 19 and 20 of the same paragraph.

2. With regards to the application of the provisions of Item 1 of the preceding paragraph pertaining to a company whose shareholder, etc. record date is not the end of a business year, "the end of the first business year after listing" in the same item shall be "the first shareholder, etc. record date after listing".

Section 4
Public Offering or Secondary Distribution, etc. Before Listing

Rule 217. Public Offering, Secondary Offering, etc. Before Listing

Necessary matters concerning public offering or secondary offering, acquisition or transfer of stocks (including preferred equity investments), and allocation of offered stocks by third-party
Section 5
Miscellaneous Provisions

Rule 218. Special Provisions on Cases where an Initial Listing Applicant Applying for an Initial Listing on the Main Market is Scheduled to Conduct a Merger, etc. on or before the Listing Day

1. Notwithstanding the provisions of Rule 201, Paragraph 1, an initial listing applicant may, in the cases of acts scheduled as enumerated in each of the following items, apply for the initial listing of stock, etc. issued by entities specified in each item in accordance with the classification of acts in said items. In this case, the initial listing application procedures and other matters necessary in relation to the application of the provisions shall be specified by the Enforcement Rules.

   (1) Merger where the company is dissolved before the listing day (excluding cases where a listed company is the company in question.)

   The company to be newly established or surviving company, or parent company of the surviving company pertaining to the merger (limited to cases where the stock, etc. issued by such company is delivered when such merger is conducted.);

   (2) Stock swap or stock transfer where the company becomes a wholly-owned subsidiary of another company on or before the listing day (excluding cases where a listed company is the company in question.)

   Such other company or parent company of such other company (limited to cases where the stock, etc. issued by such company is delivered when such stock swap or stock transfer is conducted.)

2. An initial listing applicant applying for an initial listing on the main market pursuant to the provisions of the preceding paragraph shall submit, other than the documents prescribed in Rule 204, Paragraphs 1 through 8, documents specified by the Enforcement Rules by a date specified by the Exchange on a case-by-case basis.

3. When applying for an initial listing on the main market pursuant to the provisions of Paragraph 1, the documents prescribed in Rule 204, Paragraph 11, Item 1 and Paragraph 12 of the same rule shall be submitted by the entities specified in each item of Paragraph 1.

4. With regards to the application of the provisions of Rule 205 to an initial listing applicant applying for initial listing on the main market pursuant to the provisions of Paragraph 1, "a stock, etc. pertaining to an initial listing application" in Item 7, Sub-item d. of the same rule shall be "a stock, etc. issued by the initial listing applicant".
5. With regards to the application of the provisions of Rule 206 to an initial listing applicant applying for initial listing on the main market pursuant to the provisions of Paragraph 1, "Items 1 through 7 …… of the preceding rule" in Paragraph 1, Item 1 of the same rule shall be "Items 1 through 6 of the preceding rule, Rule 205, Item 7 applied with rewording in Rule 218, Paragraph 4", and "a foreign stock, etc. pertaining to an initial listing application" in Paragraph 3, Item 3, Sub-item d. shall be "a foreign stock, etc. issued by an initial listing applicant".

**Rule 219. Special Provisions on Cases where an Initial Listing Applicant Applying for an Initial Listing on Mothers is Scheduled to Conduct a Merger, etc. on or before the Listing Day**

1. Notwithstanding the provisions of Rule 201, Paragraph 1, an initial listing applicant may, in the cases of acts scheduled as enumerated in each of the following items, apply for the initial listing of stock, etc. issued by the entities specified in each item in accordance with the classification of acts in said items on Mothers. In this case, the initial listing application procedures and other matters necessary in relation to the application of the provisions shall be specified by the Enforcement Rules.

   (1) Merger where the company is dissolved on or before the listing day (excluding cases where a listed company is the company in question.)

   The company to be newly established or surviving company, or parent company of the surviving company pertaining to the merger (limited to cases where the stock, etc. issued by such company is delivered when such merger is conducted.);

   (2) Stock swap or stock transfer where the company becomes a wholly-owned subsidiary of another company on or before the listing day (excluding cases where a listed company is the company in question.)

   Such other company or parent company of such other company (limited to cases where the stock, etc. issued by such company is delivered when such stock swap or stock transfer is conducted.)

2. An initial listing applicant applying for an initial listing on Mothers pursuant to the provisions of the preceding paragraph shall submit, other than the documents prescribed in Rule 211, Paragraphs 1 through 8, documents specified by the Enforcement Rules by a date specified by the Exchange on a case-by-case basis.

3. When applying for an initial listing on Mothers pursuant to the provisions of Paragraph 1, the documents prescribed in Rule 211, Paragraph 11, Item 1 and Paragraph 12 of the same rule shall be submitted by the entities specified in each item of Paragraph 1.

4. With regards to the application of the provisions of Rule 212 to an initial listing applicant applying for initial listing on Mothers pursuant to the provisions of Paragraph 1, "a stock, etc. pertaining to an initial listing application" in Item 3 and Item 6, Sub-item d. of the same rule shall be "a stock, etc. issued by an initial listing applicant".

**Rule 220. Special Regulations in Cases where an Initial Listing Applicant making Initial Listing Application for JASDAQ conducts a Merger, etc. prior to the Listing Date**

1. Notwithstanding the provisions of Rule 201, Paragraph 1, an initial listing applicant may, in cases of acts scheduled as enumerated in each of the following items, apply for the initial listing of stock, etc. issued by the entities specified in each item in accordance with the
classification of acts in said items on JASDAQ. In such cases, the initial listing application procedures and other matters necessary matters regarding the application of the provisions shall be provided in the Enforcement Rules.

(1) A merger where the company is dissolved on or before the listing date (excluding cases where a listed company is the company in question):

   The company to be newly established or surviving company, or parent company of the surviving company pertaining to the merger (limited to cases where the stock, etc. issued by such company is delivered at the time of such merger);

(2) A stock swap or stock transfer where the company becomes a wholly-owned subsidiary of another company on or before the listing day (excluding cases where a listed company is the company in question):

   Such other company or parent company of such other company (limited to cases where the stock, etc. issued by such company is delivered at the time of such stock swap or stock transfer)

2. An initial listing applicant applying for an initial listing on JASDAQ pursuant to the provisions of the preceding paragraph shall submit, other than the documents prescribed in Rule 216-2, Paragraphs 1 through 8, documents specified by the Enforcement Rules by a date specified by the Exchange on a case-by-case basis.

3. In the case of applying for an initial listing on JASDAQ pursuant to the provisions of Paragraph 1, the documents prescribed in Rule 216-2, Paragraph 11, Item 1 and Paragraph 12 of the same rule shall be submitted by the entities specified in each item of Paragraph 1.

4. With regard to the application of the provisions of Rule 216-3, Rule 216-4, Rule 216-6, and Rule 216-7 to an initial listing applicant applying for an initial listing on JASDAQ pursuant to the provisions of Paragraph 1, "a stock, etc. pertaining to an initial listing application" in Rule 212, Item 6, Sub-item d. applied pursuant to the provisions of Rule 216-3, Item 1, Sub-item a. (including cases of being applied pursuant to the provisions of Rule 216-6, Item 2, Sub-item a.) and Rule 216-4, Item 1, Sub-item a. (including cases of being applied pursuant to the provisions of Rule 216-7, Item 2) as well as Rule 216-3, Item 5, Sub-item a, Rule 216-4, Item 2, Sub-item b, Rule 213-6, Item 2, Sub-item b., and Rule 216-7, Item 4 shall be "a stock, etc. issued by an initial listing applicant."

Chapter 3
Listing of New Stocks, etc. and Changes of Market Divisions, etc.

Section 1
Listing of New Stocks, etc.

Rule 301. Listing Application of New Stock, etc.
1. Where a listed company makes an application for listing a stock, etc. or a subscription warrant security which the Exchange has not listed yet, such listed company shall submit a "Security Listing Application Form" containing the matters specified by the Enforcement Rules.

2. Where a listed company newly issues the same class of stock, etc. as a listed stock, etc., the listed company shall, as a general rule, submit the "Security Listing Application Form" as in the preceding paragraph on a case by case basis in advance of such issue. Details of listing application in this case shall be provided by the Enforcement Rules.

3. If stock, etc. for which a listing application has been made in the case prescribed in Paragraph 1 is a different class of stock, etc. from listed stock, etc., a listed company
shall attach a "Security Report for Initial Listing Application" and other documents specified by the Enforcement Rules to the "Security Listing Application Form", and shall submit a "Written Oath Pertaining to the Initial Listing Application" predetermined by the Exchange as specified by the Enforcement Rules.

4. The listing application prescribed in the preceding item shall be deemed to be an application for listing on the same market on which a listed stock, etc. issued by a listed company who is the applicant.

5. If the Exchange deems it necessary for the listing examination in Rule 302-2, Paragraph 1, the Exchange may request a listed company for submission of referential reports or materials and other cooperation to the listing examination in addition to submission of documents prescribed in Paragraph 1 or Paragraph 3.

6. A listed company that is an issuer of stock, etc. for which a listing application prescribed in Paragraph 3 shall, if the Exchange has approved listing of said stock, etc., agree that the Exchange makes documents specified by the Enforcement Rules, out of documents submitted pursuant to said paragraph, available for public inspection.

7. Where the Exchange lists a stock, etc. or a subscription warrant security based on the listing application in Paragraph 1, the Exchange shall newly make or amend descriptions on said stock, etc. or security pertaining to said application in the listed securities ledger.

8. If the Exchange lists a stock without voting rights issued by an issuer of a listed stock with voting rights (excluding Mothers-listed stocks) based on a listing application specified in Paragraph 1, the Exchange shall assign said stock without voting rights to the same market division or the same sub-division as the listed stock with voting rights.

Rule 302. Listing of the Same Class of New Stock, etc.

Where a stock, etc. for which a listing application is made pursuant to the provisions of the preceding rule is a stock, etc. which a listed company newly issues and which is the same class as a listed stock, etc., the Exchange shall, as a general rule, approve listing of such stocks, etc. and details of the listing shall be provided by each of the following items:

(1) Out of the domestic stocks, etc. which a domestic listed company newly issues by means of a paid allotment to shareholders (including a paid allotment to preferred equity investors), those specified by the Enforcement Rules shall be listed by when-issued transactions;

(2) Where a stock, etc. to be newly issued by a listed company, whose relations of the rights are different from those of a listed stock, etc., meet the criteria prescribed by the Enforcement Rules, the Exchange shall list it by adding to the listed stock, etc. when it is issued;

(3) Where a stock, etc. to be newly issued by a listed company whose relations of the rights are different from those of a listed stock, etc. shall not be listed pursuant to the provisions of the preceding item, the Exchange shall list it by adding to the listed stock, etc. when the relations of rights becomes the same; and

(4) Other than cases as provided by the provisions of the preceding three items, the Exchange shall list a stock, etc. to be newly issued by a listed company by adding to the listed stock, etc., as a general rule, when it is issued.

Rule 302-2. Listing Examination of a Different Class of New Stock, etc.

1. In the event that a stock, etc., for which a listing application has been made pursuant to Rule 301 is a different class of stock, etc. than a listed stock, etc., the Exchange conduct listing examinations on matters that it deems necessary in light of the public interest or
investor protection with regard to stocks, etc., that meet criteria provided in each of the following items in accordance with the classification of listed companies referred to in each of such items:

1. Listed companies on Main Markets
   a. Stock, etc. issued by said listed company shall be stock with voting rights referred to in Rule 205, Item 9-2, Sub-item a.
   b. Stock, etc. pertaining to said listing application shall be stock with no voting rights
   c. The stock, etc. shall fall under Rule 205, Item 1, Item 2, Item 9, Item 10, and Item 11.

2. Listed companies on Mothers
   a. The stock, etc. shall satisfy Sub-items a. and b. of the preceding item.
   b. The stock, etc. shall satisfy Rule 212, Item 1, Item 2, and Item 7 (excluding Rule 205, Item 8 and Item 9-2 which are applied mutatis mutandis in said item)

3. Listed companies on JASDAQ
   a. The stock, etc. shall satisfy Item 1, Sub-items a. and b.
   b. The stock, etc. shall satisfy Rule 216-3, Item 1, Sub-item b., Item 2, and Item 5, Sub-item b. (excluding Rule 205, Item 8 and Item 9-2 applied pursuant to the provisions of such Sub-item b.)

2. The Exchange shall conduct listing examinations in the preceding paragraph based on documents submitted by the listed company pursuant to Rule 301, Paragraphs 1 and 3, and inquiries, etc.

3. Matters that the Exchange deems necessary with respect to the listing examination in Paragraph 1 shall be prescribed by the Guideline for Listing Examinations, etc.

Rule 303. Listing of Stock, etc. to be Delivered in Exchange for Classified Stock, etc. subject to Whole Acquisition Clause

Notwithstanding the provisions of Rule 302, where a stock, etc. for which a listing application has been made pursuant to the provisions of Rule 301 are a stock, etc. pertaining to stock delivered in exchange for stock pertaining to the issue which is delisted due to falling under the provisions of Rule 601, Paragraph 1, Item 18 (including cases pursuant to Rule 602, Paragraph 1, Item 1 or Paragraph 2, Item 3, Rule 603, Paragraph 1, Item 6, Rule 604, Paragraph 1, Item 2 or Paragraph 2, Item 1, Rule 604-2, Item 3, Rule 604-3, Item 2, Rule 604-4, Paragraph 1, Item 2, or Rule 604-5, Item 2) (excluding the case where such stock, etc. are the same class of listed stock, etc. that are a different class of stock, etc. from the stock, etc. to be delisted), the Exchange shall approve listing of such stock, etc. when they meet the criteria specified by the Enforcement Rules.

Rule 304. Listing of Subscription Warrant Securities
1. Where a subscription warrant security for which a listing application has been made pursuant to the provisions of Rule 301 has a listed stock, etc. as its objective, the Exchange shall approve listing if it meets criteria prescribed by the following items:

   (1) A subscription warrant security for which a listing application has been made shall meet criteria prescribed by the Enforcement Rules.

   (2) A listed company that is an issuer of a subscription warrant security has implemented either of procedures in the following Sub-item a. or b. (excluding a case where such listed company has concluded an agreement prescribed in Article 2, Paragraph 6, Item 3 of the Act (hereinafter referred to as "the commitment-type case" in this rule) )

   a. Examination by trading participants on rationality of capital increase
   b. Confirmation of the intent of shareholders by means such as a resolution in the general shareholders meeting
(3) Management performance and financial condition of a listed company that is an issuer of a subscription warrant security do not fall under any of the following Sub-items a. and b. (excluding the commitment-type case)

a. There is no business year in which incomes are positive in the last two years ("the last" is counted from the end of the business year immediately prior to the listing application day). In this case, the handling of such incomes shall be specified by the Enforcement Rules.

b. A listed company is in a state of liabilities in excess of assets at the end of the business year or the quarterly accounting period immediately prior to the listing application day. In this case, the handling of such state shall be specified by the Enforcement Rules.

(4) The listing is not deemed inappropriate from the viewpoint of the public interest or investor protection.

2. Where a subscription warrant security is to be listed pursuant to the provisions of the preceding paragraph, an entity who has made such listing application shall submit a "Written Statement of Assurance" predetermined by the Exchange as specified by the Enforcement Rules.

3. Necessary matters concerning examination defined in Paragraph 1 shall be prescribed by the Guidelines concerning Listing Examination, etc.

4. Other necessary matters concerning listing of subscription warrant securities shall be specified by the Enforcement Rules.

Rule 305. Deleted.

Rule 306. Alteration Listing Application
1. In addition to cases prescribed by Rule 301, where a listed company intends to alter an name, quantity or class of a listed stock, etc. or face value, if any, or set up or change the number of shares for a Share Unit, the listed company shall submit a "Security Alteration Listing Application Form" predetermined by the Exchange pursuant to the provisions of the Enforcement Rules on a case by case basis in advance of such alteration, etc.

2. Where the Exchange makes alteration listing pursuant to the provisions of the preceding paragraph, it shall make changes to descriptions in the listed securities ledger on the day of such alteration listing.

Section 2
Assignment to the First Section Market

Rule 307. Application for Assignment to the First Section Market
1. Assignment of the Second Section Market listed stock, etc. (excluding, in the case that both stock with voting rights and stock without voting rights whose issuer is the same are listed, said stock without voting rights and a listed preferred equity investment security; the same shall apply hereinafter in this section) to the First Section Market shall be carried out based on an application made by the listed company which issues such listed stock, etc.

2. Where a listed company which issues a listed stock, etc. which is a Second Section Market issue makes an application on the basis of the provisions of the preceding paragraph, the listed company shall submit an "Application for Assignment of a Listed Stock, etc. to the First Section Market" designated by the Exchange and a "Written Oath Pertaining to Application for Assignment to the First Section Market" as specified by the Enforcement Rules.

3. "Table of a Stock, etc. Distribution Concerning the Criteria for Assignment to the First
Section Market" predetermined by the Exchange and other documents as specified by the Enforcement Rules shall be attached to the "Application for Assignment of a Listed Stock, etc. to the First Section Market" prescribed in the preceding paragraph.

4. Where a listed company which issues a listed stock, etc. which is a Second Section Market issue makes an application on the basis of the provisions of Paragraph 1, the listed company shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm to the documents concerning financial calculation as specified by the Enforcement Rules;

5. The Exchange may request such listed company to submit an informational report or materials in addition to documents as prescribed by each of the preceding paragraphs and to cooperate in the examination of assignment of a stock to the First Section Market, where the Exchange deems it necessary for examination of assignment of a stock to the First Section Market.

6. Assignment of the Second Section Market stock, etc. to the First Section Market issue shall not be carried out where there are no issue for which one year or more has elapsed since the listing day as of the day on which assignment is made to the First Section Market (meaning the day on which the Exchange makes assignment to the First Section Market; hereinafter the same) among the stocks, etc. (excluding preferred equity investment securities; the same shall apply hereinafter from this section through Section 4.) to be issued.

7. In the event that both stock with voting rights and stock without voting rights whose issuer is the same are listed, if said stock with voting rights is assigned to the First Section Market, the Exchange shall also assign said stock without voting rights to the First Section Market.

**Rule 307-2. Preliminary Application for Assignment to the First Section Market**

1. An entity intending to make an application for assignment to the First Section Market may, after three (3) months prior counting from the end of the most recent business year before the day on which it intends to make such application (in the case where the day on which such application is intended to be made falls within one (1) month counting from the most recent business year, this shall be the end of the business year preceding such most recent business year) make a preliminary application by submitting "Preliminary Application for Assignment of Listed Stocks, etc. to the First Section Market" containing the day on which it intends to make an application for assignment to the First Section Market and other items and documents prepared in accordance with the documents necessary for an application for assignment to the First Section Market (it shall suffice to prepare those that can be submitted) (such preliminary application shall be hereinafter referred to as "preliminary application for assignment to the First Section Market").

2. In the case where a preliminary application for assignment to the First Section Market is made pursuant to the provisions of the preceding paragraph, the Exchange shall examine whether the applicant is expected to satisfy the provisions of the following rule and Rule 309.

3. The provisions of Paragraph 5 of the preceding rule

**Rule 308. Formal Requirements for Assignment to the First Section Market**

Examination prescribed in the following rule pertaining to assignment of a listed stock, etc. which is a Second Section Market issue to a First Section Market issue shall be carried out on those qualifying under each of the following items. In this case, details of each such item shall be provided by the Enforcement Rules:

1. Number of shareholders:
The number of shareholders is expected to be at least 2,200 by the time of assignment to the First Section;

(2) Tradable shares, etc.: In accordance with the division of stocks, etc. referred to in the following a. and b., such a. or b. must be satisfied:

a. A domestic stock or a foreign stock, etc. (excluding cases of multiple listing):
   All of the following (a) through (c) must be satisfied:
   (a) The number of tradable shares is expected to be at least 20,000 units by the time of assignment to the First Section;
   (b) The market capitalization of the tradable shares on the day of assignment to the First Section is expected to be at least 2 billion yen; and
   (c) The number of tradable shares is expected to be at least 35% of the total number of shares of the listed stock, etc. by the time of assignment to the First Section; and

b. A foreign stock, etc. (limited to cases of multiple listing):
   The following (a) and (b) must be satisfied:
   (a) The number of tradable shares is expected to be at least 20,000 units by the time of assignment to the First Section; and
   (b) A remarkably large number of shares is not deemed to be held by specified shareholders or holders of a foreign stock depositary receipt, etc.;

(3) Trading volume:
   The average monthly trading volume for each of the last three (3) months and the preceding three (3) months shall be at least 200 units;

(4) Market capitalization:
   The market capitalization of the listed stock, etc. is expected to be at least 4 billion yen at the time of assignment to the First Section;

(5) Amount of net assets:
   The amount of net assets as of the day of assignment to the First Section shall be expected to reach at least 1 billion yen;

(6) Amount of profits or market capitalization:
   The following a. or b. must be satisfied:
   a. The total amount of profits in the last two (2) years (the last years are counted from the end of the most recent business year before the day of application for assignment to the First Section (in cases of the day of application for assignment to the First Section being within one (1) month counting from the end of the most recent business year, the end of the business year preceding said most recent business year; the same shall apply in this rule) shall be at least 500 million yen; or
   b. The market capitalization of the listing company shall be at least 50 billion yen excluding cases where sales for the last year are less than 10 billion yen; and

(7) False statement or adverse opinion, etc.: and
   a. A listed company makes no false statement in the securities report, etc. which contains or makes reference to financial statements, etc. for each business year or each consolidated accounting year or quarterly financial statements, etc. for a quarterly accounting period in each business year or for a quarterly consolidated accounting period in each consolidated accounting year which ended in the last five (5) years;
   b. The audit report of a listed company attached to financial statements, etc. for each business year or each consolidated accounting year and a quarterly review report of the listed company attached to quarterly financial statements, etc. for a quarterly accounting period in each business year or for a consolidated quarterly accounting period in each consolidated accounting year which ended in the last five (5) years contain an
"unqualified opinion", a "qualified opinion with exceptions", "an unqualified conclusion" or a "qualified conclusion with exceptions" (including an "opinion that interim financial statements, etc. provide useful information", or an "qualified opinion with exceptions" in cases of a specified business company) of certified public accountants or an audit firm; provided, however, that the same shall not apply to cases specified by the Enforcement Rules; and

c. The listed company shall not fall under the following (a) and (b):
   (a) The internal control report pertaining to a business year ending in the last year contains the fact that "appraisal results cannot be provided"; and
   (b) The internal control audit report regarding an internal control report pertaining to a business year ending in the last year contains the fact that "opinions are not expressed".

(8) Share Unit:
The number of shares per Share Unit is expected to 100 at the time of assignment to the First Section.

Rule 309. Examination of Assignment to the First Section Market
1. Examination of a listed stock, etc. for which an application for assignment to the First Section Market is made shall be carried out on the matters enumerated in each of the following items concerning the listed company which is the issuer of such listed stock, etc. and its corporate group:
   (1) Corporate continuity and profitability:
       A business is operated continuously and a stable revenue base is present;
   (2) Soundness of corporate management:
       A business is carried out fairly and faithfully;
   (3) Effectiveness of corporate governance and internal management system of the companies:
       Corporate governance and internal control system are properly developed and functioning;
   (4) Appropriateness of disclosure of corporate information, etc.:
       The listed company is able to make disclosure of corporate information, etc. in an appropriate manner; and
   (5) Other matters deemed necessary by the Exchange from the viewpoint of the public interest or the protection of investors.

2. Listing examination in the preceding paragraph shall be carried out on the basis of the documents submitted by the listed company pursuant to the provisions of Rule 307, Paragraph 3 and questions, etc.

3. Listing examination in Paragraph 1 (excluding listing examination pertaining to foreign stocks, etc.) shall be completed approximately within the period specified by the Enforcement Rules.

4. Necessary matters concerning listing examination described in Paragraph 1 shall be prescribed by the guidelines for listing examination, etc.

5. Where the listed company is deemed unlikely to satisfy Item 7, Sub-item a. of the preceding rule, listing examination in Paragraph 1 shall be postponed.

Rule 310. Assignment to the First Section Market in Cases of Absorption-type Mergers, etc.
Notwithstanding the provisions of the preceding two paragraphs, where a listed company issuing a listed stock, etc. which is a Second Section Market issue carries out an
Rule 311. Criteria for Reassignment

1. Where a domestic stock (excluding, in the case that both stock with voting rights and stock without voting rights whose issuer is the same are listed, said stock without voting rights) or a foreign stock, etc. (excluding cases of multiple listing) which is a First Section Market issue falls under any of the following items, the Exchange shall reassign such stock, etc. to the Second Section Market. Details of each such items and the timing of reassignment in this case shall be provided by the Enforcement Rules:

   (1) Number of shareholders:
   Where the number of shareholders is less than 2,000 as of the end of a business year of a listed company, and the number does not reach at least 2,000 within a year; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise.

   (2) Number of tradable shares:
   Where a listed stock, etc. falls under the following a. or b.; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise:
   a. Where the number of tradable shares is less than 10,000 units as of the end of a business year of a listed company, and does not reach at least 10,000 units within a year;
   b. Where the market capitalization of tradable shares is less than 1 billion yen as of the end of a business year of a listed company and does not reach at least 1 billion yen within a year; provided, however, that where the general market condition rapidly deteriorates, and when the Exchange deems that these criteria are not appropriate, the Exchange shall specify the criteria pertaining to the market capitalization of the tradable shares on a case by case basis;

   (3) Trading volume:
   Where the average monthly trading volume of a listed stock, etc. during a year before the end of December of every year is less than 40 units;

   (4) Market capitalization:
   Where the market capitalization of a listed stock, etc. is less than 2 billion yen and does not reach at least 2 billion yen within nine (9) months (three (3) months in cases where the company does not submit to the Exchange a document containing the present status of the business, future development, improvement of business plan and other matters deemed necessary by the Exchange within three (3) months); provided, however, that where the general market condition rapidly deteriorates, and when the Exchange deems that these criteria are not appropriate, the Exchange shall specify the criteria pertaining to the market capitalization of the stock, etc. on a case by case basis;

   (5) Liabilities in excess of assets:
   Where a listed company falls into liabilities in excess of assets as of the end of the business year; provided, however, that in cases where such listed company plans to...
clear the status of liabilities in excess of assets within a year by undertaking rehabilitation proceedings or reorganization proceedings pursuant to the provisions of laws, business revitalization based on Specific Certified Dispute Resolution Procedures prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Enhancement Act (Act No. 98 of 2013; hereinafter referred to as "the Industrial Competitiveness Act") (including cases based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted) or workouts based on the "Guidelines for Multi-Creditor Out-of-Court Workouts" formulated by the Study Group on Multi-Creditor Out-of-Court Workouts, the status of liabilities in excess of assets is not cleared within such year.

2. With regards to the application of the provisions of Items 1 and 2 of the preceding paragraph pertaining to a listed company whose shareholder, etc. record date is not the end of a business year, the number of shareholders and tradable shares and the market capitalization of tradable shares as of the shareholder, etc. record date shall be deemed to be those as of the end of the business year.

3. In the event that both stock with voting rights and stock without voting rights whose issuer is the same are listed, if said stock with voting rights has been reassigned to the Second Section Market, the Exchange shall also reassigned said stock without voting rights to the Second Section Market.

4. Where a foreign stock, etc. which is a First Section Market issue (limited to cases of multiple listing) falls under any of the following items, the Exchange shall reassign the foreign stock, etc. to the Second Section Market. Details of Item 1 and the timing of reassignment of each item in this case shall be provided by the Enforcement Rules:

   (1) Circulation status:
       Where the circulation status of a listed foreign stock, etc. is not deemed to be adequately good as of the end of a business year of a listed foreign company; or
   (2) Where the foreign stock, etc. falls under Item 4 or Item 5 of Paragraph 1.

Section 4
Alteration of Markets

Rule 312. Application for Alteration of Listing Market to a Main Market

1. Alteration of a listing market of a listed stock, etc. from Mothers or JASDAQ to a Main Market (excluding alteration of listing market pursuant to the provisions of Section 5) shall be carried out upon application made by a listed company.

2. An applicant for alteration of a listing market to a Main Market on the basis of the provisions of the preceding paragraph (hereinafter referred to as "an applicant for alteration of a listing market to a Main Market") shall file an application for alteration of a listing market to a Main Market with respect to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such applicant for alteration of a listing market to a Main Market.

3. An applicant for alteration of a listing market to a Main Market shall submit "Written Application for Alteration of a Listing Market" prescribed by the Exchange and "Written Oath Pertaining to Application for Alteration of a Listing Market" prescribed by the Exchange as provided by the Enforcement Rules, and where the applicant makes an application for assignment to the First Section Market of a stock, etc. pertaining to application for alteration of a listing market to a Main Market, the applicant shall also state to that effect in the "Written Application for Alteration of a Listing Market".
4. The "Securities Report for Application for Alteration of a Listing Market" which contain the status of a business group to which the applicant for alteration of a listing market to a Main Market belongs, the accounts and other important matters, etc. concerning the business details and other documents specified by the Enforcement Rules shall be attached to the "Written Application for Alteration of a Listing Market" prescribed in the preceding paragraph.

5. An applicant for alteration of a listing market to a Main Market shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm as specified by the Enforcement Rules to the documents concerning financial calculation prescribed by the Enforcement Rules.

6. The Exchange may request an applicant for alteration of a listing market to a Main Market to submit an informational report or materials in addition to documents as prescribed by each of the preceding paragraphs and to cooperate in the examination of alteration of a listing market to a Main Market, where it deems necessary for the examination of alteration of the listing market to a Main Market.

Rule 312-2. Preliminary Application for Alteration of Listing Market to a Main Market

1. An entity intending to make an application for alteration of a listing market to a Main Market may, after three (3) months counting back from the end of the most recent business year before the day on which it intends to make such application (in the case where the day on which such application is intended to be made falls within one (1) month counting from said end of the most recent business year, this shall be the end of the business year preceding such most recent business year), make a preliminary application by submitting "Preliminary Application for Alteration of Listing Market" containing the day on which it intends to make an application for alteration of a listing market to a Main Market and other items in the "Preliminary Application for Alteration of Listing Market," and documents prepared in accordance with the documents necessary for an application for alteration of a listing market to a Main Market (it shall suffice to prepare those that can be submitted) (Such preliminary application shall be hereinafter referred to as "preliminary application for alteration of a listing market to a Main Market.").

2. In the case where a preliminary application for alteration of a listing market to a Main Market is made pursuant to the provisions of the preceding paragraph, the Exchange shall examine whether the applicant is expected to satisfy the provisions of the following rule and Rule 315.

3. The provisions of Paragraph 6 of the preceding rule shall be applied mutatis mutandis to cases of examinations in the preceding paragraph.

Rule 313. Examination of Alteration of Listing Market to a Main Market

1. The provisions of Rule 205 (excluding Item 7-2), Rule 206, Rule 207, Paragraph 1 and Paragraph 4, Rule 308, Item 7, Sub-item c. shall be applied mutatis mutandis to the cases in Rule 312. In this case, "the end of the most recent business year before the initial listing application day" in Rules 205 and 206 shall be read as "the end of the most recent business year before the day of application for alteration of listing market to a Main Market (in the case of the day of application for alteration of listing market to a Main Market falling within one (1) month counting from said end of the most recent business year, this shall mean the end of the business year prior to such most recent business year;
the same shall apply hereinafter in this rule and the following rule)", and "the first day of the business year containing the initial listing application day" shall be read as "the first day of the business year containing the day of application for alteration of listing market to a Main Market (in the case of the day of application for alteration of listing market to a Main Market falling within one (1) month counting from said end of the most recent business year, it shall be the first day of such most recent business year)".

2. Examination of matters enumerated in each item of Rule 207, Paragraph 1 which is applied mutatis mutandis in the preceding paragraph shall be carried out on the basis of the documents submitted by an applicant for alteration of a listing market to a Main Market pursuant to the provisions of Rule 312 and questions, etc.

3. Examination of matters enumerated in each item of Rule 207, Paragraph 1 which is applied mutatis mutandis in Paragraph 1 (excluding examinations pertaining to foreign stocks, etc.) shall be aimed at being completed within the period specified by the Enforcement Rules.

4. Necessary matters concerning examination described in Paragraph 2 shall be prescribed by the guidelines for listing examination, etc.

5. Where the Exchange deems alteration of a listing market to a Main Market of all stocks, etc. pertaining to application for alteration of a listing market is appropriate by the examination in Paragraph 2, the Exchange shall alter the listing market to a Main Market as to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such issuer.

6. Where the Exchange alters a listing market to a Main Market pursuant to the provisions of the preceding paragraph, the Exchange shall make changes to descriptions in the listed securities ledger on the alteration day.

Rule 313-2. Application for Alteration of Listing Market to Mothers

1. Alteration of a listing market of a listed stock, etc. from JASDAQ to Mothers shall be carried out upon application made by a listed company.

2. An applicant for alteration of a listing market to Mothers on the basis of the provisions of the preceding paragraph (hereinafter referred to as "an applicant for alteration of a listing market to Mothers") shall file an application for alteration of a listing market to Mothers with respect to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such applicant for alteration of a listing market to Mothers.

3. An applicant for alteration of a listing market to Mothers shall submit "Written Application for Alteration of a Listing Market" prescribed by the Exchange and "Written Oath Pertaining to Application for Alteration of a Listing Market" prescribed by the Exchange as provided by the Enforcement Rules.

4. The "Securities Report for Application of a Listing Market" which contains the status of a business group to which the applicant for alteration of a listing market to Mothers belongs, the accounts and other important matters, etc. concerning the business details and other documents specified by the Enforcement Rules shall be attached to the "Written Application for Alteration of a Listing Market" prescribed in the preceding paragraph.

5. An applicant for alteration of a listing market to Mothers shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm as specified by the Enforcement Rules to the documents concerning financial calculation prescribed by
the Enforcement Rules.

6. The Exchange may request an applicant for alteration of a listing market to Mothers to submit an informational report or materials in addition to documents as prescribed by each of the preceding paragraphs and to cooperate in the examination of alteration of a listing market to Mothers, where it deems necessary for the examination of alteration of the listing market to Mothers.

Rule 313-3. Preliminary Application for Alteration of Listing Market to Mothers

1. An entity intending to make an application for alteration of a listing market to Mothers may, after three (3) months counting back from the end of the most recent business year before the day on which it intends to make such application (in the case where the day on which such application is intended to be made falls within one (1) month counting from said end of the most recent business year, this shall be the end of the business year preceding such most recent business year), make a preliminary application by submitting "Preliminary Application for Alteration of Listing Market" containing the day on which it intends to make an application for alteration of a listing market to Mothers and other items in the "Preliminary Application for Alteration of Listing Market," and documents prepared in accordance with the documents necessary for an application for alteration of a listing market to Mothers (it shall suffice to prepare those that can be submitted) (such preliminary application shall be hereinafter referred to as "preliminary application for alteration of a listing market to Mothers.").

2. In the case where a preliminary application for alteration of a listing market to Mothers is made pursuant to the provisions of the preceding paragraph, the Exchange shall examine whether the applicant is expected to satisfy the provisions of the following rule.

3. The provisions of Paragraph 6 of the preceding rule shall be applied mutatis mutandis to cases of examinations in the preceding paragraph.

Rule 313-4. Examination of Alteration of Listing Market to Mothers

1. The provisions of Rule 212 (excluding Items 6-2), Rule 213, Rule 214, Paragraphs 1 and 5, and Rule 308, Item 7, Sub-item c. shall be applied mutatis mutandis to the cases in Rule 313-2.

2. Examination of matters enumerated in each item of Rule 214, Paragraph 1 which is applied mutatis mutandis in the preceding paragraph shall be carried out on the basis of the documents submitted by an applicant for alteration of a listing market to Mothers pursuant to the provisions of Rule 313-2 and questions, etc.

3. Examination of matters enumerated in each item of Rule 214, Paragraph 1 which is applied mutatis mutandis in Paragraph 1 (excluding examinations pertaining to foreign stocks, etc.) shall be aimed at being completed within the period specified by the Enforcement Rules.

4. Necessary matters concerning examination described in Paragraph 2 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where the Exchange deems alteration of a listing market to Mothers of all stocks, etc. pertaining to the application for alteration of a listing market to Mothers is appropriate by the examination in Paragraph 2, the Exchange shall alter the listing market to Mothers as to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such issuer.
6. Where the Exchange alters a listing market to Mothers as prescribed in the preceding paragraph, the Exchange shall make changes to descriptions in the listed securities ledger on the alteration day.

**Rule 313-5. Application for Alteration of Listing Market to JASDAQ**

1. Alteration of a listing market of a listed stock, etc. from a Main Market or Mothers to JASDAQ shall be carried out upon application made by a listed company.

2. An applicant for alteration of a listing market to JASDAQ on the basis of the provisions of the preceding paragraph shall file an application for alteration of listing market to JASDAQ with respect to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such applicant for alteration of a listing market to JASDAQ.

3. An applicant for alteration of a listing market to JASDAQ shall submit "Written Application for Alteration of a Listing Market" prescribed by the Exchange and "Written Oath Pertaining to Application for Alteration of a Listing Market" prescribed by the Exchange as provided by the Enforcement Rules, and shall include the JASDAQ sub-division pertaining to the application for alteration of a listing market in the "Written Application for Alteration of a Listing Market."

4. The "Securities Report for Application for Alteration of a Listing Market" which contains the status of a business group to which the applicant for alteration of a listing market to JASDAQ belongs, the accounts and other important matters, etc. concerning the business details and other documents specified by the Enforcement Rules shall be attached to the "Written Application for Alteration of a Listing Market" prescribed in the preceding paragraph.

5. An applicant for alteration of a listing market to JASDAQ shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public accountants or an audit firm as specified by the Enforcement Rules to the documents concerning financial calculation prescribed by the Enforcement Rules.

6. The Exchange may request an applicant for alteration of a listing market to JASDAQ to submit an informational report or materials in addition to documents as prescribed by each of the preceding paragraphs and to cooperate in the examination of alteration of a listing market to JASDAQ, where it deems necessary for the examination of alteration of the listing market.

**Rule 313-6. Preliminary Application for Alteration of Listing Market to JASDAQ**

1. An entity intending to make an application for alteration of a listing market to JASDAQ may, after three (3) months counting back from the end of the most recent business year before the day on which it intends to make such application (in the case where the day on which such application is intended to be made falls within one (1) month counting from said end of the most recent business year, this shall be the end of the business year preceding such most recent business year), make a preliminary application by submitting "Preliminary Application for Alteration of Listing Market" containing the day on which it intends to make and application for alteration of a listing market to JASDAQ and other items in the "Preliminary Application for Alteration of Listing Market," and documents prepared in accordance with the documents necessary for an application for alteration of a listing market to JASDAQ (it shall suffice to prepare those that can be submitted)
(Provisional Reference Translation)

(such preliminary application shall be hereinafter referred to as "preliminary application for alteration of a listing market to JASDAQ").

2. In the case where a preliminary application for alteration of a listing market to JASDAQ is made pursuant to the provisions of the preceding paragraph, the Exchange shall examine whether the applicant is expected to satisfy the provisions of the following rule.

3. The provisions of Paragraph 6 of the preceding rule shall be applied mutatis mutandis to cases of examinations in the preceding paragraph.

Rule 313-7. Examination of Alteration of Listing Market to JASDAQ

1. The provisions of Rule 216-3, Rule 216-4, Rule 216-5, Paragraphs 1 and 5, Rule 216-6, Rule 216-7, Rule 216-8, Paragraphs 1 and 5, and Rule 308, Item 7, Sub-item c shall be applied mutatis mutandis to the cases in Rule 313-5.

2. Examination of matters enumerated in each item of Rule 216-5, Paragraph 1 and Rule 216-8, Paragraph 1 which are applied mutatis mutandis in the preceding paragraph shall be carried out on the basis of documents submitted by an applicant for alteration of a listing market to JASDAQ pursuant to the provisions of Rule 313-5 and questions, etc.

3. Examination of matters enumerated in each item of Rule 216-5, Paragraph 1 and Rule 216-8, Paragraph 1 which are applied mutatis mutandis in Paragraph 1 (excluding examinations pertaining to foreign stocks, etc.) shall be aimed at being completed within the period specified by the Enforcement Rules.

4. Necessary matters concerning examination described in Paragraph 2 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where the Exchange deems alteration of a listing market of all stocks, etc. pertaining to application for alteration of a listing market to JASDAQ is appropriate by the examination in Paragraph 2, the Exchange shall alter the listing market as to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such issuer.

6. Where the Exchange alters a listing market as prescribed in the preceding paragraph, the Exchange shall make changes to descriptions in the listed securities ledger on the alteration day.

Rule 314. Alteration of Listing Market in Cases of Absorption-type Mergers, etc.

1. Where a Mothers-listed company carries out an absorption-type merger of a company listed on a market other than Mothers, or an act prescribed by the Enforcement Rules as an act similar to this, and where the Exchange deems such Mothers-listed company is not a substantial surviving company as prescribed by the Enforcement Rules, the Exchange shall alter the listing market of all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such company from Mothers to a market where the substantial surviving company was listed other than Mothers (in cases of altering the listing market to JASDAQ, the same sub-division of such listed company) on a day specified by the Exchange (in cases where a JASDAQ-listed company is the substantial surviving company, and where such company desires examination pertaining to alteration of a listing market in cases of an absorption-type merger, etc., when such company does not meet the criteria prescribed in the Enforcement Rules within three (3) years).

2. Where a Main Market-listed company carries out an absorption-type merger of a company listed on a market other than a Main Market, or an act prescribed by the Enforcement Rules as an act similar to this, and where the Exchange deems such Main Market-listed company
is not a substantial surviving company, the Exchange shall alter the listing market of all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such company from the Main Market to a market where the substantial surviving company was listed other than the Main Market (in cases of altering the listing market to JASDAQ, the same sub-division of such listed company) on a day specified by the Exchange (in the event that such listed company desires examination relating to alteration of the listing market in the case of an absorption-type merger, when it does not meet the criteria prescribed in the Enforcement Rules within three (3) years). Details of such cases are prescribed in the Enforcement Rules.

3. Where a JASDAQ-listed company carries out an absorption-type merger of a company listed on a market other than JASDAQ, or an act prescribed by the Enforcement Rules as an act similar to this, and where the Exchange deems such JASDAQ-listed company is not a substantial surviving company, the Exchange shall alter the listing market of all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such company from JASDAQ to a market where the substantial surviving company was listed other than JASDAQ on a day specified by the Exchange (in the event that such listed company desires examination relating to alteration of the listing market in the case of an absorption-type merger, when it does not meet the criteria prescribed in the Enforcement Rules within three (3) years). Details of such cases are prescribed in the Enforcement Rules.

4. In the case where a company is listed subject to Rule 208, Item 1, Item 3, or Item 5; Rule 215, Item 1, Item 3, or Item 5; or Rule 216-9, Item 1, Item 3, or Item 5 (limited to cases of a merger by creating a new company, stock transfer, or demerger by creating a new company, when one party is a listed-company on the Main market, one party is a listed company on Mothers or JASDAQ, and the Exchange deems that the company listed on the Main Market is not a substantially surviving company), when it does not meet the criteria specified in the Enforcement Rules within three (3) years, the Exchange shall alter the listing market of all the listed stock, etc. (including listed preferred stocks) issued by such company from the Main Market to a market where the substantial surviving company was listed other than the Main Market (in cases of altering the listing market to JASDAQ, the same sub-division of such listed company). Details of such cases are prescribed in the Enforcement Rules.

5. The provisions of Rule 313, Paragraph 5, Rule 313-4, Paragraph 5, and Paragraph 5 of the preceding rule shall be applied mutatis mutandis to cases of each of the preceding paragraphs.

Rule 314-2. Application for Examination relating to Alteration of Listing Market in Cases of Absorption-type Mergers, etc.

1. The Exchange shall conduct examinations, as prescribed in Paragraphs 2 through 4 of the preceding rule, on whether a listed company meets the criteria prescribed in the Enforcement Rules based on an application from such listed company. If such application has not been made (including cases where it is clear that such application will not be made), the Exchange shall deem that the listed company falls under each of Paragraphs 2 through 4 of the preceding rule.

2. Where a listed company makes an application specified in the preceding paragraph, such listed company shall submit a "Written Confirmation" predetermined by the Exchange which is prepared by a managing trading participant.

3. The Exchange may request a listed company to submit a report or materials which should serve as useful reference or provide any other cooperation for such examination if the Exchange deems it necessary for examinations in Paragraph 1.
Rule 315. Assignment to the First Section Market in Cases of Alteration of Listing Market

1. Out of the stocks, etc. for which alteration of a listing market from Mothers to a Main Market is made pursuant to the provisions of Rule 313, Paragraph 5 and Rule 314, Paragraph 1 (excluding, in the case that both stock with voting rights and stock without voting rights whose issuer is identical are listed, said stock without voting rights), the Exchange shall assign stocks, etc. which fall under Items 1 through 4 and Rule 308, Item 7 to the First Section Market. Details in this case shall be prescribed by the Enforcement Rules.

2. Out of the stocks, etc. for which alteration of a listing market from Mothers or JASDAQ to a Main Market is made pursuant to the provisions of Rule 313, Paragraph 5 and Rule 314, Paragraphs 1 and 3 (excluding, in the case that both stock with voting rights and stock without voting rights whose issuer is identical are listed, said stock without voting rights), the Exchange may assign stocks, etc. which fall under each item of Rule 210, Paragraph 1 (excluding Item 2, Sub-item b. of the same paragraph in cases of a foreign stock, etc. listed on multiple exchanges) to the First Section Market.

3. If the relevant period prescribed in the following items according to the classification of the issuer provided in such items has not yet elapsed as of the day of assignment to the First Section from the listing day (inclusive) of issued stocks, etc. (excluding preferred equity contribution securities), such assignment according to the preceding two paragraphs shall not be conducted.
   (1) Mothers-listed Company
       1 year
   (2) JASDAQ-listed Company
       6 months

4. In the event that both stock with voting rights and stock without voting rights whose issuer is identical are listed, if said stock with voting rights has been assigned to the First Section Market, the Exchange shall also assign said stock without voting rights to the First Section Market.

Rule 315-2. Application for Alteration of Market Division

1. Alteration of JASDAQ sub-division of a listed stock, etc. shall be carried out upon application made by a listed company.

2. An applicant for alteration of a sub-division from Growth to Standard or Standard to Growth (hereinafter "an applicant for alteration of a sub-division") shall file an application for alteration of a sub-division with respect to all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such applicant for alteration of a sub-division.

3. An applicant for alteration of a sub-division shall submit "Written Application for Alteration of Sub-division" prescribed by the Exchange and "Written Oath Pertaining to Application for Alteration of Sub-division" prescribed by the Exchange as provided by the Enforcement Rules.

4. The "Securities Report for Application for Alteration of Sub-division" which contain the status of a business group to which the applicant for alteration of a sub-division belongs, the accounts and other important matters, etc. concerning the business details and other documents specified by the Enforcement Rules shall be attached to the "Written Application for Alteration of Sub-division" prescribed in the preceding paragraph.

5. An applicant for alteration of market division shall attach an audit report or a document containing an opinion about financial numerical values, etc. prepared by certified public
accountants or an audit firm as specified by the Enforcement Rules to the documents concerning financial calculation prescribed by the Enforcement Rules.

6. The Exchange may request an applicant for alteration of a sub-division to submit an informational report or materials in addition to documents as prescribed by each of the preceding paragraphs and to cooperate in the examination of alteration of a sub-division, where it deems necessary for the examination of alteration of market division.

Rule 315-3. Preliminary Application for Alteration of Market Division

1. An entity intending to make an application for alteration of a sub-division may, after three (3) months counting back from the end of the most recent business year before the day on which it intends to make such application (in the case where the day on which such application is intended to be made falls within one (1) month counting from said end of the most recent business year, this shall be the end of the business year preceding such most recent business year) make a preliminary application by submitting "Preliminary Application for Alteration of Sub-Division" containing the day on which it intends to make an application for alteration of a sub-division and other items in the "Preliminary Application for Alteration of Sub-division," and documents prepared in accordance with the documents necessary for an application for alteration of a sub-division (it shall suffice to prepare those that can be submitted) (such preliminary application shall be hereinafter referred to as "preliminary application for alteration of market division").

2. In the case where a preliminary application for alteration of a sub-division is made pursuant to the provisions of the preceding paragraph, the Exchange shall examine whether the applicant is expected to satisfy the provisions of the following rule or Rule 315-5.

3. The provisions of Paragraph 6 of the preceding rule shall be applied mutatis mutandis to cases of examinations in the preceding paragraph.

Rule 315-4. Examination of Alteration of Sub-Division to Standard

1. The provisions of Rule 216-3, Rule 216-4, Rule 216-5, Paragraphs 1 and 5, and Rule 308, Item 7, Sub-item c shall be applied mutatis mutandis to cases in Rule 315-2, when applying for alteration of a sub-division from Growth to Standard.

2. Examination of matters enumerated in each item of Rule 216-5, Paragraph 1 which is applied mutatis mutandis in the preceding paragraph shall be carried out on the basis of the documents submitted by an applicant for alteration of a sub-division pursuant to the provisions of Rule 315-2 and questions, etc.

3. Examination of matters enumerated in each item of Rule 216-5, Paragraph 1 which is applied mutatis mutandis in Paragraph 1 (excluding examinations pertaining to foreign stocks, etc.) shall be aimed at completing approximately within the period specified by the Enforcement Rules.

4. Necessary matters concerning examination described in Paragraph 2 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where the Exchange deems alteration of a sub-division to Standard of all stocks, etc. pertaining to application for alteration of a sub-division is appropriate by the examination in Paragraph 2, the Exchange shall alter the sub-division to Standard as to all the listed stocks, etc. (including listed preferred stocks, etc.) by such issuer.

6. Where the Exchange alters a sub-division to Standard as prescribed in the preceding paragraph, the Exchange shall make changes to descriptions in the listed securities ledger on the alteration day.

Rule 315-5. Examination of Alteration of Sub-division to Growth
1. The provisions of Rule 216-6, Rule 216-7, Rule 216-8, Paragraphs 1 and 5, and Rule 308, Item 7, Sub-item c shall be applied mutatis mutandis to cases in Rule 315-2, when applying for alteration of a sub-division from Standard to Growth.

2. Examination of matters enumerated in each item of Rule 216-8, Paragraph 1 which is applied mutatis mutandis in the preceding paragraph shall be carried out on the basis of the documents submitted by an applicant for alteration of market division pursuant to the provisions of Rule 315-2 and questions, etc.

3. Examination of matters enumerated in each item of Rule 216-8, Paragraph 1 which is applied mutatis mutandis in Paragraph 1 (excluding examinations pertaining to foreign stocks, etc.) shall be aimed at completing approximately within the period specified by the Enforcement Rules.

4. Necessary matters concerning examination described in Paragraph 2 shall be prescribed by the Guidelines Concerning Listing Examination, etc.

5. Where the Exchange deems alteration of a sub-division to Growth of all stocks, etc. pertaining to application for alteration of a sub-division is appropriate by the examination in Paragraph 2, the Exchange shall alter the sub-division to Growth as to all the listed stocks, etc. (including listed preferred stocks, etc.) by such issuer.

6. Where the Exchange alters a sub-division as prescribed in the preceding paragraph, the Exchange shall make changes to descriptions in the listed securities ledger on the alteration day.

**Rule 315-6. Alteration of Market Division in Cases of Absorption-type Mergers, etc.**

1. Where a JASDAQ-listed company in the Standard sub-division (hereinafter "Standard-listed company") carries out an absorption-type merger of a JASDAQ-listed company in the Growth sub-division (hereinafter "Growth-listed company"), or an act prescribed by the Enforcement Rules as an act similar to this, and where the Exchange deems such Standard-listed company is not a substantial surviving company as prescribed by the Enforcement Rules, the Exchange shall alter the sub-division of all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such Standard-listed company from Standard to Growth on a day specified by the Exchange (in cases where such Standard-listed company desires examination pertaining to alteration of a sub-division in cases of an absorption-type merger, etc., when such company does not meet the criteria prescribed in the Enforcement Rules within three (3) years). Details in this case shall be prescribed by the Enforcement Rules.

2. Where a Growth-listed company carries out an absorption-type merger of a Standard-listed company, or an act prescribed by the Enforcement Rules as an act similar to this, and where the Exchange deems such Growth-listed company is not a substantial surviving company as prescribed by the Enforcement Rules, such Standard-listed company shall alter the sub-division of all the listed stocks, etc. (including listed preferred stocks, etc.) issued by such Growth-listed company from Growth to Standard on a day specified by the Exchange (in cases where such Growth-listed company desires examination pertaining to alteration of a sub-division in cases of an absorption-type merger, etc., when such company does not meet the criteria prescribed in the Enforcement Rules within three (3) years). Details in this case shall be prescribed by the Enforcement Rules.

3. The provisions of Paragraph 5 of the preceding rule shall be applied mutatis mutandis to cases of the preceding two paragraphs.

**Rule 315-7. Application for Examination relating to Alteration of Sub-division in Cases of Absorption-type Mergers, etc.**
1. The Exchange shall conduct examinations, as prescribed in Paragraph 1 and Paragraph 2 of the preceding rule, on whether a listed company meets the criteria prescribed in the Enforcement Rules based on an application from such listed company. If such application has not been made (including cases where it is clear that such application will not be made), the Exchange shall deem that the listed company falls under each of Paragraph 2 and Paragraph 3 of the preceding rule.

2. Where a listed company makes an application specified in the preceding paragraph, such listed company shall submit a "Written Confirmation" predetermined by the Exchange which is prepared by a managing trading participant.

3. The Exchange may request a listed company to submit a report or materials which should serve as useful reference or provide any other cooperation for such examination if the Exchange deems it necessary for examinations in Paragraph 1.

Section 5
Choice of Markets

Rule 316. Application for Choice of its Listing Market
1. A Mothers-listed company shall, after ten (10) years since listing as well as after five (5) years since choosing to remain listed on Mothers pursuant to the provisions of this section, choose to either remain listed on Mothers or change its listing market to a Main Market. In this case, the handling shall be specified by the Enforcement Rules.

2. An applicant for choice of its listing market pursuant to the provisions of the preceding paragraph shall perform the choice in the preceding paragraph for all the listed stocks, etc. (including listed preferred stocks, etc.) for which such applicant for choice of its listing market is an issuer.

3. An applicant for choice of its listing market shall submit the "Application for Choice of its Listing Market" predetermined by the Exchange, and if it chooses to remain listed on Mothers in the "Application for Choice of its Listing Market" (limited to cases where its market capitalization is less than 4 billion yen), it shall attach the "Written Explanation Concerning the Possibility of High Growth" predetermined by the Exchange, and other documents as prescribed by the Enforcement Rules. In this case, the handling of market capitalization shall be specified in the Enforcement Rules.

4. Where the Exchange deems it necessary for confirming whether the content of an "Application for Choice of its Listing Market" prescribed in the provisions of the preceding paragraph is clearly insufficient, it shall be able to request reports and materials in addition to the documents prescribed in the provisions of the preceding paragraph for reference and other forms of cooperation from an applicant for choice of its listing market.

Rule 317. Choice of Listing Market
1. Where an "Application for Choice of its Listing Market" in choice of remaining listed on Mothers was submitted, except cases where such content is clearly insufficient, it shall not alter the listing market for all the listed stocks, etc. (including listed preferred stocks, etc.) for which the relevant applicant for choice of its listing market is an issuer.

2. In cases referred to in each of the following items, the Exchange shall alter the listing market of all stocks, etc. (including listed preferred stocks, etc.) for which the relevant applicant for choice of its listing market is an issuer from Mothers to a Main Market. In this case, the time for alteration of listing market shall be specified by the Enforcement Rules.

(1) Where an "Application for Choice of its Listing Market" in choice of altering its listing market from Mothers to a Main Market was submitted;
Rule 318. Special Provisions on Cases where a Listed Company making an Application for Assignment to the First Section Market is scheduled to implement a Merger, etc. on or before such day of Assignment to the First Section

1. Notwithstanding the provisions of Rule 307, Paragraph 1, in the case where the listed company is scheduled to conduct an act enumerated in any of the following items, the listed company may make an application for assignment of stocks, etc. issued by an entity specified in each of the following items (excluding stocks without voting rights in a case where both stocks with voting rights and stocks without voting rights issued by the same issuer are listed, as well as listed preferred equity investment security; the same shall apply hereinafter in this rule) to the First Section Market in accordance with the classification of acts enumerated in such items. In this case, matters necessary for procedures regarding application for assignment to the First Section Market and application of other provisions shall be specified by the Enforcement Rules.

   (1) Merger in which the company will be dissolved on or before the day of assignment to the First Section
   The newly created company or the surviving company, or the parent company of the surviving company pertaining to the merger (limited to cases where stocks, etc. issued by such company will be delivered at the time of such merger.)

   (2) Stock swap or stock transfer in which the company will become a wholly-owned subsidiary of another company on or before the day of assignment to the First Section
   Such other company or parent company of such other company (limited to cases where stocks, etc. issued by such company will be delivered at the time of such stock swap or stock transfer.)

2. In the case of applying for assignment to the First Section Market pursuant to the provisions of the preceding paragraph, other than the documents prescribed in Rule 307, Paragraphs 2 through 4, documents specified by the Enforcement Rules shall be submitted by a date specified by the Exchange on a case-by-case basis.

Rule 319. Special Provisions on Cases where a Listed Company making an Application for Alteration of Listing Market is scheduled to implement a Merger, etc. on or before such day of Alteration of Listing Market to a Main Market

1. In the case where the listed company is scheduled to conduct an act enumerated in any of the following items, the listed company may make an application for alteration of the listing market to a Main Market of stocks, etc. issued by an entity specified in each item in accordance with the classification of acts enumerated in such item. In
this case, matters necessary for procedures regarding application for alteration of a listing market to the Main Market and application of other provisions shall be specified by the Enforcement Rules.

(1) Merger in which the company will be dissolved on or before the day of alteration of listing market

The newly created company or the surviving company, or the parent company of the surviving company pertaining to the merger (limited to cases where stocks, etc. issued by such company will be delivered at the time of such merger.)

(2) Stock swap or stock transfer in which the company will become a wholly-owned subsidiary of another company on or before the day of alteration of listing market

Such other company or parent company of such other company (limited to cases where stocks, etc. issued by such company will be delivered at the time of such stock swap or stock transfer.)

2. With regard to the application of the provisions of Rule 312, Paragraph 2 to a listed company which makes an application for alteration of a listing market to the main market pursuant to the provisions of the preceding paragraph, "all the listed stocks, etc. …… issued by such applicant for alteration of a listing market" in the same paragraph shall be "all the listed stocks, etc. pertaining to such application for alteration of a listing market".

3. In the case of applying for alteration of a listing market to the main market pursuant to the provisions of Paragraph 1, other than the documents prescribed in Rule 312, Paragraphs 3 through 5, documents specified by the Enforcement Rules shall be submitted by a date specified by the Exchange on a case-by-case basis.

4. With regard to the application of the provisions of Rule 313, Paragraph 1 to listed companies which make an application for alteration of a listing market to the main market pursuant to the provisions of Paragraph 1, "Rule 205" in the same paragraph shall be "Rule 205 applied with rewording pursuant to the provisions of Rule 218, Paragraph 4" and "Rule 206" shall be "Rule 206 applied with rewording pursuant to the provisions of Rule 218, Paragraph 5".

Rule 319-2. Special Provisions on Cases where a Listed Company making an Application for Alteration of Listing Market is scheduled to implement a Merger, etc. on or before such day of Alteration of Listing Market to Mothers

1. In the case where the listed company is scheduled to conduct an act enumerated in any of the following items, the listed company may make an application for alteration of the listing market to Mothers of stocks, etc. issued by an entity specified in each item in accordance with the classification of acts enumerated in such item. In this case, matters necessary for procedures regarding application for alteration of a listing market to Mothers and application of other provisions shall be specified by the Enforcement Rules.

(1) Merger in which the company will be dissolved on or before the day of alteration of a listing market

The newly created company or the surviving company, or the parent company of the surviving company pertaining to the merger (limited to cases where stocks, etc. issued by such company will be delivered at the time of such merger.)

(2) Stock swap or stock transfer in which the company will become a wholly-owned subsidiary of another company on or before the day of alteration of a listing market

Such other company or parent company of such other company (limited to
cases where stocks, etc. issued by such company will be delivered at the time of such stock swap or stock transfer.

2. With regard to the application of the provisions of Rule 313-2, Paragraph 2 to a listed company which makes an application for alteration of a listing market to Mothers pursuant to the provisions of the preceding paragraph, "all the listed stocks, etc. issued by such applicant for alteration of a listing market" in the same paragraph shall be "all the listed stocks, etc. pertaining to such application for alteration of a listing market".

3. In the case of applying for alteration of a listing market to Mothers pursuant to the provisions of Paragraph 1, in addition to the documents prescribed in Rule 313-2, Paragraphs 3 through 5, documents specified by the Enforcement Rules shall be submitted by a date specified by the Exchange on a case-by-case basis.

4. With regard to the application of the provisions of Rule 313-4, Paragraph 1 to listed companies which make an application for alteration of a listing market to Mothers pursuant to the provisions of Paragraph 1, "Rule 212" in the same paragraph shall be "Rule 212 applied with rewording pursuant to the provisions of Rule 219, Paragraph 4."

Rule 319-3. Special Provisions on Cases where a Listed Company making an Application for Alteration of Listing Market is scheduled to implement a Merger, etc. on or before such day of Alteration of Listing Market to JASDAQ

1. In the case where the listed company is scheduled to conduct an act enumerated in any of the following items, the listed company may make an application for alteration of a listing market to JASDAQ of stocks, etc. issued by an entity specified in each item in accordance with the classification of acts enumerated in such item. In this case, matters necessary for procedures regarding application for alteration of a listing market to JASDAQ and application of other provisions shall be specified by the Enforcement Rules.

   (1) Merger in which the company will be dissolved on or before the day of alteration of a listing market

   The newly created company or the surviving company, or the parent company of the surviving company pertaining to the merger (limited to cases where stocks, etc. issued by such company will be delivered at the time of such merger.)

   (2) Stock swap or stock transfer in which the company will become a wholly-owned subsidiary of another company on or before the day of alteration of listing market

   Such other company or parent company of such other company (limited to cases where stocks, etc. issued by such company will be delivered at the time of such stock swap or stock transfer.)

2. With regard to the application of the provisions of Rule 313-5, Paragraph 2 to a listed company which makes an application for alteration of a listing market to JASDAQ pursuant to the provisions of the preceding paragraph, "all the listed stocks, etc. issued by such applicant for alteration of a listing market" in the same paragraph shall be "all the listed stocks, etc. pertaining to such application for alteration of a listing market".

3. In the case of applying for alteration of a listing market to JASDAQ pursuant to the provisions of Paragraph 1, in addition to the documents prescribed in Rule 313-5, Paragraphs 3 through 5, documents specified by the Enforcement Rules shall be submitted by a date specified by the Exchange on a case-by-case basis.
4. With regard to the application of the provisions of Rule 313-7, Paragraph 1 to listed companies which make an application for alteration of a listing market to JASDAQ pursuant to the provisions of Paragraph 1, "Rule 216-3" in the same paragraph shall be "Rule 216-3 applied with rewording pursuant to the provisions of Rule 220, Paragraph 4."

Rule 320. Special Provisions on Cases where a Listed Company making an Application for Alteration of Sub-division is Scheduled to Implement a Merger, etc. on or before such day of Alteration of Sub-division

1. In the case where the listed company is scheduled to conduct an act enumerated in any of the following items, the listed company may make an application for alteration of the JASDAQ sub-division of stocks, etc. issued by an entity specified in each item in accordance with the classification of acts enumerated in such item. In this case, matters necessary for procedures regarding application for alteration of the JASDAQ sub-division and application of other provisions shall be as specified by the Enforcement Rules.

(1) Merger in which the listed company will be dissolved on or before the day of alteration of sub-division
   The newly created company or the surviving company, or the parent company of the surviving company pertaining to the merger (limited to cases where stocks, etc. issued by such company will be delivered at the time of such merger.)

(2) Stock swap or stock transfer in which the listed company will become a wholly-owned subsidiary of another company on or before the day of alteration of the sub-division
   Such other company or parent company of such other company (limited to cases where stocks, etc. issued by such company will be delivered at the time of such stock swap or stock transfer.)

2. With regard to the application of the provisions of Rule 315-2, Paragraph 2 to a listed company which makes an application for alteration of the JASDAQ sub-division pursuant to the provisions of the preceding paragraph, "all the listed stocks, etc. issued by such applicant for alteration of sub-division" in the same paragraph shall be "all the listed stocks, etc. pertaining to such application for alteration of sub-division".

3. In the case of applying for alteration of JASDAQ sub-division pursuant to the provisions of Paragraph 1, in addition to the documents prescribed in Rule 315-2, Paragraphs 3 through 5, documents specified by the Enforcement Rules shall be submitted by a date specified by the Exchange on a case-by-case basis.

4. With regard to the application of the provisions of Rule 315-4, Paragraph 1 to a listed company which makes an application for alteration of JASDAQ sub-division pursuant to the provisions of Paragraph 1, "Rule 216-3" in the same paragraph shall be "Rule 216-3 applied with rewording pursuant to the provisions of Rule 220, Paragraph 4."

Chapter 4
Listing Supervision

Section 1
General Provisions
Rule 401. Faithful Execution of Business, etc.
A listed company shall make efforts to carry out such faithful execution of business as strengthening prompt, accurate and fair disclosure of corporate information at all times from the viewpoint of investors with full recognition that timely and appropriate disclosure of corporate information to investors is the basis of a sound market for financial instruments.

Section 2
Timely Disclosure of Corporate Information, etc.

Rule 402. Disclosure of Corporate Information
Where a listed company falls under any of the following items (excluding those which the Exchange deems as matters whose effect on investors’ investment decisions is of minor significance, such as cases which fall under the criteria specified by the Enforcement Rules), the listed company must disclose details immediately pursuant to the provisions of the Enforcement Rules:

1. Where a body which decides a listed company’s business execution makes a decision on carrying out any of the matters enumerated in the following a. through ar. (including cases where the body makes a decision that it will not carry out matters pertaining to such decision):
   a. An offering of shares issued by a stock company or treasury shares to be disposed of by the stock company prescribed in Article 199, Paragraph 1 of the Companies Act to entities (including entities who will subscribe for preferred equity investments issued by a cooperative structured financial institution) who will subscribe for such shares (including an offering provided by foreign laws and regulations corresponding thereto limited to cases where the company is a listed foreign company; the same shall apply hereinafter) in cases of an offering of treasury shares to be disposed of to entities who will subscribe for such shares, an offering of entities who will subscribe for offered subscription warrants prescribed in Article 238, Paragraph 1 of the same Act (including an offering provided by foreign laws and regulations corresponding thereto limited to cases where the company is a listed foreign company; the same shall apply hereinafter) or a secondary offering of shares or subscription warrants;
   b. Shelf-registration (including its withdrawal) pertaining to offering or secondary offering prescribed in the preceding a. or commencement of a demand survey for such offering or secondary offering pertaining to such shelf-registration;
   c. Decrease in amount of capital;
   d. Decrease in amount of capital reserve or profit reserve;
   e. Acquisition of own stock pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act (including cases where the provisions apply by replacing terms pursuant to the provisions of Rule 163 and Rule 165, Paragraph 3 of the same Act) or the provisions of foreign laws and regulations corresponding thereto, or the provisions of Article 15 of the Preferred Equity Investment Act;
   f. A gratis allotment of shares or gratis allotment of subscription warrants;
   f-2. Shelf registration pertaining to gratis allotment of subscription warrants in the preceding f. (including cancellation of such registration), or commencement of surveys on demand or expected exercise of rights for the gratis allotment of subscription warrants pertaining to such registration;
   g. Stock split or reverse stock split;
   h. Dividend from surplus;
   i. Stock swap;
   j. Stock transfer;

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k. Merger;
l. Demerger;
m. Transfer or acquisition of all or part of the business;
n. Dissolution (excluding dissolution by means of a merger);
o. Commercialization of a new product or new technology;
p. Business alliance or dissolution of business alliance;
q. Transfer or acquisition of shares or equity interest accompanied by change in a subsidiary, etc. (meaning a subsidiary prescribed in Article 166, Paragraph 5 of the Act, and in cases of a listed foreign company (limited to an entity deemed necessary by the Exchange), its subsidiary, affiliated company or other entities deemed necessary by the Exchange; the same shall apply hereinafter) or other matters accompanied by change in a subsidiary, etc.;
r. Transfer or acquisition of fixed assets (meaning fixed assets referred to in Article 2, Item 22 of the Corporation Tax Act (Act No.34 of 1965); the same shall apply hereinafter);
s. Lease of fixed assets;
t. Suspension or abolition of all or part of the business;
u. Application for delisting or withdrawal of registration of a stock, etc. to a domestic financial instruments exchange or a foreign financial instruments exchange, etc.;
v. Petition for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or commencement of reorganization proceedings;
w. Commencement of a new business (including commercialization of sales of new products or provision of new services; the same shall apply hereinafter);
x. A takeover bid prescribed in Article 27-2, Paragraph 1 of the Act with respect to a stock, etc. prescribed in the same paragraph (limited to cases where the provisions of the main clause in the same paragraph apply) or a takeover bid prescribed in Article 27-22-2, Paragraph 1 of the Act with respect to a listed stock, etc. prescribed in Article 24-6, Paragraph 1 of the Act;
y. Request for a bid or any other onerous acquisition to compete with a takeover bid prescribed in the first sentence of the preceding x. pertaining to a stock, etc. prescribed in Article 27-2, Paragraph 1 of the Act whose issuer is such listed company or an act to collect a stock, etc. as prescribed in Article 31 of the Enforcement Ordinance pertaining to such stock, etc. (hereinafter referred to as a "takeover bid, etc." in this Sub-item y.) or an announcement of an opinion or a representation to shareholders concerning a takeover bid, etc.;
z. Issue of subscription warrants to officers or employees of a listed company or its subsidiaries, etc., or other grant of anything deemed to be a stock option or an issue of shares;

aa. Change in representative directors or representative executive officers (including officers who should represent a cooperative structured financial institution);
ab. Rationalization such as personnel reduction;
ac. Change in a trade name or a corporate name;
ad. Change in the number of shares for a Share Unit of a stock or abolition or introduction of the provisions for the number of shares for a Share Unit;
ae. Change in the end date of the business year;
af. Petition pursuant to the provisions of Article 74, Paragraph 5 of the Deposit Insurance Act (Act No.34 of 1971);
ag. Petition for mediation in accordance with specified mediation procedures on the basis of the Act on Specified Mediation for Promoting Adjustment of Specified Liabilities, etc. (Act No.158 of 1999);
ah. Early redemption of all or part of a listed bond, listed convertible bond or listed exchangeable corporate bond or convocation of a bondholders meeting and any other important matters relating to rights concerning a listed bond, listed convertible bond or a listed exchangeable corporate bond;
ai. Matters accompanied by an increase in the total number of units of ordinary equity contributions;
aj. Change in certified public accountants, etc. who prepare audit certification, etc. of financial statements, etc. or quarterly financial statements, etc. contained in a securities report or a quarterly report;
ak. Putting notes on matters relating to the going concern assumption in financial statements, etc. or quarterly financial statements, etc.;
ak-2. Submission of application for approval prescribed in Article 15-2, Paragraph 1, Article 15-2-2, Paragraph 1, Article 17-4, Paragraph 1, or Article 17-15-2, Paragraph 1 of the Cabinet Office Ordinance on Disclosure pursuant to the provisions of such paragraphs (excluding submission by a listed foreign company (limited to cases where its stocks, etc. are listed on multiple markets) pursuant to laws and regulations or practices in its home country);
al. Shareholder services will not be entrusted to a shareholder services agent approved by the Exchange;
am. Submission of internal control reports containing content to the effect that there is a material deficiency in the internal control system that should be disclosed or that the evaluation result of the internal control system cannot be stated;
an. Amendment to the articles of incorporation;
ao. Change in contents and other schemes of a listed stock without voting rights, a listed stock with voting rights (limited to such stock issued by a company which issues multiple classes of stocks with voting rights), or a listed preferred stock, etc. (excluding a stock whose dividends are linked to a subsidiary); or
ap. Acquisition of all shares of a classified stock with a whole acquisition clause (meaning classified stock with a whole acquisition clause prescribed in Article 171, Paragraph 1 of the Companies Act; the same shall apply hereinafter); or
aq. Approval or disapproval of demand for share, etc. cash-out (meaning demand for share, etc. cash-out prescribed in Article 179-3, Paragraph 1 of the Companies Act; the same shall apply hereinafter); or
ar. In addition to the matters referred to in a. through the preceding aq., important matters related to operation, business or assets of such listed company or such listed stock, etc. which have a remarkable effect on investors' investment decisions.

(2) Where any of the facts referred to in the following a. through z. occurs:
a. Damage arising from a disaster or damage which occurs in the course of business execution;
b. Change in major shareholders (meaning major shareholders as prescribed in Article 163, Paragraph 1 of the Act; the same shall apply hereinafter) or the largest shareholder (meaning, out of the major shareholders, the shareholder (including preferred equity investors as prescribed by the Preferred Equity Investment Act; the same shall apply hereinafter) with the largest number of shares (including the shares held in the name of another entity (including a hypothetical entity) but excluding the entities specified by the Cabinet Office Ordinance on Regulations of Securities Transactions, etc. (Cabinet Office Ordinance No.59 of 2007; hereinafter referred to as the "Cabinet Office Ordinance on Transactions Regulations") in consideration of the mode of the possession of shares as
c. Fact which causes delisting of a specified security (meaning a specified security prescribed in Article 163, Paragraph 1 of the Act; the same shall apply in this Sub-item c.) or options pertaining to a specified security;

d. Where a lawsuit of a claim relating to property rights is raised or a judgment is made as to such lawsuit or all or part of the action pertaining to such lawsuit is completed without a judicial decision;

e. Where a petition for a provisional disposition order seeking for suspension of a business or any other disposition equivalent thereto is made, or there is a judicial decision on such petition, or all or part of the procedures for such petition are completed without a judicial decision;

f. Cancellation of a license, suspension of a business or any other disciplinary action equivalent to these on the basis of laws and regulations by an administrative agency or accusation of violation of laws and regulations by an administrative agency;

g. Change in controlling shareholders or other affiliated companies prescribed in Article 8, Paragraph 17, Item 4 of the Financial Statements, etc. Rules;

h. Petition for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or commencement of reorganization proceedings, or execution of enterprise mortgage by a creditor or any entity other than such listed company (hereinafter referred to as "petition for commencement of bankruptcy proceedings, etc.");

i. Dishonor of a bill or a check (limited to where the reason is a shortage of a fund to be paid) or suspension of trading by a clearing house (hereinafter referred to as "dishonor, etc.");

j. Petition for commencement of bankruptcy proceedings pertaining to a parent company, etc.;

k. As a result of an occurrence of a dishonor, etc., petition for commencement of bankruptcy procedures, etc., or a fact equivalent to these pertaining to a debtor or a main debtor concerning guarantee obligations, default of a right to obtain reimbursement against such main debtor is likely to occur where accounts receivable, loans or other receivables or such guarantee obligations against such debtors;

l. Suspension of trade with a main business partner (meaning a business partner with more than 10% of the total sales or of the total purchase amount in the previous business year; the same shall apply hereinafter) or suspension of trade with two or more business partners for the same reason or in the same period;

m. Exemption of obligations or extension of a repayment deadline (limited to an extension that the Exchange deems equivalent to exemption of obligations) by a creditor or assumption or fulfillment of obligations by a third party;

n. Discovery of resources;

n-2. Where a special controlling shareholder (meaning a special controlling shareholder prescribed in Article 179, Paragraph 1 of the Companies Act; the same shall apply hereinafter) (meaning an organ that decides business execution if said special controlling shareholder is a corporation) has decided to make a demand for share, etc. cash-out pertaining to said listed company, or such special controlling shareholder has determined not to make a demand for share, etc. cash-out pertaining to said decision (limited to cases where such decision was publicized as prescribed in Article 166, Paragraph 4 of the Act)

o. Claim for suspension of issue of a stock or a subscription warrant or disposition of treasury stock by shareholders (including ordinary equity investors prescribed by the
p. Demand for convocation of a general shareholders meeting by shareholders (including a general meeting of ordinary equity investors and that of preferred equity investors);
q. Market value of all or part of the securities held (limited to securities listed on a domestic financial instruments exchange other than a stock of a subsidiary, etc. of such listed company) falls below book values as of the end of a business year or a quarterly accounting period (an amount of value calculated on the basis of the closing prices of a financial instruments exchange on such day (where no such closing prices are available, the closing prices of a financial instruments exchange on a preceding day))(limited to where such listed company adopts cost method as an evaluation method of securities);
r. Acceleration of obligations pertaining to a corporate bond;
s. Convocation of a meeting of bondholders for a listed bond, listed convertible bond or listed exchangeable corporate bond and other important facts pertaining to rights of a listed bond, listed convertible bond or listed exchangeable corporate bond;
t. Change in certified public accountants, etc. who prepare an audit certification, etc. of financial statements, etc. or quarterly financial statements, etc. contained in a securities report or a quarterly report (excluding a case of disclosing the details pursuant to the provisions of the preceding item, where a body of a listed company which decides its business execution makes a decision on changing such certified public accountants, etc. (including cases where the body makes a decision that it will not carry out matters pertaining to such decision));
u. A securities report or a quarterly review report to which audit reports or quarterly review reports of Article 3, Paragraph 1 in the Cabinet Office Ordinance on Audit Certification prepared by two (2) or more certified public accountants or audit firms (including audit reports or interim audit reports pertaining to certification corresponding to audit certification by certified public accountants or audit firms) are attached is not expected to be submitted to the Prime Minister, etc. within a period specified in Article 24, Paragraph 1 of the Act or Article 24-4-7, Paragraph 1 of the Act (excluding cases where disclosure is conducted for the matter referred to in Sub-item ak-2 of the preceding item pursuant to the provision of the same item) or has not been submitted within such period (excluding cases where the company has disclosed that such report is not expected to be submitted within such period), or was submitted after such disclosure had been made;
u-2. Obtaining, or failure to obtain, approval prescribed in Article 15-2, Paragraph 3, Article 15-2-2, Paragraph 4, Article 17-4, Paragraph 4, or Article 17-15-2, Paragraph 4;
v. The fact that an audit report attached to financial statements, etc. or a quarterly review report attached to quarterly financial statements, etc. has come to contain a "qualified opinion with exceptions" or "qualified conclusion with exceptions" of certified public accountants, etc. with making issues concerning a going concern assumption as exceptions, or an "adverse opinion", "negative conclusion", or a fact that "opinions are not expressed" or a fact "conclusions are not expressed" by a certified public accountant (in cases of a specified business company, these shall include a "qualified opinion with exceptions", an "opinion that interim financial statements, etc. do not provide useful information", and a fact that "opinions are not expressed" by a certified public accountant, etc. with making issues concerning a going concern assumption as exceptions);
v-2. An internal control audit report regarding an internal control report has come to contain an "adverse opinion" or a fact that "opinions are not expressed";
w. Where a notice of canceling a shareholder services agent agreement is received, there is a likelihood that the shareholder services will not be entrusted to a shareholder services
agent approved by the Exchange, or it has decided not to entrust that the shareholder services will not be entrusted to a shareholder services agent approved by the Exchange; or
x. In addition to the facts referred to in a. through the preceding w., matters relating to operation, business or assets of such listed company, or important matters related to a listed stock, etc. that have a remarkable effect on investors’ investment decisions.

Rule 403. Disclosure of Information of Subsidiaries, etc.
A listed company shall disclose details immediately pursuant to the provisions of the Enforcement Rules, where its subsidiary, etc. falls under any of the following items (excluding those which the Exchange deems as matters whose effect on investors’ investment decisions is of minor significance, such as facts which fall under the criteria specified by the Enforcement Rules with regard to the matters referred to in Item 1 and facts referred to in Item 2, and those that meet criteria prescribed by the Cabinet Office Ordinance on Transactions Regulations as matters which have an effect of minor significance on investors’ investment decisions with regard to the matters referred to in Article 166, Paragraph 2, Item 5 of the Act as prescribed in Item 3, Sub-item a., and the facts referred to in Article 166, Paragraph 2, Item 6 as prescribed in Item 3, Sub-item b.):
(1) Where a body which decides business execution of a subsidiary, etc. of a listed company makes a decision on carrying out any of the following matters referred to in a. through s. with respect to such subsidiary, etc. (including where decision is made for not carrying out matters pertaining to such decision):
a. Stock swap;
b. Stock transfer;
c. Merger;
d. Demerger;
e. Transfer or acquisition of all or part of the business;
f. Dissolution (excluding dissolution by means of a merger);
g. Commercialization of a new product or new technology;
h. Business alliance or dissolution of business alliance;
i. Transfer or acquisition of shares or equity interest accompanied by change in a sub-subsidiary (meaning a sub-subsidiary prescribed in Article 29, Item 2 of the Enforcement Ordinance, and meaning a subsidiary, etc. of the subsidiary, etc. of a listed foreign company (limited to an entity deemed necessary by the Exchange); the same shall apply hereinafter.), or matters accompanied by change in a sub-subsidiary;
j. Transfer or acquisition of fixed assets;
k. Lease of fixed assets;
l. Suspension or abolition of all or part of the business;
m. Petition for commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or commencement of reorganization proceedings;
n. Commencement of a new business;
o. A takeover bid prescribed in Article 27-2, Paragraph 1 of the Act with respect to a stock, etc. as prescribed in the same paragraph (limited to cases where the provisions of the main clause in the same paragraph apply) or a takeover bid prescribed in Article 27-22-2, Paragraph 1 of the Act with respect to a stock, etc. as prescribed in Article 24-6, Paragraph 1 of the Act;
p. Change in a trade name or a corporate name;
q. Petition pursuant to the provisions of Article 74, Paragraph 5 of the Deposit Insurance Act,
r. Petition of arbitration by specific mediation procedures on the basis of the law on specified mediation for promoting adjustment of specified obligations, etc.; or
s. In addition to the matters referred to in a. through the preceding r., important matters related to operation, business or assets of a subsidiary of such listed company which have a remarkable effect on investors’ investment decisions;

(2) Where any of the facts referred to in the following a. through l. occurs to a subsidiary, etc. of a listed company:

a. Damage arising from a disaster or damage which occurs in the course of business execution;

b. Where a lawsuit of a claim relating to property rights is raised or a judgment is made as to such lawsuit or all or part of the action pertaining to such lawsuit is completed without a judicial decision;

c. Where a petition of a provisional order seeking for suspension of a business or any other disposition equivalent to this is made or there is a judicial decision on such petition or all or part of the proceedings for such petition is completed without a judicial decision;

d. Cancellation of a license, suspension of a business or any other disciplinary action equivalent to these on the basis of laws and regulations by an administrative agency or accusation of violation of laws and regulations by an administrative agency;

e. Petition for commencement of bankruptcy proceedings, etc. by a creditor or any other entity other than such subsidiary, etc.;

f. Dishonor, etc.;

g. Petition for commencement of bankruptcy proceedings, etc. pertaining to a sub-subsidiary;

h. As a result of an occurrence of a dishonor, etc., petition for commencement of bankruptcy procedures, etc., or a fact equivalent to these pertaining to a debtor or a main debtor concerning guarantee obligations, default of a right to obtain reimbursement against such main debtor is likely to occur where accounts receivable, loans or other receivables or such guarantee obligations against such debtors;

i. Suspension of trade with a main business partner or suspension of trade with two or more business partners for the same reason or in the same period;

j. Exemption of obligations or extension of a repayment deadline (limited to an extension that the Exchange deems equivalent to exemption of obligations) by a creditor or assumption or fulfillment of obligations by a third party;

k. Discovery of resources; or

l. In addition to the facts referred to in a. through the preceding k., important matters relating to operation, business or assets of such subsidiary which have a remarkable effect on investors’ investment decisions;

(3) Where a listed company owns a linked subsidiary (meaning a linked subsidiary as prescribed in Article 49, Item 11 of Cabinet Office Ordinance on Transactions Regulations; the same shall apply in this item and in Rule 405, Paragraph 3), in addition to the preceding two items, in cases of such linked subsidiary falling under the following a. or b.:

a. Where a body which decides the business execution of a linked subsidiary makes a decision on carrying out the matters referred to in Article 166, Paragraph 2, Item 5, Sub-items (i) through (viii) of the Act with respect to such linked subsidiary (including cases where decision is made not to carry out matters relating to such decision); or

b. Where a fact referred to in Article 166, Paragraph 2, Item 6, Sub-item (i) or (ii) of the Act occurs to a linked subsidiary.
Rule 404. Earnings Reports (Kessan Tanshin), etc.
Where details of the account settlement for a business year, a quarterly cumulative period, a consolidated accounting year, or a consolidated quarterly cumulative period are settled, a listed company must disclose such details immediately.

Rule 405. Amendment to Estimated Value, etc.
1. Where there occurs a difference (limited to those falling under the criteria specified by the Enforcement Rules as matters which have a material impact on investors’ investment decisions) in estimated value newly calculated by a listed company or account settlement for a consolidated accounting year compared to the last published estimated value (where there is not such value, published actual value for the previous consolidated accounting year) with respect to sales, operating profits, ordinary profits or net income (in the case of a listed company which is a company that voluntarily adopts IFRS, meaning sales, operating profits, profits before taxes, net income or net income belonging to the owner(s) of the parent company) of a business group to which such listed company belongs, such listed company shall disclose details of such difference immediately.
2. Where an estimated value of a dividend from surplus of a listed company is calculated, such listed company shall disclose details of such value immediately.
3. Where a fact enumerated in Article 166, Paragraph 2, Item 3 of the Act (excluding cases prescribed in the preceding two paragraphs) or a fact enumerated in Paragraph 2, Item 7 of the same article occurs, such listed company must disclose details of such fact immediately.
4. Regarding the application of the provisions of Paragraph 1 to companies which should not prepare consolidated financial statements, "a business group to which such listed company belongs" shall be "such listed company", and "consolidated accounting year" shall be "business year".

Rule 406. Deleted.

Rule 407. Disclosure of Information by Listed Foreign Companies
1. In addition to Rules 402 through 405, where any of the following facts referred to in each of the following items occurs, a listed foreign company shall disclose its details immediately pursuant to the provisions of the Enforcement Rules:
   (1) Changes in laws and regulations, etc. of the home country concerning the company system which have a material impact on the shareholders (including holders of a listed foreign stock depositary receipt, etc.) or the company’s business performance; and
   (2) A fact which occurs in a foreign country that has a material impact on the circulation of a listed foreign stock, etc. or a foreign stock depositary receipt, etc. which represents a right pertaining to a listed foreign stock, etc.
2. In addition to Rules 402 through 405 and the preceding paragraph, where an issuer of a listed foreign stock depositary receipt, etc. has made a decision on change in or termination of a deposit agreement, etc. prescribed in Rule 206, Paragraph 1, Item 4 or any other agreement, or other matters which have a material impact on a right, etc. related to the listed foreign stock depositary receipt, etc., or where a fact which has a material impact on such right, etc. has emerged, the issuer shall disclose details immediately pursuant to the provisions of the Enforcement Rules.

Rule 408. Disclosure of Delisting, etc.
In each of the following items, if a listed company submits to the Exchange a written document specified by each of such items, it shall disclose such document immediately:

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(1) Where a listed company falls under cases where the listed market capitalization specified in Rule 311, Paragraph 1, Item 4 is less than 2 billion yen:
A written document specified in the same item;
(2) Where a listed company falls under cases where the number of tradable shares prescribed in Rule 601, Paragraph 1, Item 2, Sub-item c. (including cases in accordance with Rule 602, Paragraph 1, Item 1) as of the end of a business year of the listed company is less than 5% of the total number of shares of the listed stock, etc.:
A schedule of a public offering, secondary offering, or distribution with a quantitative limit prescribed in Rule 601, Paragraph 1, Item 2, Sub-item c.;
(3) Where a listed company falls under cases where the market capitalization prescribed in Rule 601, Paragraph 1, Item 4, Sub-item a. (including cases in accordance with Rule 602, Paragraph 1 or Paragraph 2, Item 3) is less than one (1) billion yen:
A written document prescribed in Rule 601, Paragraph 1, Item 4, Sub-item a.;
(4) Where a listed company falls under cases where the number of tradable shares prescribed in Rule 603, Paragraph 1, Item 2, Sub-item c. (including cases in accordance with Rule 604, Paragraph 1, Item 1) as of the end of a business year of the listed company is less than 5% of the total number of shares of the listed stock, etc.:
A schedule of a public offering, secondary offering, or distribution with a quantitative limit prescribed in Rule 603, Paragraph 1, Item 2, Sub-item c.; and
(5) Where a listed company falls under cases where the market capitalization prescribed in Rule 603, Paragraph 1, Item 5, Sub-item a. (including cases in accordance with Rule 604, Paragraph 1, Item 1 or Paragraph 2, Item 4 of the same rule) is less than one (1) billion yen (within a period of ten (10) years since listing, where it is less than five hundred (500) million yen):
A written document prescribed in Rule 603, Paragraph 1, Item 5, Sub-item a.
(6) Where a listed company falls under cases where the stock price falls below 10% of the price for the public offering at the time of initial listing (meaning the public offering based on the provisions of Rule 212, Item 3; the same shall apply hereinafter.) by the point of time when three (3) years have elapsed since the listing, as prescribed in Rule 603, Paragraph 1, Item 5-2 (including cases prescribed in Rule 604, Paragraph 1, Item 1 or Paragraph 2, Item 4 of the same rule):
A written document prescribed in Rule 603, Paragraph 1, Item 5-2

Rule 409. Disclosure of Lowering Investment Units
Where the price specified by the Enforcement Rules as the latest investment unit (meaning the price per unit; the same shall apply hereinafter.) of a listed domestic stock is 500,000 yen or more, the issuer of the listed domestic stock shall disclose its view and policy, etc. concerning an investment unit of such issuer in order to shift to a level as prescribed in Rule 445 within three (3) months after the end of the business year.

The listed domestic company must disclose, within three (3) months from the end of its business year, whether or not it is a member of the Financial Accounting Standards Foundation as of the end of such business year (including, if it has not yet obtained membership in such Foundation, a view on obtaining membership in or after the following business year); provided, however, that this shall not apply when the Enforcement Rules prescribe otherwise.
Rule 410. Disclosure of the Status of Conversion or Exercise of MSCB, etc.

1. Where a listed company issues a security which is specified by the Enforcement Rules (hereinafter referred to as "CB, etc."), and to which is attached issuance conditions specified by the Enforcement Rules (hereinafter referred to as "MSCB, etc."), it shall disclose the status of conversion or exercise of MSCB, etc. in the preceding month at the beginning of a month.

2. Where a listed company issues MSCB, etc. and where the total amount of the cumulative conversion or cumulative exercise from the beginning of a month or the cumulative conversion or cumulative exercise during the same month after the disclosure exceed 10% of the total amount of issue of such MSCB, etc., the listed company shall disclose the status of such conversion or exercise immediately.

3. In cases where transactions, such as derivatives transactions prescribed in Rule 2, Paragraph 20 of the Act related to securities issued by a listed company, which are inevitably linked to a CB, etc. issued by such listed company, as well as where such CB, etc. and such transaction, such as derivatives transactions, as a unit, have an effect, equal to an MSCB, etc., such CB, etc. and such transactions, such as derivatives transactions, as a unit shall be deemed an MSCB, etc. and the provisions of the preceding two paragraphs shall be applied.

Rule 411. Disclosure of Matters Relating to Controlling Shareholder, etc.

1. A listed company which has a controlling shareholder or other affiliated company prescribed in Article 8, Paragraph 17, Item 4 of the Financial Statements, etc. Ordinance must disclose matters relating to a controlling shareholder, etc. specified by the Enforcement Rules within three (3) months after the end of a business year.

2. In the event that a listed company has a parent company, etc. (see Note below), when details of the account settlement of a business year or interim accounting period (meaning a cumulative quarterly period in cases where said parent company, etc. is a company which submits quarterly financial statements; the same shall apply in the next paragraph) or a consolidated accounting year or consolidated interim accounting period (meaning a cumulative consolidated quarterly period in cases where said parent company, etc. is a company which submits quarterly consolidated financial statements; the same shall apply in the next paragraph) of said parent company, etc. are fixed, the listed company must disclose them immediately.

(Note) "Parent company, etc." shall be limited to companies. If there are multiple parent companies, etc., it refers to the company which has the largest influence on the listed company. If such multiple parent companies, etc. are deemed to have an equal influence, it refers to any one of them.

3. Notwithstanding the provisions of the preceding paragraph, a listed company shall not be required to make disclosure prescribed in said paragraph in cases referred to in each of the following items; provided, however, that this shall not apply where any of Items 2 through 4 is met and the listed company has pledged in writing to the Exchange to carry out appropriate disclosure of facts, etc. concerning said parent company, etc. which has a material impact on the management of the listed company.

(1) Where said parent company, etc. is an issuer of stocks, etc. listed on any domestic financial instruments exchange;

(2) Where said parent company, etc. is an issuer of stocks, etc. listed on or continuously traded at any foreign financial instruments exchange, etc.;

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(3) Where said parent company, etc. has little relationship with the listed company in terms of business, and the Exchange deems that the listed company has difficulties in grasping details of the account settlement pertaining to the business year or interim accounting period or a consolidated accounting year or consolidated interim accounting period of said parent company, etc.; or

(4) Where said parent company, etc. is any other entity deemed appropriate by the Exchange.

4. With regard to the application of the provisions of the preceding two paragraphs to JASDAQ-listed companies, "parent company, etc." shall mean "a company that substantially hold a majority of voting rights of such listed company (including voting rights for stocks deemed to hold voting rights pursuant to the provisions of Article 879, Paragraph 3 of the Companies Act, with the exception of voting rights for stocks which cannot be exercised for all matters to be voted on at the general shareholders meeting)."

Rule 411-2. Implementation of Timely and Appropriate Disclosure of Corporate Information

The provisions of the this section state the minimum requirements, methods, etc. that a listed company should observe with respect to timely disclosure of corporate information, etc., and a listed company shall not use the provisions of the same section as an excuse for failures to disclose corporate information in a more timely and appropriate manner.

Rule 412. Examination, etc. of Disclosure of Corporate Information

1. Where a listed company carries out disclosure of corporate information pursuant to the provisions of this section, it shall observe the matters provided in the following items:
   (1) The contents of the information to be disclosed do not contain false statements;
   (2) The information to be disclosed is not lacking information deemed to be significant to investors’ investment decisions;
   (3) The information will not cause misunderstanding regarding investment decisions; and
   (4) In addition to the matters referred to in the preceding 3 items, the appropriateness of disclosure is not lacking.

2. The Exchange shall prescribe necessary matters concerning examination of disclosure of corporate information which a listed company carries out pursuant to the provisions of this section as the Guidelines Concerning Listed Company Compliance, etc.

Rule 413. Explanation of Corporate Information to the Exchange

Where a listed company carries out disclosure of corporate information pursuant to the provisions of Rules 402 through 411-2, it shall make prior explanation of the details pertaining to such disclosure to the Exchange.

Rule 413-2. Handling of Corporate Information on Listed Company's own Website, etc. before Disclosure

When a listed company intends to make corporate information, which requires to be disclosed pursuant to the provisions of Rule 402 to Rule 411-2, available for public inspection by use of the Internet, it shall make such action after such corporate information is disclosed as specified by the following rule; provided, however, that this shall not be applied to cases where the listed company takes measures to restrict public inspection on such corporate information, which include access control functions (meaning those prescribed in Article 2, Paragraph 3 of Act on Prohibition of Unauthorized Computer Access (Act No. 128 of 1999)).
Rule 414. Method of Disclosure of Corporate Information
1. Disclosure of corporate information on the basis of the provisions of Rules 402 through 411-2 shall be carried out using TDnet (meaning the timely disclosure information dissemination system of the Exchange).

2. In cases of the preceding paragraph, a listed company shall transmit materials pertaining to such disclosure to the Exchange through TDnet.

3. Notwithstanding the provisions of the preceding paragraph, a listed company may submit "Written Notice Concerning Public Announcement of Corporate Information" predetermined by the Exchange and materials pertaining to such disclosure (hereinafter referred to as "Written Public Notice, etc.") to the Exchange instead of transmitting disclosure materials through TDnet as prescribed by the same paragraph. In this case, where such listed company is an issuer of a security listed on any other domestic financial instruments exchange (limited to a financial instruments exchange equipped with TDnet) and where the issuer submits written documents deemed appropriate by the Exchange to such financial instruments exchange, the issuer shall be deemed to have submitted the Written Public Notice, etc. to the Exchange.

4. A listed company may transmit the Written Public Notice, etc. by facsimile instead of submitting the Written Public Notice, etc. as prescribed in the first sentence of the preceding paragraph, where the Exchange deems this appropriate.

5. Notwithstanding the provisions of each of the preceding paragraphs, where any failure occurs to the operation of TDnet or where the Exchange deems necessary, disclosure of corporate information on the basis of the provisions of Rules 402 through 411-2 shall be carried out by a method prescribed by the Exchange from time to time.

6. The Exchange may make materials transmitted or submitted by a listed company pursuant to the provisions of Paragraph 2 through the preceding paragraph for public inspection.

7. Where a listed company notifies the Exchange of a material fact, etc. or the fact of a tender offer, etc. pursuant to the provisions of Rule 30, Paragraph 1, Item 2 or of the fact of a tender offer, etc. pursuant to the provisions of Item 4 of the same paragraph, such notification shall be made in a manner pertaining to corporate information disclosure pursuant to the provisions of Rules 402 through 411-2.

8. The provisions of the preceding three rules, Paragraph 6, Paragraph 1 of the following rule, and Rule 416, Paragraph 1 shall be applied mutatis mutandis to notices of the fact of a tender offer, etc. to the Exchange referred to in the preceding paragraph pursuant to the provisions of Article 30, Paragraph 1, Item 4 of the Enforcement Ordinance.

Rule 415. Report and Disclosure of Reference Matters Pertaining to Corporate Information
1. Where the Exchange makes an inquiry of corporate information of a listed company by deeming that it is necessary to do so, such listed company shall make an accurate report on an inquiry matter immediately.

2. Where the Exchange deems that it is necessary and appropriate to disclose a fact pertaining to an inquiry as prescribed by the preceding paragraph, a listed company shall disclose details immediately.

3. The provisions of the preceding two rules shall be applied mutatis mutandis to disclosure in accordance with the provisions of the preceding paragraph.

4. The provisions of Paragraph 1 shall be applied mutatis mutandis to the cases referred to in each of the following items.

(1) Where the Exchange makes an inquiry of a listed stock, etc. by deeming that it is
necessary for the purpose of trading supervision (including cases where the Exchange makes an inquiry of the circumstances, etc. from the occurrence through the public announcement of corporate information by deeming that it is necessary for a survey in order to ensure fairness of securities trading on the Exchange market); and

(2) Where another domestic financial instruments exchange requests for provision of information concerning a listed company pertaining to information from the occurrence through the public announcement of corporate information due to a survey in order to ensure fairness of securities trading, etc. in such market, and where the Exchange deems it substantial to respond to such request and makes an inquiry of such circumstances, etc.

Rule 416. Change in or Correction of Disclosure Information

1. In circumstances where a change or correction should be made to the information disclosed pursuant to the provisions from Rules 402 through 411-2 or the provisions of Paragraph 2 of the preceding rule, a listed company shall disclose details of such change or correction immediately.

2. Notwithstanding the provisions of the preceding paragraph, with respect to disclosure in cases where there arises any event that requires a change or correction to the details of the account settlement disclosed pursuant to the provisions of Rule 404 before submission of securities reports or quarterly reports (excluding cases which the Exchange deems as matters whose effect on investors’ investment decisions is of significance), it shall be adequate for a listed company to conduct such disclosure without delay after submission of such securities report or quarterly report pertaining to such account settlement.

3. The provisions of Rules 413 and 414 shall be applied mutatis mutandis to the disclosure in accordance with the provisions of the preceding two paragraphs.

Rule 417. Notification of Entities Responsible for Handling of Information

1. A listed company (excluding a listed foreign company whose listed foreign stock, etc. is principally traded on the market other than the Exchange; the same shall apply in the following paragraph) shall select at least one (1) entity responsible for handling of information (meaning an entity in charge of liaison pertaining to reporting in reply for inquiries that the Exchange makes pursuant to the provisions of Rule 415, Paragraph 1, and other matters regarding disclosure of corporate information) from among those specified by the Enforcement Rules and shall notify the name, title and contact of that entity to the Exchange.

2. Where a listed company alters the contents of the notification in the preceding paragraph, it shall notify the Exchange of that fact.

Rule 418. Deleted.

Rule 419. Report Concerning Corporate Governance

1. Where there has occurred any change in the information in a report including the matters regarding corporate governance specified by the Enforcement Rules, it shall be said report after the change), a listed company shall submit a report after the change without delay. In this case, such listed company shall agree that the Exchange makes said report after the change available for public inspection.

2. In the case of the first sentence of the preceding paragraph, if the details of such change relate to matters specified by the Enforcement Rules, a listed company may submit a report after the change without delay after the day of the first annual general shareholders meeting.
Rule 420. Report Concerning Risk Information Pertaining to Structure of Corporate Group

1. Where a listed company which has not submitted a report prescribed in Rule 204, Paragraph 12, Item 2, Rule 211, Paragraph 12, Item 2, or this paragraph makes an application for assignment to the First Section Market, an application for a change of the listing market, or an application prescribed in Rule 314-2, Paragraph 1, or Rule 605, Paragraph 2 as well as where the Exchange deems that the structure of the corporate group of said listed company is peculiar, the listed company shall submit a report containing risk information pertaining to the structure of the corporate group when the Exchange approves assignment of the listed stock, etc. to the First Section Market or the change of the listing market or when the listed company falls under the criteria set forth in the Enforcement Rules as specified in Rule 314-2, Paragraph 2 or Paragraph 3 of the same rule, or Rule 601, Paragraph 1, Item 9. In this case, such listed company shall agree that the Exchange makes such report available for public inspection.

2. Where there has occurred any change in details of a report prescribed in Rule 204, Paragraph 12, Item 2, Rule 211, Paragraph 12, Item 2, or the preceding paragraph (where a report after the change has been submitted pursuant to the provisions of this paragraph, it shall be said report after the change), a listed company shall submit a report after a change without delay and shall agree that the Exchange makes said report after the change available for public inspection; provided, however, that the same shall not apply to cases where the Exchange deems that said change in details is of minor significance.

Section 3
Procedures after Listing

Sub-section 1
Submission of Documents, etc.

Rule 421. Submission of Documents, etc.

1. A listed company shall make submission, etc. of documents to the Exchange as specified by the Enforcement Rules.

2. In addition to the preceding paragraph, a listed company shall submit without delay documents which the Exchange requests for a good reason, and shall agree that the Exchange will make documents deemed necessary by it for public inspection, out of such documents.

Rule 421-2. Informational Sessions Held by Mothers-Listed Companies, etc.

1. A Mothers-listed company shall hold informational sessions on investment in listed shares, etc. issued by such company twice or more in every year.

2. A Mothers-listed company shall make submission, etc. of documents for the informational sessions prescribed in the preceding paragraph to the Exchange, as specified by the Enforcement Rules.

Rule 421-3. Creation, etc. of a Medium-term Management Plan by Growth-listed Companies

1. A Growth-listed company shall create a 3-year management plan in the format prescribed by the Exchange (hereinafter referred to as "the medium-term management plan") at least after the occurrence of such change.
once per fiscal year in compliance with the matters provided in each of the following items, regarding progress of the management plan, its background and projections of future progress, and prerequisites for such.

1. The contents shall not include false statements.
2. The contents shall not lack in information which is important for investment decisions.
3. The contents will not cause misunderstandings in relation to investment decisions.
4. In addition to the above items, the contents shall not lack in appropriateness.

2. A Growth-listed company must submit documents containing the medium-term management plan created pursuant to the provisions of the preceding paragraph to the Exchange by a date specified by the Exchange.

3. In cases where a change occurs to the medium-term management plan submitted to the Exchange by a Growth-listed company, the company must submit a document containing details of such change to the Exchange without delay.

4. A Growth-listed company shall consent to the Exchange making the medium-term management plan submitted to the Exchange pursuant to the provisions of the preceding Paragraph 2 for public inspection.

Rule 421-4. Informational Sessions, etc. for Investors
A Growth-listed company must hold an informational session for investors or an equivalent event to explain the details of the medium-term management plan created pursuant to the provisions of Paragraph 1 of the preceding rule (including the document containing changes, in cases where such a document was submitted pursuant to the provisions of Paragraph 3 of the preceding rule) at least once per fiscal year as specified by the Exchange.

Rule 422. Report, etc. on Transfer of Offered Stocks Allotted by Third-Party Allotment, etc.
Reporting of transfer of offered stocks allotted by third-party allotment that a listed company carries out and its assurance, etc. shall be made pursuant to the provisions of the Enforcement Rules.

Sub-section 2
Shareholder Services, etc.

Rule 423. Setting Up Offices for Handling Exercise, etc.
1. A listed foreign company (limited to an issuer of a listed convertible bond) shall set up an exercise handling office or agency office for a subscription warrant pertaining to a listed convertible bond in Chuo-ku, Chiyoda-ku or Minato-ku in Tokyo or any of the places specified by the Exchange.

2. Where a listed foreign company changes the handling office or agency office set up in accordance with the preceding paragraph, it shall submit its prior written notice to the Exchange.

Rule 424. Entrustment to Shareholder Services Agents
A listed domestic company shall entrust its shareholder services to a shareholder services agent approved by the Exchange; provided, however, that the same shall not apply to a listed domestic company falling under the proviso of Rule 205, Item 8.
Rule 425. Ensuring Appropriate Shareholder Services and Dividend Payment Works
A listed foreign company shall ensure that shareholder services specified by the Enforcement Rules or any other shareholder services and dividend payment works for beneficial shareholders of a foreign stock, etc. will be carried out appropriately.

Rule 426. Selection of Agents, etc. of Companies
A listed foreign company shall, pursuant to the provisions of the Enforcement Rules, select an entity that has an address or residence in Japan and has the authority to deputize or represent such listed company with respect to all acts in relation to the Exchange.

Rule 427. Effective Date, etc. of Stock Splits
1. Where a listed domestic company carries out a stock split (including preferred equity investment split; the same shall apply hereinafter) or a gratis allotment of shares (limited to share allocation of the same class as that of the shares pertaining to a listed domestic stock) with respect to a listed domestic stock, etc., it shall make the day following the record date, etc. on which the entities who are to receive a right pertaining to such stock split or gratis allotment of shares are ascertained the effective date of such stock split or gratis allotment of shares.
2. In cases prescribed in the preceding paragraph, where it is necessary to satisfy certain requirements such as in a case where a resolution of a general shareholders meeting pertaining to an increase in the number of authorized shares is necessary, a listed domestic company shall make a day after four (4) days (excluding a holiday) counting from the day on which such stock split or gratis allotment of shares is carried out the record date, etc. to ascertain entities who receive a right pertaining such share split or gratis allotment of shares.

Rule 427-2. Number of Shares per Share Unit
1. Issuers of listed domestic stocks shall set the number of listed domestic shares per Share Unit to 100; provided, however, that this shall not apply to cases where the number of listed domestic shares per Share Unit is 1,000 and cases where the proviso of Rule 205, Item 9 is applied to an initial listing company.
2. Where an issuer of a listed domestic stock changes the number of shares per Share Unit of a listed domestic stock or makes a resolution by the board of directors (including decision by board members in the case of a company with an audit and supervisory committee, and including decisions by executive officers in the case of a company with a nomination committee and other committees) of newly setting up a provision concerning the Share Unit, the listed company shall make the share unit comprised of one hundred (100) shares.

Rule 428. Deleted.

Rule 429. Wide Awareness of Information Pertaining to Public Notice
Where a listed domestic company makes a public notice pursuant to the provisions of laws and regulations, it shall make information pertaining to such public notice widely known to investors.

Rule 430. Notification and Public Notice of Period or Date for Right Allotment
1. Where a listed foreign company decides a period or a date specified by the Enforcement Rules to determine entities who exercise a voting right, entities who receive a dividend or
allocation of a stock, or entities who should exercise a right as a shareholder (in cases of an issuer of a listed foreign stock depositary receipt, etc., where a depository, etc. pertaining to the listed foreign stock depositary security, etc. decides a period or a date to determine entities who should exercise a right concerning such foreign depositary receipt, etc.), the listed foreign company shall notify the Exchange of such period or date two (2) weeks before such period or date (where the deadline of notification and public notice required in the home country, etc. of such listed foreign company is earlier than a day two (2) weeks prior to such period or date, prior to such deadline) and, in addition, shall make public notice in Japan; provided, however, that in cases of public notice specified by the Enforcement Rules, it may omit such public notice.

2. Public notice in the preceding paragraph shall be made in the Japanese language.

3. Public notice in Paragraph 1 shall be made in a manner corresponding to that made by an issuer of a listed domestic stock.

Rule 431. Notification of Decision Concerning Depositories, etc. Pertaining to Listed Foreign Stock Depositary Receipts, etc.
Where a dividend or a subscription warrant or any other right is given to a foreign stock pertaining to a right representing a listed foreign stock depositary receipt, etc., if a depository, etc. pertaining to the listed foreign stock depositary receipt, etc. makes decision on how to deal with such right, etc. concerning such foreign stock depositary receipt, etc., the issuer shall immediately notify the Exchange thereof.

Section 4
Code of Corporate Conduct

Sub-section 1
Matters to be Observed

Rule 432. Matters to be Observed for Third-Party Allotment
A listed company, when performing an allotment of stocks, etc. by third-party allotment (limited to cases where the ratio of voting rights specified in the Enforcement Rules is 25% or more), or when there is the expectation of a change of a controlling shareholder due to such allotment, and conversion of offered stocks, etc. or exercise related to such allotment, shall conduct any of the procedures provided in the following items; provided, however, that the same shall not apply to cases where the Enforcement Rules specifies such allotment as a matter of extremely high urgency.

(1) Receipt of the opinion of an entity who has a specific degree of independence from the management regarding the necessity and suitability of such allotment.

(2) Confirmation of the intent of shareholders regarding such allotment by means such as a resolution in the general shareholders meeting.

Rule 433. Stock Split, etc.
A listed company shall not carry out a stock split, gratis allotment of shares, gratis allotment of subscription warrants, reverse stock split, or change in the number of shares per Share Unit (hereinafter referred to as a "stock split, etc." which is likely to disrupt the secondary market or infringe upon shareholder interests. In this case, if a reverse stock split will not create shareholders who lose their voting rights at the general shareholders meeting due to such reverse stock split being conducted at the same time of a change in the number of shares per
Share Unit, such reverse stock split shall not be included in reverse stock splits that are likely
to disrupt the secondary market or infringe shareholders' interest.

**Rule 434. Matters to beObserved Pertaining to Issuance of MSCB, etc.**
1. Where a listed company issues MSCB, etc., it shall take measures specified by the
   Enforcement Rules to restrict conversion or exercise of MSCB, etc. by entities who attempt
to purchase MSCB, etc.
2. The provisions of the preceding paragraph shall not apply to cases where the Enforcement
   Rules specify otherwise.
3. The provisions of Rule 410, Paragraph 3 shall be applied mutatis mutandis to applicable
cases in the preceding two paragraphs.

**Rule 435. Exercise of Voting Rights in Writing, etc.**
An issuer of a listed domestic stock shall determine matters enumerated in Article 298,
Paragraph 1, Item 3 of the Companies Act, where it convenes a general shareholders meeting;
provided, however, that the same shall not apply to cases where it solicits all shareholders
(excluding shareholders who may not exercise voting rights with respect to all the matters
enumerated in Item 2 of the same paragraph) to make third party exercise a voting right by
proxy by delivering a form of power of attorney at the time of notifying them of a general
shareholders meeting pursuant to the provisions of laws.

**Rule 436. Framework Improvement to Facilitate Exercise of Voting Rights for Listed
Foreign Companies**
Where a listed foreign company (limited to a listed foreign company whose listed foreign
stock, etc. is traded principally on the Exchange market) convenes a general shareholders
meeting, it shall send an instruction sheet (meaning a document by which a beneficial
shareholder of a foreign stock, etc. gives instructions for an exercise of a voting right) and a
reference document containing so adequate content that a beneficial shareholder of a foreign
stock, etc. can give instruction for an exercise of a voting right (meaning a document
containing matters that should serve as a reference regarding instruction for an exercise of a
voting right) to beneficial shareholders of a foreign stock, etc. by two (2) weeks prior to a day
of such general shareholders meeting.

**Rule 436-2. Securing Independent Director(s)/Auditor(s)**
1. For the protection of general investors, an issuer of listed domestic stocks must secure at
   least one independent director/auditor (meaning an outside director (meaning an entity
   falling under an outside director prescribed in Article 2, Item 15 of the Companies Act
   who is an outside director/auditor prescribed in Article 2, Paragraph 3, Item 5 of the
   Ordinance for Enforcement of the Companies Act (the Ordinance of the Ministry of
   Justice No. 12 of 2006)) or outside auditor (meaning an entity falling under an outside
   auditor prescribed in Article 2, Item 16 of the Companies Act who is an outside
director/auditor prescribed in Article 2, Paragraph 3, Item 5 of the Ordinance for
   Enforcement of the Companies Act) who is unlikely to have conflicts of interest with
general investors; hereinafter the same).
2. The Exchange shall specify the necessary items for securing an independent
director(s)/auditor(s) in the Enforcement Rules.
3. Notwithstanding the provisions of Paragraph 1, a JASDAQ-listed domestic company in
   the Growth sub-division (hereinafter referred to as a "Growth-listed domestic company")
   shall secure at least 1 independent director/auditor by the day of the general shareholders
Rule 436-3. Explanation of Reason for Compliance or Non-Compliance with Corporate Governance Code
When the issuer of a listed domestic stock complies or does not comply with each principles of the attached "Corporate Governance Code," it shall explain reasons for such compliance or non-compliance in the report prescribed in Rule 419. In this case, the category of listed companies and the scope of the applicable principles subject to explanation of such reasons shall be as specified in the following items.

(1) Companies listed on the 1st or 2nd Section:
   - General Principles, Principles, and Supplementary Principles
(2) Companies listed on Mothers or JASDAQ:
   - General Principles

Rule 437. Organs of Listed Domestic Companies
1. A listed domestic company shall set up a body enumerated in each of the following items:
   (1) A board of directors;
   (2) A board of auditors, an audit and supervisory committee, or a nomination committee and other committees (meaning a nomination committee and other committees specified in Article 2, Item 12 of the Companies Act; and
   (3) Accounting auditors.
2. Notwithstanding the provisions of the preceding paragraph, a Growth-listed domestic company shall establish the bodies provided in each of the items of such paragraph by the day of the general shareholders meeting pertaining to the first fiscal year that closes for the first time after one (1) year has elapsed since the listing date.

Rule 438. Certified Public Accountants, etc.
1. An issuer of a listed domestic stock shall appoint its accounting auditors as certified public accountants, etc. who carry out audit certification, etc. of financial statements, etc. or quarterly financial statements, etc. contained in a securities report or a quarterly report.
2. Notwithstanding the provisions of the preceding paragraph, a Growth-listed domestic company shall appoint its accounting auditors as the certified public accountants, etc. in such paragraph by the day of the general shareholders meeting pertaining to the first fiscal year that closes for the first time after one (1) year has elapsed since the listing date.

Rule 439. Development of System and Structure Necessary to Ensure Appropriateness of Business
1. A listed domestic company shall decide the development of a system and structure necessary to ensure that the execution of duties of directors, executive officers or administration directors of such listed domestic company comply with laws and regulations and the articles of incorporation, and any other systems necessary to ensure the appropriateness of business of the domestic company and business of the corporate group composed of said domestic company and its subsidiaries (meaning development of a system and structure prescribed in Article 362, Paragraph 4, Item 6 or Article 399-13, Paragraph 1, item 1, Sub-item c., Article 416, Paragraph 1, Item 1, Sub-item e. of the Companies Act or development of a system and structure corresponding thereto), as well as appropriately create and operate such system and structure.
2. Notwithstanding the provisions of the preceding paragraph, a Growth-listed domestic company shall decide upon the system and structure provided in such paragraph, as well
as appropriately create and operate such system and structure by the day of the general shareholders meeting pertaining to the first fiscal year that closes for the first time after one (1) year has elapsed since the listing date.

Rule 440. Matters to be Observed Pertaining to Introduction of Takeover Defense Measures
Where a listed company introduces takeover defense measures (meaning decision of the concrete substance of takeover defense measures such as making a resolution to issue new shares or subscription warrants as takeover defense measures), it shall observe the matters referred to in each of the following items:

(1) Sufficient disclosure:
The listed company shall make Necessary and sufficient timely disclosure concerning takeover defense measures;

(2) Transparency:
Conditions of implementation (meaning making the realization of an acquisition difficult by executing the substance of takeover defense measures; the same shall apply hereinafter) and abolishment (meaning canceling introduced takeover defense measures such as retiring new shares or subscription warrants issued as takeover defense measures) of takeover defense measures shall not depend on arbitrary decisions by the management;

(3) Effect on the secondary market:
Takeover defense measures shall not include factors which may cause extremely unstable price formation of a stock or any other factors which may cause unpredictable damage to investors; and

(4) Respect for shareholders’ rights:
Takeover defense measures shall give consideration to shareholders’ rights and their exercise.

Rule 441. Matters to be Observed Pertaining to Disclosure of MBO, etc.
Timely disclosure, in cases where a listed company conducts the announcement of an opinion or representation to shareholders as prescribed in Rule 402, Item 1, Sub-item y., relating to a takeover bid from an officer of the target of the takeover bid (including takeover bids where the takeover bidder is conducting the bid based on the request of an officer of the target of the takeover bid and has a common interest with the officer of such target) shall be made in a necessary and sufficient manner.

Rule 441-2. Matters to be Observed Pertaining to Significant Transactions, etc. with Controlling Shareholder
1. A listed company that has a controlling shareholder shall, in the cases enumerated in the following items, obtain opinion from an entity that has no interest in such controlling shareholder, that any decision on the matters prescribed in such items will not undermine interests of minority shareholders of such listed company.

(1) Where a body which decides the business execution of such listed company makes a decision on any of the matters enumerated in Sub-items a. (limited to cases of allocation of offered stocks by third-party allotment, etc.), e., i. through m., o. through s., w. through z., or ap through ar. of Rule 402, Paragraph 1 (limited to matters related to a controlling shareholder and other entities specified by the Enforcement Rules) (limited to cases where disclosure of such content is required pursuant to the provisions of the same rule); or

(2) Where a body which decides the business execution of a subsidiary of such listed
company, etc. makes a decision on any of the matters enumerated in Sub-items a. through e., g. through k., n., o., or s. of Rule 403, Paragraph 1 (limited to matters related to a controlling shareholder and other entities specified by the Enforcement Rules) (limited to cases where disclosure of such content is required pursuant to the provisions of the same rule).

2. A listed company shall, in the cases enumerated in each item of the preceding paragraph, perform necessary and sufficient timely disclosure.

**Rule 441-3. Audit by a Listed Company Audit Firm, etc.**
An issuer of a listed domestic stock shall undergo audit by a listed company audit firm (including audit firms in the list of associate registered audit firms based on the Registration System for Listed Company Audit Firms of The Japanese Institute of Certified Public Accountants).

**Rule 442. Prohibition of Insider Trading**
A listed company must not allow its officers, agents, employees and other workers to conduct insider trading for such listed company’s account.

**Rule 443. Exclusion of Anti-Social Forces**
A listed company shall not have relationships prescribed in the Enforcement Rules as those in which the listed company is involved with anti-social forces.

**Rule 444. Prohibition of Actions Damaging to the Function of the Secondary Market or Shareholders’ Rights**
A listed company shall, in addition to observing the provisions of Rule 432 to the preceding rule, not conduct actions deemed by the Exchange as damaging to the function of the secondary market or the rights of shareholders.

**Sub-section 2**
**Matters Desired to be Observed**

**Rule 445. Efforts, etc. toward the Shift to and Maintenance of the Desired Investment Unit Level**
An issuer of listed domestic stock shall make efforts to shift to and maintain an investment unit between 50,000 yen and 500,000 yen for such listed domestic stock.

**Rule 445-2. Efforts, etc. toward Unification of Trading Unit**
An issuer of listed domestic stock shall make efforts to set the number of listed domestic shares per Share Unit to 100.

**Rule 445-3. Respect for the Corporate Governance Code**
Listed companies shall respect the intent and spirit of the attached "Corporate Governance Code" and make efforts to enhance their corporate governance.

**Rule 445-4. Securing Independent Directors/Auditors as Directors on the Board**
An issuer of listed domestic stocks must make efforts to secure at least one independent director/auditor as a member of its board of directors.

**Rule 445-5. Preparation of an Environment for the Functioning of Independent
Directors/Auditors
An issuer of listed domestic stocks shall make efforts to develop an environment where an independent director(s)/auditor(s) will fulfill the role expected thereof.

Rule 445-6. Provision of Information regarding Independent Director(s)/Auditor(s), etc.
An issuer of listed domestic stocks shall make efforts to provide its shareholders with information regarding an independent director(s)/auditor(s) and information regarding the independence of outside director(s)/auditor(s) as provided in Article 2, Paragraph 3, Item 5 of the Enforcement Rules of the Companies Act in a manner which contributes to the exercise of voting rights in the general shareholders meeting.

Rule 446. Framework Improvement to Facilitate Exercise of Voting Rights
An issuer of a listed domestic stock shall endeavor to carry out matters prescribed by the Enforcement Rules as a framework improvement to facilitate the exercise of voting rights at general shareholders meetings.

Rule 447. Documents to be Delivered to Shareholders Owning Stock Without Voting Rights
In the event that an issuer of stock without voting rights has delivered documents for shareholders (excluding a document for exercising voting rights and proxy) to shareholders owning stock with voting rights, the issuer shall make efforts to immediately deliver such documents to shareholders owning stock without voting rights as well.

Rule 448. Deleted

Rule 449. System Improvement for Prevention of Occurrence of Insider Trading
A listed company shall endeavor to develop necessary systems to prevent insider trading, etc. by its officers, agents, employees and other workers.

Rule 450. Development of System, etc. for Excluding Anti-Social Forces
A listed company shall make efforts to develop a company structure to prevent damage due to anti-social forces including criminal and extremist elements and to prevent the intervention of anti-social forces against individual corporate activities.

Rule 451. Development of Systems and Structures to Properly Respond to Changes, etc. in Accounting Standards, etc.
Listed domestic companies shall make efforts to develop such systems and structures as follows, so that they can appropriately grasp the contents of accounting standards or properly respond to changes in accounting standards, etc.: (i) To obtain membership in an organization or association that performs submission or dissemination of opinions or communication with respect to details of accounting standards or their changes, etc.; and (ii) To participate in training programs conducted by an accounting standards setting body, etc.

Rule 452. Fair Provision of Supplementary Explanatory Materials Related to the Details of Account Settlement
A listed company shall make efforts to ensure the fair provision of supplementary explanatory
materials on the details of the account settlement disclosed pursuant to the provisions of Rule 404 when preparing and providing such materials to investors.

Chapter 5
Ensuring Effectiveness

Section 1
Securities on Alert

Rule 501. Designation and Cancellation of Designation of Securities on Alert

1. The Exchange may, in the cases provided in the following items, and, in addition, where the Exchange deems that improvement of the internal management system, etc. of such listed company is highly necessary, designate the listed stock, etc. issued by such listed company as a Security on Alert:

   (1) Where the Exchange deems that a listed company does not fall under Rule 601, Paragraph 1, Item 9-2, Item 12, Item 19, or Item 20 (including cases where it falls under Rule 602, Paragraph 1, Item 1, or Paragraph 2, Item 3; Rule 603, Paragraph 1, Item 6; Rule 604, Paragraph 1, Item 2, or Paragraph 2, Item 1; Rule 604-2, Paragraph 1, Item 3; Rule 604-3, Item 2; Rule 604-4, Paragraph 1, Item 2; or Rule 604-5, Item 2) after having deemed that it is likely that such company does so qualify;

   (2) Where a listed company falls under the following a. or b.:

   a. Where a listed company has made false statements in a securities report, etc.

   b. Where, in audit reports attached to financial statements, etc. or quarterly review reports attached to quarterly financial statements, etc. a certified public accountant, etc. expresses an "adverse opinion" or the fact that "opinions are not expressed" in an audit report, or a "negative conclusion" or the fact that "conclusion is not expressed" in a quarterly review report (in cases of a specified business company, an "opinion that interim financial statements, etc. do not provide useful information" or the fact that "opinions are not expressed"); however, excluding cases where the fact that "opinions are not expressed" or the fact that "conclusion is stated, and such statements are made due to reasons not attributable to the listed company, such as act of providence;

   (3) Where the Exchange deems that a listed company has violated the provisions of Chapter 4, Section 2;

   (4) Where the Exchange deems that a listed company has violated the provisions of Chapter 4, Section 4, Sub-section 1; or

   (5) Where the Exchange deems it will not recognize improvement in the execution of improvement measures and operating conditions in a listed company which has submitted an improvement report according to provisions of Paragraph 3 of the following rule (including cases where these provisions are applied mutatis mutandis in Rule 503, Paragraph 7).

2. A listed company which is the issuer of a listed stock, etc. designated as a security on alert pursuant to the provisions of the preceding paragraph shall submit a document specified by the Enforcement Rules that contains the status of the internal management system, etc. (hereinafter referred to as a "Written Confirmation of Internal Management System") promptly after one (1) year has elapsed since such designation.

3. The Exchange shall conduct examination on the internal management system, etc. on the basis of the substance of the Written Confirmation of Internal Management System
4. The Exchange shall handle listed stocks, etc. as specified by each of the following items in accordance with the classifications referred to in each such item, based on the results of the examination referred to in the preceding paragraph:

   (1) Where it is deemed that there is no problem in the internal management system, etc.;
       Cancel the designation as a security on alert

   (2) Where the Exchange deems that there is a problem in the internal management system, etc. (excluding cases where the Exchange deems that improvement can no longer be expected in the internal management system, etc. of a listed company prescribed in Rule 601, Paragraph 1, Item 11-2, Sub-item b);
       Continue designation as a security on alert

5. A listed company that is an issuer of a listed stock, etc., for which designation as a security on alert continued pursuant to the provisions of Item 2 of the preceding paragraph, must resubmit the Written Confirmation of Internal Management System promptly after one (1) year and six (6) months have elapsed since the designation referred to in Paragraph 1.

6. The Exchange shall conduct examination on the internal management system, etc. on the basis of the substance of the Written Confirmation of Internal Management System resubmitted pursuant to the provisions of the preceding paragraph and the substance, etc. of reports submitted pursuant to Paragraph 8.

7. Where the Exchange does not deem that there is a problem in the internal management system, etc., the Exchange shall cancel the designation as a security on alert.

8. A listed company which is the issuer of a listed stock, etc. designated as a security on alert pursuant to the provisions of Paragraph 1 shall accurately report on enquired matters immediately, where the Exchange makes an inquiry of the internal management system, etc. of such listed company after deeming it necessary.

Section 2
Improvement Report

Rule 502. Submission of Improvement Report Pertaining to Timely Disclosure, etc.
1. In the cases provided in the following items and where the Exchange deems that improvement is highly necessary, the Exchange may request that the listed company submit a report which contains its background and improvement measures (hereinafter referred to as an "Improvement Report").

   (1) Where the Exchange deems a listed company has breached the provisions of Chapter 4, Section 2; or

   (2) Where the Exchange deems a listed company has breached the provisions of Chapter 4, Section 4, Sub-Section 1.

2. Where the Exchange deems that the contents of the Improvement Report submitted pursuant to the provisions of the preceding paragraph are apparently inadequate, the Exchange may request such listed company to change it and resubmit an Improvement Report.

3. Where a listed company is required to submit the Improvement Report pursuant to the provisions of the preceding two paragraphs, it shall promptly submit such improvement report.

4. Where a listed company submits the Improvement Report to the Exchange pursuant to the provisions of the preceding paragraph, the Exchange shall make such Improvement Report (excluding the improvement report with substance deemed clearly inadequate pursuant to
the provisions of Paragraph 2) for public inspection.

**Rule 503. Submission of Improvement Status Report, etc.**

1. A listed company which has submitted the Improvement Report pursuant to the provisions of Paragraph 3 of the preceding rule (including cases where these provisions are applied mutatis mutandis in Paragraph 7; the same shall apply in this rule) shall promptly submit a report containing the status of implementation and operation of the improvement measures (hereinafter referred to as an "Improvement Status Report") after six (6) months from the submission of such Improvement Report.

2. Notwithstanding the provisions of the preceding paragraph, the Exchange may request a listed company which has submitted the Improvement Report pursuant to the provisions of Paragraph 3 of the preceding rule to submit the Improvement Status Report, where the Exchange deems it necessary pertaining to the status of implementation and operation of the improvement measures of such listed company until five (5) years have passed since the submission of such Improvement Report.

3. Where a listed company is requested to submit the Improvement Status Report pursuant to the provisions of the preceding paragraph, it shall promptly submit such Improvement Status Report.

4. Where a listed company submits the Improvement Status Report to the Exchange pursuant to the provisions of Paragraph 1 or the preceding paragraph, the Exchange shall make such Improvement Status Report for public inspection.

5. A listed company which has submitted the Improvement Report pursuant to the provisions of Paragraph 3 of the preceding rule shall accurately report on enquired matters immediately where the Exchange makes an inquiry into the status of implementation and operation of the improvement measures of such issuer.

6. In cases referred to in each of the following items, the Exchange may request such listed company to submit the Improvement Report:
   
   (1) Where a listed company does not promptly submit the Improvement Status Report prescribed in Paragraph 1 or Paragraph 3 and does not submit by the submission deadline after a reasonable period specified by the Exchange;
   
   (2) The Exchange deems that the content of the Improvement Status Report submitted pursuant to the provisions of Paragraph 1 or Paragraph 3 is apparently inadequate; and
   
   (3) A listed company does not carry out reporting appropriately on the basis of the provisions of the preceding paragraph, and the Exchange deems that improvement is highly necessary.

7. The provisions of Paragraphs 2 through 4 of the preceding rule shall be applied mutatis mutandis to the Improvement Report in the preceding paragraph.

**Rule 504. Submission of Improvement Report Pertaining to Submission, etc. of Documents**

1. Where a listed company does not appropriately carry out submission, etc. of documents pursuant to the provisions of Chapter 3, Section 1, Rule 421; Rule 421-2, Paragraph 2; Rule 421-3, Paragraph 2; or Paragraph 3 of the same rule or holding of an informational session, etc. pursuant to the provisions of Rule 421-2, Paragraph 1 or Rule 421-4, the Exchange may request such listed company to submit the Improvement Report if the Exchange deems that improvement is highly necessary.

2. The provisions of Rule 502, Paragraphs 2 and 3 shall be applied mutatis mutandis to the Improvement Report of the preceding paragraph.

3. The provisions of Rule 502, Paragraph 4 shall be applied mutatis mutandis to cases where a
listed company does not appropriately carry out submission, etc. of documents pursuant to the provisions of Rule 421-3 (excluding Paragraph 4) or does not appropriate hold an information session, etc. pursuant to the provisions of Rule 421-4.

Rule 505. Submission of Improvement Report Pertaining to Ensuring, etc.
1. Where a listed company does not appropriately provide a report on transfer of an offered stock and its affirmation, etc. on the basis of the provisions of Rule 422, the Exchange may request such listed company to submit the Improvement Report.
2. Where a listed company submits the report mentioned in the preceding paragraph pursuant to the provisions of the same paragraph, the Exchange may make such report for public inspection if the Exchange deems it necessary and appropriate.

Section 3, Section 4
Deleted.

Rules 506 and 507. Deleted.

Section 5
Public Announcement

Rule 508. Public Announcement Measure
1. In cases referred to in each of the following items, the Exchange may make a public announcement of such information if the Exchange deems this necessary:
   (1) Where the Exchange deems a listed company has breached the provisions of Chapter 4, Section 2;
   (1)-2 Where the Exchange deems that a listed company has breached the provisions of Rule 427-2, Paragraph 1;
   (1)-3 Where the Exchange deems a listed company has breached the provisions of Rule 421-3 (excluding Paragraph 4) or Rule 421-4;
   (2) Where the Exchange deems a listed company has breached the provisions of Chapter 4, Section 4, Sub-Section 1; or
   (3) Where a listed company breaches the provisions of Article 331, Article 335, Article 337, or Article 400 of the Companies Act.
2. Where a listed company breaches any of the provisions from Rules 435 through 439, or falls under Item 3 of the preceding paragraph, the listed company shall report to the Exchange immediately.

Section 6
Listing Agreement Violation Penalty

Rule 509. Listing Agreement Violation Penalty
1. In cases provided in each of the following items, if the Exchange deems that said listed company has undermined the confidence of shareholders and investors in the Exchange market, the Exchange may claim payment of a listing agreement violation penalty against said listed company. In this case, the Exchange shall make a public announcement of such information.
   (1) Where the Exchange deems that a listed company has breached the provisions of Chapter 4, Section 2;
   (2) Where the Exchange deems that a listed company has breached the provisions of Article 331, Article 335, Article 337, or Article 400 of the Companies Act.
Chapter 4, Section 4, Sub-Section 1; or

(3) In addition to the cases provided in the preceding two items, where the Exchange deems that a listed company has breached the Securities Listing Regulations or other regulations.

2. If a listed company is requested to pay a listing agreement violation penalty pursuant to the preceding paragraph, said listed company must pay the listing agreement violation penalty as specified by the Enforcement Rules.

Section 7
Miscellaneous Provisions

Rule 510. Examination of Provisions Pertaining to Ensuring Effectiveness
The Exchange shall prescribe necessary matters concerning examinations pursuant to the provisions of Rule 501 through the preceding rule by the Guidelines Concerning Listed Company Compliance, etc.

Chapter 6
Delisting

Section 1
Delisting Criteria for the Main Markets

Rule 601. Delisting Criteria for Listed Domestic Companies
1. Where a listed domestic stock, etc. on the Main Markets falls under any of the following items, it shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:

(1) Number of shareholders:
   Where the number of shareholders is less than 400 as of the end of a business year of a listed company and the number does not reach at least 400 within a year; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise;

(2) Tradable shares:
   Where any of the following a. through c. is met; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise:
   a. Where the number of tradable shares is less than 2,000 units as of the end of a business year of a listed company and the number does not reach at least 2,000 units within a year;
   b. Where the market capitalization of the tradable shares is less than 500 million yen as of the end of a business year of a listed company and the number does not reach at least 500 million yen within a year; provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, the Exchange shall specify the criterion on a case by case basis; or
   c. Where the number of tradable shares is less than 5% of the total number of a listed stock, etc. as of the end of a business year of a listed company and the listed company does not submit a scheduled plan of public offering, secondary offering or distribution by a day specified by the Enforcement Rules.

(3) Trading volume:
   Where the following a. or b. is met; provided, however, that the same shall not apply to
cases where public offering, secondary offering or off-auction distribution is carried out as specified by the Enforcement Rules within three (3) months after the following a. or b. is met:
a. Where the average monthly trading volume of a listed stock, etc. for each year ending December 31 is less than ten (10) units; or
b. Where no trade has been made for three (3) months before the end of every month;

(4) Market capitalization:
Where the following a. or b. is met:
a. Where the market capitalization is less than one (1) billion yen and does not reach at least one (1) billion yen within nine (9) months (or three (3) months if a document containing the present status of the business, future development, improvement of business plan and other matters deemed necessary by the Exchange is not submitted to the Exchange within three (3) months); provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, other criteria shall apply as specified by the Exchange on a case by case basis; or
b. Where the market capitalization of said stock, etc. is less than the amount obtained by multiplying the number of the listed stock, etc. by two (2) and does not reach at least such amount within three (3) months;

(5) Liabilities in excess of assets:
Where a listed company has liabilities in excess of assets as of the end of the business year and the liabilities in excess of assets is not cleared within a year; provided, however, that this means cases where the liabilities in excess of assets are not cleared within two (2) years if such listed company plans to clear the liabilities in excess of assets within a year counting from a day when such year passes by carrying out rehabilitation proceedings or reorganization proceedings on the basis of the provisions of laws, business revitalization based on Specific Certified Dispute Resolution Procedures prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Act (including cases based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted), or workouts based on the "Guidelines for Multi-Creditor Out-of-Court Workouts" formulated by the Study Group on Multi-Creditor Out-of-Court Workouts (limited to cases deemed appropriate by the Exchange);

(6) Suspension of bank transactions:
Where a bill, etc. issued by a listed company is dishonored and its bank transactions are suspended or their suspension becomes certain;

(7) Bankruptcy proceedings, rehabilitation proceedings or reorganization proceedings:
Where a listed company become necessary to enter its bankruptcy proceedings, rehabilitation proceedings or reorganization proceedings on the basis of the provisions of laws or where it falls under a situation equivalent to these. In this case, it means circumstances where the company discloses a restructuring plan prescribed by the Enforcement Rules and the market capitalization does not reach at least one (1) billion yen for a month counting from the day following the day on which such restructuring plan is disclosed;

(8) Suspension of business activities:
Where a listed company suspends its business activities or where it falls into a situation equivalent to this;

(9) Inappropriate merger, etc.:
In cases of the following a. or b., where the Exchange deems that such a. or b. is met:
a. Where a listed company carries out an absorption-type merger of an unlisted company or an act specified by the Enforcement Rules as an act classified as this (hereinafter referred to as an "absorption-type merger, etc." in this Sub-item a.): Where the Exchange deems that such listed company is not a substantial surviving company and such listed company (meaning the entity specified by the Enforcement Rules as an unlisted company which is the party involved before an absorption-type merger, etc.) does not satisfy the criteria specified by the Enforcement Rules within three (3) years; or
b. Where a company is listed subject to Rule 208, Item 1, Item 3, or Item 5 (excluding cases where all parties in a merger by creating a new company, stock transfer, or demerger by creating a new company are listed companies):
Where the Exchange deems that a listed company as prescribed by Rule 208, Item 1, Item 3 or Item 5 is not a substantial surviving company pertaining to such company, and such company (meaning the entity prescribed by the Enforcement Rules as an unlisted company which is subject to an examination before Rule 208, Item 1, Item 3 or Item 5 is met) does not satisfy the criteria specified by the Enforcement Rules within three (3) years;

(9)-2 Damage to sound transactions with controlling shareholder:
Where there is a change of a controlling shareholder due to third-party allotment, when the Exchange deems there is considerable damage to sound transactions with the controlling shareholder within the coming 3 years;

(10) Delay in submission of a securities report or a quarterly report:
Where a securities report or a quarterly report to which an audit report or a quarterly review report as specified in Article 3, Paragraph 1 of the Cabinet Office Ordinance on Audit Certification prepared by two (2) or more certified public accountants or an audit firm is attached (including an audit report or a quarterly review report pertaining to certification corresponding to audit certification by an entity corresponding to a certified public accountant or an audit firm) is not submitted to the Prime Minister, etc. within a month after a period specified in Article 24, Paragraph 1 or Article 24-4-7, Paragraph 1 of the Act passes (in cases specified by the Enforcement Rules, within a period specified by the Enforcement Rules);

(11) False statement or adverse opinion, etc.:
Where such statement, etc. fall under Rule 501, Paragraph 1, Item 2, and the Exchange deems that it clearly difficult to maintain order in the market if the listed company is not delisted immediately;

(11)-2 Securities on alert, etc.
When falling under the cases specified in the following a. to c., in accordance with the classifications referred to in such a to c.:

a. In cases enumerated in each item of Rule 501, Paragraph 1, the Exchange deems that improvement of the internal management system, etc. of a listed company is highly necessary;
   Where the Exchange deems that improvement of such internal management system, etc. is not expected
b. Where designation as a security on alert was made pursuant to the provisions of Rule 501, Paragraph 1;
   Where the Exchange deems that improvement of the internal management system, etc. of the listed company can no longer be expected
c. Where designation as a security on alert continues pursuant to the provision of Rule 501, Paragraph 4, Item 2;
Where the Exchange deems that the internal management system, etc. of the listed company has not been improved within one (1) year and six (6) months from the designation as a security on alert

(12) Breach of listing agreement, etc.:
Where a listed company has committed a material breach of the listing agreement as prescribed by the Enforcement Rules, where a listed company has committed a material breach as to matters taken on oath in the Written Oath submitted pursuant to the provisions of Rule 204, Paragraph 1, Rule 211, Paragraph 1, Rule 301, Paragraph 3, Rule 307, Paragraph 2, or Rule 312, Paragraph 3, or where a listed company ceases to be a party to the listing agreement;

(13) Entrustment to shareholder services agents:
Where a listed company (excluding a listed company falling under the proviso of Rule 205, Item 8) has come not to entrust shareholder services to a shareholder services agent approved by the Exchange or it has become certain to be so;

(14) Restriction on transfer of shares:
Where a listed company imposes a restriction on stock transfer pertaining to such security of a listed company; provided, however, that the same shall not apply to cases where a restriction is imposed concerning stock transfer on the basis of the provisions of a special law specified by the Enforcement Rules and the details of the restriction are deemed not to hinder trading in the market of the Exchange;

(15) Becoming a wholly-owned subsidiary:
Where a listed company becomes a wholly-owned subsidiary of another company by stock swap or stock transfer;

(16) Handling by a designated book-entry transfer institution:
Where said issue ceases to be subject to the book-entry transfer operation of a designated book-entry transfer institution;

(17) Unreasonable restriction on shareholders’ rights:
Where the details of shareholders’ rights and their exercise are unreasonably restricted as specified by the Enforcement Rules;

(18) Whole acquisition:
Where a listed company acquires all shares pertaining to such stock;

(18)-2 Acquisition due to demand for share, etc. cash-out:
Where a special controlling shareholder acquires all shares pertaining to the stock of a listed company;

(19) Involvement of Anti-Social Forces:
Where it has become clear that a listed company has relationships prescribed in the Enforcement Rules as those in which the listed company is involved with anti-social forces, when the Exchange deems that such condition has considerably damaged shareholders and investors trust in the market;

(20) Others:
In addition to each of the preceding items, where the Exchange deems that delisting of such security is appropriate for the public interest or the protection of investors.

2. With regards to the application of the provisions of Items 1 and 2 of the preceding paragraph pertaining to a listed company whose shareholder, etc. record date is not the end of a business year, the number of shareholders and tradable shares, the market capitalization of tradable shares, and the number of listed stocks, etc. as of the shareholders, etc. record date shall be deemed to be those as of the end of the business year.

3. In the event that both stock with voting rights and stock without voting rights whose issuer is identical are listed on the Main Markets, if said stock with voting rights falls under any
of the items of Paragraph 1 (except when the Exchange deems appropriate in cases where said stock falls under Item 18 of Paragraph 1), the Exchange shall delist said stock without voting rights.

**Rule 602. Delisting Criteria for Listed Foreign Companies**

1. Where a listed foreign stock, etc. (excluding cases of multiple listing) on a Main Market falls under any of the following items, it shall be delisted. Details of Item 3 in this case shall be provided by the Enforcement Rules:
   (1) Where a listed foreign stock, etc. falls under any of Items 1 through 12, Item 15, and Items 17 through 20 of Paragraph 1 of the preceding rule;
   (2) Handling by a designated book-entry transfer institution:
       Where such security has ceased to be handled in the custody and book-entry transfer operation of listed foreign stocks, etc. or the book-entry transfer operation of a designated book-entry transfer institution;
   (3) Restriction on transfer of shares, etc.:
       Where a listed foreign company imposes a transfer restriction on a listed foreign stock, etc. issued by such company; provided, however, that the same shall not apply to cases where the transfer restriction on a stock, etc. is deemed necessary to receive the application of the provisions of laws and regulations of a home country or in cases equivalent thereto where the details are deemed not to hinder trading in the market of the Exchange; or
   (4) Termination of deposit agreement, etc.:
       Where a deposit agreement, etc. prescribed in Rule 206, Paragraph 1, Item 4 or any other agreement is terminated if a listed foreign company is an issuer of such listed foreign stock depositary receipt, etc.; provided, however, that the same shall not apply to cases where such deposit agreement, etc. or any other agreement is terminated because of a change in a depository, etc. pertaining to a listed foreign stock depositary receipt, etc.

2. Where a listed foreign stock, etc. (excluding cases of multiple listing) listed on a Main Market falls under any of the following items, it shall be delisted. Details of Item 2 in this case shall be provided by the Enforcement Rules:
   (1) Delisting, etc. from a foreign financial instruments exchange, etc.:
       Where delisting of a listed foreign stock, etc. (including a foreign stock depositary receipt which represents rights pertaining to a listed foreign stock in cases of the listed foreign stock, and including a foreign stock pertaining to rights represented by a listed foreign stock depositary receipt in cases of the listed foreign stock depositary receipt; the same shall apply in this item) from a foreign financial instruments exchange, etc. is decided or where the Exchange deems that circumstances have changed to a degree where market prices, etc. of such listed foreign stock, etc. on a foreign financial instruments exchange, etc. cannot be obtained immediately; provided, however, that the same shall not apply to cases where delisting is deemed to be inappropriate in consideration of reasons for delisting such listed foreign stock, etc. from a foreign financial instruments exchange, etc. or in consideration of the trading status at the Exchange and any other event;
   (2) Status of trading:
       The status of trading in a listed foreign stock, etc. is deemed to have radically deteriorated as of the end of a business year of a listed foreign stock, etc.;
   (3) Where any of Items 4 through 12, Item 15, and Items 17 through 20 of Paragraph 1 of the preceding rule is met; or
(4) Where any of Items 2 through 4 of the preceding paragraph is met.

Section 2
Delisting Criteria for Mothers

Rule 603. Delisting Criteria for Listed Domestic Companies

1. Where a listed domestic stock, etc. on Mothers falls under any of the following items, it shall be delisted. In this case, details of each such item shall be provided by the Enforcement Rules:

(1) Number of shareholders:
Where the number of shareholders is less than 400 as of the end of a business year of a listed company, and the number does not reach at least 400 within a year (within a period of ten (10) years since listing, where the number is less than 150, and the number does not reach at least 150 within a year (where ten (10) years since listing elapse during such year, at least 400)); provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise;

(2) Tradable shares:
Where a listed domestic stock, etc. falls under any of the following a. through c.; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise:

a. Where the number of tradable shares is less than 2,000 units as of the end of a business year of a listed company, and the number does not reach at least 2,000 units within a year (within a period of ten (10) years since listing, where the number is less than 1,000 units, and the number does not reach at least 1,000 units within a year (where ten (10) years since listing elapse during such year, at least 2,000 units));

b. Where the market capitalization of tradable shares is less than 500 million yen as of the end of a business year of a listed company, and it does not reach 500 million yen within a year (within a period of ten (10) years since listing, where it is less than 250 million yen, and it does not reach at least 250 million yen within a year (where ten (10) years since listing elapse during such year, at least 500 million yen)); provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, the Exchange shall prescribe on a case by case basis; or

c. Where the number of tradable shares is less than 5% of the total number of a listed stock, etc. as of the end of a business year of a listed company and the listed company does not submit a scheduled plan of public offering, secondary offering or distribution with a quantitative limit by the day specified by the Enforcement Rules;

(3) Liabilities in excess of assets:
Where a listed company has liabilities in excess of assets as of the end of a business year (excluding cases where a listed company falls into liabilities in excess of assets within three (3) years after the listing) and the liabilities in excess of assets does not cease within a year; provided, however, that in cases where such listed company plans to clear liabilities in excess of assets within a year counting from a day when such year passes by undertaking rehabilitation proceedings or reorganization proceedings pursuant to the provisions of laws, business revitalization based on Specific Certified Dispute Resolution Procedures prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Act (including cases based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted), or workouts based on the "Guidelines for Multi-Creditor Out-of-Court Workouts" formulated by the Study Group on Multi-Creditor Out-of-Court Workouts...
(limited to cases deemed appropriate by the Exchange), the liabilities in excess of assets is not cleared within two (2) years;

(4) Sales:
Where sales are less than 100 million yen in the last year (excluding cases where the amount of profits is recorded in the last year and where sales are less than 100 million yen in the last year within five (5) years after the listing). In this case, "the last year" shall be counted from the end of the most recent business year;

(5) Market capitalization:
Where the following a. or b. is met:
   a. Where the market capitalization is less than one (1) billion yen, and it does not reach at least one (1) billion yen within nine (9) months (or three (3) months in cases where a document containing the present status of the business, future development, improvement of business plan and other matters deemed necessary by the Exchange is not submitted to the Exchange within three (3) months; the same shall apply hereinafter in this a.) (within a period of ten (10) years since listing, where it is less than 500 million yen and it does not reach at least 500 million yen within nine (9) months (where ten (10) years since listing elapse during such nine (9) months, at least one (1) billion yen)); provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, the Exchange shall prescribe on a case by case basis; or
   b. Where the market capitalization of said stock, etc. is less than the amount obtained by multiplying the number of the shares of the listed stock by two (2) and does not reach a least such amount within three (3) months;

(5)-2 Stock price
Where, by the point of time when 3 years have elapsed since listing, the stock price falls below 10% of the public offering price at the time of initial listing, the price fails to recover to 10% or more of such public offering price within 9 months (see Note below); provided, however, that this shall be handled as specified by the Exchange on a case-by-case basis if the Exchange deems that application of the above standard is inappropriate in consideration of changes in market trends and other circumstances; and

(Note) This shall be 3 months if the company fails to submit to the Exchange within 3 months, a written statement which includes the current state of the business, future business development, improvement of the business plan and other items that Exchange deems necessary.

(6) Where any of Item 3 and Items 6 through 20 of Rule 601, Paragraph 1, is met. In this case, the term "does not reach at least one (1) billion yen" in Item 7 and the term "Rule 208" in Item 9, Sub-item b. shall be deemed to be replaced with "does not reach at least one (1) billion yen (within a period of ten (10) years since listing, it does not reach at least 500 million yen (where ten (10) years since listing elapse during such month, at least one (1) billion yen)"

2. With regards to the application of the provisions of Items 1 and 2 of the preceding paragraph pertaining to a listed company whose shareholder, etc. record date is not the end of a business year, the number of shareholders and tradable shares, the market capitalization of tradable shares, and the number of listed stocks, etc. as of the shareholders, etc. record date shall be deemed to be those as of the end of the business year.

3. In the event that both stock with voting rights and stock without voting rights whose issuer is identical are listed on Mothers, if said stock with voting rights falls under any of the
items of Paragraph 1 (except when the Exchange deems appropriate in cases where said stock falls under Rule 601, Paragraph 1, Item 18 that is applied mutatis mutandis in Item 6 of Paragraph 1), the Exchange shall delist said stock without voting rights.

**Rule 604. Delisting Criteria for Listed Foreign Companies**

1. Where a listed foreign stock, etc. (excluding cases of multiple listing) on Mothers falls under any of the following items, it shall be delisted:
   (1) Where any of Items 1 through 5-2 of Paragraph 1 of the preceding rule is met;
   (2) Where any of Item 3, Items 6 through 12, Item 15 and Items 17 through 20 of Rule 601, Paragraph 1 is met. In this case, the term "does not reach at least one (1) billion yen" in Item 7 and the term "Rule 208" in Item 9, Sub-item b. shall be deemed to be replaced with "does not reach at least one (1) billion yen (within a period of ten (10) years since listing, where it does not reach at least 500 million yen (where ten (10) years since listing elapse during such month, at least one (1) billion yen)" and "Rule 215", respectively; or
   (3) Where any of Items 2 through 4 of Rule 602, Paragraph 1 is met.

2. Where a listed foreign stock, etc. (limited to those listed on multiple exchanges) on Mothers falls under any of the following items, it shall be delisted:
   (1) Where any of Items 6 through 12, Item 15 and Items 17 through 20 of Rule 601, Paragraph 1 is met. In this case, the term "does not reach at least one (1) billion yen" in Item 7 and the term "Rule 208" in Item 9, Sub-item b. shall be deemed to be replaced with "does not reach at least one (1) billion yen (within a period of ten (10) years since listing, it does not reach at least 500 million yen (where ten (10) years since listing elapse during such month, at least one (1) billion yen))" and "Rule 215", respectively;
   (2) Where any of Items 2 through 4 of Rule 602, Paragraph 1 is met;
   (3) Where Item 1 or Item 2 of Rule 602, Paragraph 2 is met; or
   (4) Where any of Items 3 through 5-2 of Paragraph 1 of the preceding rule is met.

**Section 2-2**

**Delisting Criteria for JASDAQ**

**Rule 604-2. Delisting Criteria for Standard-listed Domestic Companies**

1. Where a Standard-listed domestic stock, etc. (refers to JASDAQ-listed domestic stocks, etc. whose sub-division is Standard) falls under any of the following items (for Item 2, excluding cases where the consolidated accounting year which contains the initial listing application date is included in the 4 most recent consolidated accounting years), it shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:
   (1) Stock price
      Where the stock price becomes less than JPY 10 and does not reach JPY 10 or more within 3 months;
   (2) Business Performance
      Where the operating profit and cash flow due to business activities in the 4 most recent consolidated accounting years are negative and the operating profit or cash flow due to business activities does not cease to be negative within 1 year; or
   (3) Where any of Rule 601, Paragraph 1, Item 1; Item 2, Sub-item a and b; and Items 5 to 20 are met. In such cases, "400 shareholders" in Item 1 shall be "150 shareholders," "2,000 units" in Item 2, Sub-item a shall be "500 units," "JPY 500 million" in Item 2, Sub-item b shall be "JPY 250 million," "JPY 1 billion" in Item 7 shall be "JPY 500
2. In the event that both stock with voting rights and stock without voting rights whose issuer is identical are listed on JASDAQ, if said stock with voting rights falls under any of the items of the preceding paragraph (except where the Exchange deems appropriate in cases where said stock falls under Rule 601, Paragraph 1, Item 18 that is applied mutatis mutandis in Item 3 of the preceding paragraph), the Exchange shall delist said stock without voting rights.

**Rule 604-3. Delisting Criteria for Standard-listed Foreign Companies**

Where a Standard-listed foreign stock, etc. (refers to JASDAQ-listed foreign stocks, etc. whose market division is Standard) falls under any of the following items, it shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:

1. Where Paragraph 1, Items 1 or 2 of the preceding rule are met;
2. Where any of Rule 601, Paragraph 1, Item 1; Item 2, Sub-item a and b; Item 5 (excluding proviso); Items 6 to 12; Item 15; or Items 17 to 20 are met. In such cases, "number of shareholders" and "400 shareholders" in Item 1 shall be "number of domestic shareholders" and "150 shareholders," respectively; "2,000 units" in Item 2, Sub-item a shall be "500,000 units for 1,000-unit issues, 250,000 units for 500-unit issues, 50,000 units for 100-unit issues, 25,000 units for 50-unit issues, and 5,000 units for 10-unit issues;" "JPY 1 billion" in Item 7 shall be "JPY 500 million;" and "Rule 208" in Item 9, Sub-item b shall be "Rule 216-9;" and
3. Where Rule 602, Paragraph 1, Item 2, Item 3, or Item 4, or Paragraph 2, Item 1 of the same rule are met.

**Rule 604-4. Delisting Criteria for Growth-listed Foreign Companies**

1. Where a Growth-listed domestic stock, etc. (refers to JASDAQ-listed domestic stocks, etc. whose market division is Growth) falls under any of the following items, it shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:

1. Where either Item 1 or Item 2 of Rule 604-2, Paragraph 1 are met (for Item 2, excluding cases where the 5 consolidated accounting years from the consolidated accounting in which the initial listing date falls are included in the 4 most recent consolidated accounting years);
2. Where any of Rule 601, Paragraph 1, Item 1; Item 2, Sub-item a and b; or Items 5 to 20 are met. In such cases, "400 shareholders" in Item 1 shall be "150 shareholders," "2,000 units" in Item 2, Sub-item a shall be "500 units," "JPY 500 million" in Item 2, Sub-item b shall be "JPY 250 million" "JPY 1 billion" in Item 7 shall be "JPY 500 million," and "Rule 208" in Item 9, Sub-item b shall be "Rule 216-9;" and
3. Recorded Profit

Where the operating profit of the listing application consolidated accounting year (the consolidated accounting year (business year in cases of a company which does not prepare consolidated financial statements) in which the listed company conducted listing application pertaining to listing on JASDAQ) is negative, and the operating profit for the 9 consolidated accounting years following listing of such company, and the operating profit of the corporate group of such listed company (operating profit of such listed company in cases of a company which does not prepare consolidated financial statements) does not cease to be negative within 1 year.

2. In the event that both stock with voting rights and stock without voting rights whose issuer is identical are listed on JASDAQ, if said stock with voting rights falls under any of the items of the preceding paragraph (except where the Exchange deems appropriate in cases

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where said stock falls under Rule 601, Paragraph 1, Item 18 that is applied mutatis
mutandis in Item 3 of the preceding paragraph), the Exchange shall delist said stock
without voting rights.

Rule 604-5. Delisting Criteria for Growth-listed Foreign Companies
Where a Growth-listed foreign stock, etc. (meaning JASDAQ-listed foreign stocks, etc.
whose sub-division is Standard) falls under any of the following items, it shall be delisted.
Details of each such item in this case shall be provided by the Enforcement Rules:

1. Where Paragraph 1, Items 1 or 3 of the preceding rule are met;
2. Where any of Rule 601, Paragraph 1, Item 1; Item 2, Sub-item a and b; Item 5
   (excluding proviso); Items 6 to 12; Item 15; or Items 17 to 20 are met. In such cases,
   "number of shareholders" and "400 shareholders" in Item 1 shall be "number of
domestic shareholders" and "150 shareholders," respectively; "2,000 units" in Item 2,
   Sub-item a shall be "500,000 units for 1,000-unit issues, 250,000 units for 500-unit
   issues, 50,000 units for 100-unit issues, 25,000 units for 50-unit issues, and 5,000 units
   for 10-unit issues;" "JPY 1 billion" in Item 7 shall be "JPY 500 million;" and "Rule
   208" in Item 9, Sub-item b shall be "Rule 216-9;" and
3. Where Rule 602, Paragraph 1, Item 2, Item 3, or Item 4, or Paragraph 2, Item 1 of the
   same rule are met.

Section 3
Procedures, etc. Pertaining to Delisting

Rule 605. Application for Examination, etc. Pertaining to Delisting
1. The Exchange shall conduct examinations on whether or not a restructuring plan is as
   specified by the Enforcement Rules and on the market capitalization as prescribed in Rule
   601, Paragraph 1, Item 7 (including cases falling under Rule 602, Paragraph 1, Item 1,
   Paragraph 2, Item 3 of the same rule, Rule 603, Paragraph 1, Item 6, Rule 604, Paragraph 1,
   Item 2, Rule 604, Paragraph 2, Item 1, Rule 604-2, Item 3, Rule 604-3, Item 2, Rule 604-4,
   Paragraph 1, Item 2, or Item 2 of the preceding rule; the same shall apply hereinafter) based
   on an application from a listed company. If such application has not been made, the
   Exchange shall deem that the listed company falls under Rule 601, Paragraph 1, Item 7.
2. The Exchange shall conduct an examination whether or not a listed security is in
   conformity with the criteria specified by the Enforcement Rules as prescribed by Rule
   601, Paragraph 1, Item 9 (including cases falling under Rule 602, Paragraph 1, Item 1,
   Paragraph 2, Item 3 of the same rule, Rule 603, Paragraph 1, Item 6, Rule 604, Paragraph 1,
   Item 2, Paragraph 2, Item 1 of the same rule, Rule 604-2, Item 3, Rule 604-3, Item 2, Rule
   604-4, Paragraph 1, Item 2, or Item 2 of the preceding rule; the same shall apply hereinafter
   in this rule) based on an application from a listed company. If such application has not been
   made (including cases where it is clear such application will not be made), the Exchange
   shall deem that the listed company falls under Rule 601, Paragraph 1, Item 9.
3. Where a listed company makes an application specified in the preceding paragraph, such
   listed company shall submit a "Written Confirmation" predetermined by the Exchange
   which is prepared by a managing trading participant.
4. The Exchange may request a listed company to submit a report or materials which should
   serve as useful reference or provide any other cooperation for such examination if the
   Exchange deems it necessary for examinations in Paragraph 1 and Paragraph 2.

Rule 606. Duty to Cooperate with the Exchange

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inaccuracy, misunderstanding, or changes with regard to this translation.
1. Where the Exchange deems it necessary to decide the appropriateness pertaining to delisting of a listed stock, etc. issued by such listed company and requests certified public accountants, etc. (including entities who were such certified public accountants, etc.; the same shall apply in the following paragraph) who carry out audit certification, etc. of financial statements, etc. or quarterly financial statements, etc. to give explanation on the circumstances, etc., the listed company shall cooperate in this process.

2. Where the Exchange requests a listed company for the purpose of requiring such certified public accountants, etc. to give explanation on the circumstances, etc. pursuant to the provisions of the preceding paragraph, the listed company shall promptly submit a document stating that such certified public accountants, etc. shall agree to give explanation on the circumstances, etc.

Rule 607. Examination Based on Provisions Pertaining to Delisting
The Exchange shall prescribe necessary matters concerning examination of the basis of the provisions of Rules 601 through 604-5 in a guideline for listing supervision, etc.

Rule 608. Delisting Application
Where a listed company makes an application for delisting a listed stock, etc. issued by itself, it shall submit "Delisting Application Form" predetermined by the Exchange.

Rule 609. Delisting Day
Details of a delisting day in cases where delisting of a listed stock, etc. is decided shall be provided by the Enforcement Rules

Rule 610. Designation of Securities Under Supervision
Where a listed stock, etc. is likely to be delisted, the Exchange may designate such listed stock, etc. as a security under supervision to make investors aware of that fact pursuant to the provisions of the Enforcement Rules.

Rule 611. Designation of Securities to be Delisted
Where a listed stock, etc. is decided to be delisted, the Exchange may designate such listed stock, etc. as a security to be delisted for a period until the day before the delisting day pursuant to the provisions of the Enforcement Rules to make investors aware of that fact.

Rule 612. Erasure from the Registry
Where the Exchange delists a listed stock, etc., it shall delete descriptions in the listed security registry on the delisting day.

Chapter 7
Miscellaneous Provisions

Section 1
Listing Fees, etc.

Rule 701. Fees Relating to Listing
An applicant for initial listing of a stock, etc. and a subscription warrant security and a listed company shall pay a listing examination fee, initial listing fee, annual listing fee and other fees relating to listing pursuant to the provisions of the Enforcement Rules.
Section 2
Miscellaneous Provisions

Rule 702. Details on Examination Pertaining to Stock, etc. Listed Associated with Whole Acquisition
With respect to examinations of alteration of a listing market, assignment to the First Section Market and reassignment from the First Section Market to the Second Section Market, and delisting pertaining to a stock, etc. which has been listed in application for the provisions of Rule 303, if the Exchange deems this appropriate, the Exchange shall conduct these examinations by deeming that such stock, etc. is the same as the stock, etc. delisted in exchange for such stock, etc.

Rule 703. Recognition of the Principal Market
With respect to the application of the regulations of the Exchange for a foreign stock, etc., the Exchange shall recognize whether or not it will be the principal market for such foreign stock, etc. in consideration of the status of trading in such foreign stock, etc., and whether or not it is listed or continuously traded on a foreign financial instruments exchange, etc.

Rule 704. Listing Day in Cases of Absorption-type Mergers, etc. of Listed Domestic Companies, etc. by Other Listed Domestic Companies
Details of a listing day in cases where a listed domestic company carries out an absorption-type merger with another listed domestic company or a domestic company (excluding listed domestic companies) whose domestic stock, etc. is listed on any other financial instruments exchange in Japan and other cases shall be provided by the Enforcement Rules.

Rule 705. Application, etc. of Accounting Standards for Retirement Benefits
Details of cases where accounting standards pertaining to retirement benefits publicly announced by the Business Accounting Council as of June 16, 1998 are applied to an applicant for initial listing or a listed company (excluding a foreign company) shall be provided by the Enforcement Rules.

Rule 706. Succession at the Time of Technical Listing
Where a listed company is a company listed pursuant to the provisions of technical listing, the Exchange shall apply provisions prescribed in the Enforcement Rules to such listed company (including a listed stock, etc. whose issuer is such listed company; the same shall apply hereinafter in this rule) by deeming that such listed company is the same as the company (including a stock, etc. whose issuer is such company) delisted pursuant to such provisions of technical listing; provided, however, that the same shall not apply to cases where the Exchange deems it inappropriate.

Rule 707. Stock Issued by Company Whose Revitalization is Supported by the Regional Economy Vitalization Corporation of Japan
Where the Exchange has delisted stock (excluding preferred stock, etc.; hereinafter the same shall apply in this Rule) issued by a company, for which the Regional Economy Vitalization Corporation of Japan (hereinafter referred to as "REVIC") made a revitalization support decision (see Notes 1 and 2 below), and the company makes an application for initial listing of its stock in a business year whose most recent business year starts within five (5) years...
from the day of the announcement by REVIC of its decision to support the revitalization of said company (hereinafter referred to as "supported company") (see Note 3 below), the provisions of Rule 205 shall apply by reading Item 6 of the same rule as follows:

(Note 1) Such decision means the revitalization support decision prescribed in Article 25, Paragraph 4 of the Act on Regional Economy Vitalization Corporation of Japan (Act No. 63 of 2009); the same shall apply hereinafter.

(Note 2) Such company shall not include a company for which the support decision is withdrawn after such decision was made, and a company for which a purchase decision, etc. (meaning the purchase decision, etc. prescribed in Article 31, Paragraph 1 of the Act on Regional Economy Vitalization Corporation of Japan; the same shall apply hereinafter) is not made with regard to the debt of said company.

(Note 3) Excluding business years that start after the end of the business year that includes the day on which REVIC completed all operations pertaining to the revitalization support decision on the supported company.

(6) Amount of profits and market capitalization:
Either Sub-item a. or b. must be satisfied:
 a. The amount of profits in the last year (the last year is counted from the end of the most recent business year prior to the initial listing application day; the same shall apply in this chapter) shall be 400 million yen or more; or
 b. The market capitalization as of the listing day is expected to reach 50 billion yen or more, except when sales for the last year are less than 10 billion yen.

2. Where a listed company which is a supported company makes an application for assignment of its stock to the First Section Market in a business year whose most recent business year starts within five (5) years from the day on which REVIC announces the revitalization support decision on said company (excluding business years that start after the end of the business year which includes the day on which REVIC completed all operations pertaining to the revitalization support decision on said listed company), the provisions of Rule 308 shall apply by reading Item 6 of the same rule as follows:

(6) Amount of profits and market capitalization:
Either Sub-item a. or b. must be satisfied:
 a. The amount of profits in the last year (the last year is counted from the end of the most recent business year prior to the day of application for assignment to the First Section (in cases of the day of application for assignment to the First Section falling within one (1) month counting from the end of the most recent business year, meaning the end of the business year preceding said most recent business year); the same shall apply in this chapter) shall be 400 million yen or more; or
 b. The market capitalization as of the listed company is 50 billion yen or more, except when sales for the last year are less than 10 billion yen.

3. For stock issued by a listed company which is a supported company, the provisions of Rule 311, Paragraph 1 shall apply by reading Item 5 of the same paragraph as follows:
(5) Liabilities in excess of assets:
Where a listed company is under liabilities in excess of assets as of the end of the business year and fails to come out of the state of liabilities in excess of assets within one (1) year; or
where such listed company fails to come out of the state of liabilities in excess of assets in spite of a plan (limited to that approved by the Exchange) to do the same by revitalizing its business based on the revitalization support decision by REVIC within one (1) year counting from the day on which one (1) year elapses after the listed company fell into such state, and where it is confirmed that REVIC shall not make a purchase decision, etc. pertaining to debt of the listed company (limited to when such period ends on or before a business year that starts within five (5) years from the day on which REVIC announces the revitalization support decision; or where REVIC completes all the operations pertaining to the revitalization support decision before five (5) years elapse from the day of announcement of the revitalization support decision by REVIC, such business year shall be the business year that includes the day on which REVIC completed these operations; the same shall apply hereinafter in this item); however, where such listed company fails to come out of the state of liabilities in excess of assets within two (2) years in spite of the plan (limited to that approved by the Exchange) to do the same within one (1) year counting from the day on which one (1) year elapses by conducting any of the matters referred to in the following Sub-items from a. to d. (in the case of conducting matters referred to in Sub-item d., limited to when such period ends on or before the end of a business year that starts within five (5) years from the announcement of the revitalization support decision by REVIC).

a. Revitalization or reorganization proceedings in accordance with the related laws;
b. Business revitalization based on Specified Certified Dispute Resolution Procedures prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Act (including business revitalization based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted);
c. Out-of-court workouts based on the Guidelines for Multi-Creditor Out-of-Court Workouts formulated by the Study Group on Multi-Creditor Out-of-Court Workouts; or
d. Business revitalization based on a revitalization support decision by REVIC.

4. For stock issued by a listed company which is a supported company, the provisions of Rule 601, Paragraph 1 shall apply by reading Item 5 of the same paragraph as follows.

(5) Liabilities in excess of assets:
Where a listed company is under liabilities in excess of assets as of the end of the business year and fails to come out of the state of liabilities in excess of assets within one (1) year; or
where such listed company fails to come out of the state of liabilities in excess of assets in spite of a plan (limited to that approved by the Exchange) to do the same by revitalizing its business based on the revitalization support decision by REVIC within one (1) year counting from the day on which one (1) year elapses after the listed company fell into such state, and where it is confirmed that REVIC shall not make a purchase decision, etc. pertaining to debt of the listed company (limited to when such period ends on or before a business year that starts within five (5) years from the day on which REVIC announces the revitalization support decision; or where REVIC
completes all the operations pertaining to the revitalization support decision before five (5) years elapse from the day of announcement of the revitalization support decision by REVIC, such business year shall be the business year that includes the day on which REVIC completed these operations; the same shall apply hereinafter in this item);
however, where such listed company fails to come out of the state of liabilities in excess of assets within two (2) years in spite of the plan (limited to that approved by the Exchange) to do the same within one (1) year counting from the day on which one (1) year elapses by conducting any of the matters referred to in the following Sub-items from a. to d. (in the case of conducting matters referred to in Sub-item d., limited to when such period ends on or before the end of a business year that starts within five (5) years from the announcement of the revitalization support decision by REVIC).

a. Revitalization or reorganization proceedings in accordance with the related laws;
b. Business revitalization based on Specified Certified Dispute Resolution Procedures as prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Act (including business revitalization based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted);
c. Out-of-court workouts based on the Guidelines for Multi-Creditor Out-of-Court Workouts formulated by the Study Group on Multi-Creditor Out-of-Court Workouts; or
d. Business revitalization based on a revitalization support decision by REVIC.

5. For stock issued by a listed company which is a supported company, the provisions of Rule 603, Paragraph 1 shall apply by reading Item 3 of the same paragraph as follows.

(3) Liabilities in excess of assets:
Where a listed company is under liabilities in excess of assets as of the end of the business year and fails to come out of the state of liabilities in excess of assets within one (1) year, except for the case where such listed company fell into such state within three (3) years after its listing on the Exchange; or where such listed company fails to come out of the state of liabilities in excess of assets in spite of a plan (limited to that approved by the Exchange) to do the same by revitalizing its business based on the revitalization support decision by REVIC within one (1) year counting from the day on which one (1) year elapses after the listed company fell into such state, and where it is confirmed that REVIC shall not make a purchase decision etc. pertaining to debt of the listed company (limited to when such period ends on or before a business year that starts within five (5) years from the day on which REVIC announces the revitalization support decision; or where REVIC completes all the operations pertaining to the revitalization support decision before five (5) years elapse from the day of announcement of the revitalization support decision by REVIC, such business year shall be the business year that includes the day on which REVIC completed these operations; the same shall apply hereinafter in this item);
however, where such listed company fails to come out of the state of liabilities in excess of assets within two (2) years in spite of the plan (limited to that approved by the Exchange) to do the same within one (1) year counting from the day on which one (1) year elapses by conducting any of the matters referred to in the following Sub-items from a. to d. (in the case of conducting matters referred to in Sub-item d., limited to when such period ends on or before the end of a business year that starts within five (5)
years from the announcement of the revitalization support decision by REVIC).

a. Revitalization or reorganization proceedings in accordance with the related laws;
b. Business revitalization based on Specified Certified Dispute Resolution Procedures as prescribed in Article 2, Paragraph 16 of the Industrial Competitiveness Act (including business revitalization based on the specified conciliation procedure to which the special rules prescribed in Article 52 of the Industrial Competitiveness Act apply when such procedure is conducted);
c. Out-of-court workouts based on the Guidelines for Multi-Creditor Out-of-Court Workouts formulated by the Study Group on Multi-Creditor Out-of-Court Workouts; or
d. Business revitalization based on a revitalization support decision by REVIC.

6. The provisions of Paragraph 4 shall be applied mutatis mutandis to Rule 601, Paragraph 1 as applied according to the provisions of Rule 604-2, Item 3 and Rule 604-4, Paragraph 1, Item 2 concerning stock, etc. issued by a listed company which is a non-supported company.

Rule 707-2. Special Provisions for Initial Listing Application Procedures accompanying the Great East Japan Earthquake

1. Notwithstanding the provisions of Rule 202, Rule 204, Rule 211, and Rule 216-2, in cases where an initial listing applicant conducted initial listing application or preliminary application prior to the date of such initial listing application, and will conduct initial listing application or preliminary application within 3 years of the first day of the fiscal year in which the most recent initial listing application date falls (in cases where preliminary application was conducted, the date on which initial listing application will be conducted as indicated on the securities initial listing preliminary application), if the initial listing application or preliminary application prior to such initial listing application or preliminary application did not reach initial listing due to circumstances the Exchange deemed a result of the Great East Japan Earthquake, such initial listing applicant may omit forms deemed appropriate by the Exchange from those to be submitted.

2. Notwithstanding the provisions of Rule 202, Rule 204, Rule 211, and Rule 216-2, in cases where the Exchange deems an initial listing applicant does not reach initial listing by the deadline specially prescribed by the Exchange due to the Great East Japan Earthquake, if such initial listing applicant wishes to continue with listing examination, such initial listing applicant shall resubmit the documents deemed necessary by the Exchange, and the Exchange shall conduct listing application based on such documents.

Rule 708. Special Provisions on Formal Requirements for Domestic Companies in view of the Great East Japan Earthquake

Where an initial listing applicant (limited to an entity which does not fall under Rule 205, Item 7, Sub-item c. or Rule 212, Item 6, Sub-item b. (including cases pursuant to Rule 216-3, Item 5 or Rule 216-6, Item 2, Sub-item b.)) applies for initial listing of a domestic stock, the handling of false statements or adverse opinions, etc. shall be specified in the Enforcement Rules.

Rule 709. Deleted.

Rule 710. Special Provisions on Criteria for Reassignment in view of the Great East Japan Earthquake
With regard to the application of the provisions of Rule 311, Paragraph 1 to a listed company which has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the Great East Japan Earthquake, the provisions of Rule 311, Item 5 of the same paragraph shall be read as follows.

(5) Liabilities in excess of assets
Where a listed company has liabilities in excess of assets as of the end of such business year and the status of liabilities in excess of assets is not cleared within one (1) year.

Rule 711. Special Provisions on Examination of Alteration of Listing Market in view of the Great East Japan Earthquake
1. The provisions of Rule 708 shall be applied mutatis mutandis to cases where a listed company applies for alteration of the listing market or the sub-division of its listed stock.
2. In applying the provisions of Rule 601, Paragraph 1, Rule 604-2, Paragraph 1, and Rule 604-4, Paragraph 1 to, out of a listed stock, etc. issued by a listed company that suffered damage arising from the Great East Japan Earthquake and disclosed details of such damage pursuant to the provision of Rule 402, Item 2, Sub-item a, those specified by the Enforcement Rules until the time specified by the Enforcement Rules, "JPY 500 million" in Rule 601, Paragraph 1, Item 2, Sub-item b shall be "JPY 300 million," "JPY 1 billion" in Item 4, Sub-item a of the same paragraph shall be "JPY 600 million," "JPY 250 million" in Rule 604-2, Paragraph 1, Item 3 shall be "JPY 150 million," and "JPY 250 million" in Rule 604-4, Paragraph 1, Item 2 shall be "JPY 150 million."

Rule 712. Special Provisions on Delisting Criteria for the Main Markets and JASDAQ in view of the Great East Japan Earthquake
1. With regard to the application of the provisions of Rule 601, Paragraph 1 (including cases pursuant to Rule 604-2, Item 3 or Rule 604-4, Paragraph 1, Item 2) to a listed company which has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the Great East Japan Earthquake, the provisions of Rule 601, Paragraph 1, Item 5 shall be read as follows.

(5) Liabilities in excess of assets
Where a listed company has liabilities in excess of assets as of the end of such business year and the status of liabilities in excess of assets is not cleared within two (2) years.

2. In applying the provisions of Rule 601, Paragraph 1, Rule 604-2, Paragraph 1, and Rule 604-4, Paragraph 1 to, out of a listed stock, etc. issued by a listed company that incurred damages arising from the Great East Japan Earthquake and disclosed details of such damages pursuant to the provisions of Rule 402, Item 2, Sub-item a, those specified by the Enforcement Rules, "JPY 500 million" in Rule 601, Paragraph 1, Item 2, Sub-item b shall be "JPY 300 million;" "JPY 1 billion" in Item 4, Sub-item a of the same paragraph shall be "JPY 600 million;" "JPY 250 million" in Rule 604-2, Paragraph 1, Item 3 shall be "JPY 150 million;" and "JPY 250 million" in Rule 604-4, Paragraph 1, Item 2 shall be "JPY 150 million" until the time specified by the Enforcement Rules.

Rule 713. Special Provisions on Delisting Criteria for Mothers in view of the Great East Japan Earthquake
1. With regard to the application of the provisions of Rule 603, Paragraph 1 to a listed company which has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the Great East Japan Earthquake, Item 3 of the same paragraph shall be read as follows.

(3) Liabilities in excess of assets

Where a listed company has liabilities in excess of assets as of the end of such business year (excluding cases where the company falls into liabilities in excess of assets within three (3) years after the listing) and the status of liabilities in excess of assets is not cleared within two (2) years.

2. In applying the provisions of Rule 603, Paragraph 1, to, out of a listed stock, etc. issued by a listed company that incurred damages arising from the Great East Japan Earthquake and disclosed details of such damages pursuant to the provisions of Rule 402, Item 2, Sub-item a, those specified by the Enforcement Rules, "JPY 500 million" in Rule 603, Paragraph 1, Item 2, Sub-item b shall be "JPY 300 million;" "JPY 250 million" in the same sub-item shall be "JPY 150 million;" "JPY 1 billion" in Item 5, Sub-item a of the same paragraph shall be "JPY 600 million;" and "JPY 500 million" in the same sub-item shall be "JPY 300 million" until the time specified by the Enforcement Rules.

Rule 714. Equity Contribution Security

1. The Exchange shall list equity contribution securities for which it deems listing is appropriate on JASDAQ for the public interest or investor protection.

2. The Exchange shall make an entry in the listed securities ledger regarding equity contribution securities in the preceding paragraph on the listing date of such issues.

3. In addition to the preceding two paragraphs, the Exchange shall prescribe matters regarding equity contribution securities on a case-by-case basis.

4. Excluding the provisions of the preceding three paragraphs, these Regulations shall not apply to equity contribution securities.

Rule 715. Special Provisions on Formal Requirements, etc. concerning Japan Post Bank Co., Ltd. and JAPAN POST INSURANCE Co., Ltd.

The provisions of Rule 205, Item 2, Sub-item c and Rule 210, Paragraph 1, Item 2, Sub-item b shall not be applied to Japan Post Bank Co., Ltd. and JAPAN POST INSURANCE Co., Ltd.

Rule 716. Special Provisions on Formal Requirements for Domestic Companies in view of the 2016 Kumamoto Earthquake

Where an initial listing applicant (limited to an entity who does not fall under Rule 205, Item 7, Sub-item c. or Rule 212, Item 6, Sub-item b. (including cases pursuant to Rule 216-3, Item 5, Sub-item a. or Rule 216-6, Item 2, Sub-item b.)) applies for initial listing of a domestic stock, the handling of false statements or adverse opinions, etc. shall be specified in the Enforcement Rules.


With regard to the application of the provisions of Rule 311, Paragraph 1 to a listed company that has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the 2016 Kumamoto Earthquake, the provisions of Item 5 of the same paragraph shall be read as follows.
(5) Liabilities in excess of assets
Where a listed company has liabilities in excess of assets as of the end of such business year and the status of liabilities in excess of assets is not cleared within one (1) year.

Rule 718. Special Provisions on Examination of Alteration of Listing Market in view of the 2016 Kumamoto Earthquake
The provisions of Rule 716 shall be applied mutatis mutandis to cases where a listed company applies for alteration of the listing market or the sub-division of its listed stock.

Rule 719. Special Provisions on Delisting Criteria for the Main Markets in view of the 2016 Kumamoto Earthquake
With regard to the application of the provisions of Rule 601, Paragraph 1 to a listed company that has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the 2016 Kumamoto Earthquake, the provisions of Item 5 of the same paragraph shall be read as follows.
(5) Liabilities in excess of assets
Where a listed company has liabilities in excess of assets as of the end of such business year and the status of liabilities in excess of assets is not cleared within two (2) years.

Rule 720. Special Provisions on Delisting Criteria for Mothers in view of the 2016 Kumamoto Earthquake
With regard to the application of the provisions of Rule 603, Paragraph 1 to a listed company that has liabilities in excess of assets as of the end of the business year in which extraordinary loss arose from the 2016 Kumamoto Earthquake, the provisions of Item 3 of the same paragraph shall be read as follows.
(3) Liabilities in excess of assets
Where a listed company has liabilities in excess of assets as of the end of such business year (excluding cases where the company falls into liabilities in excess of assets within three (3) years after the listing) and the status of liabilities in excess of assets is not cleared within two (2) years.

Rule 721. Special Provisions on Delisting Criteria for JASDAQ in view of the 2016 Kumamoto Earthquake
1. The provisions of Rule 719 shall be applied mutatis mutandis to applicable cases in the provisions of Rule 601, Paragraph 1 pursuant to Rule 604-2, Paragraph 1, Item 3 and Rule 604-4, Paragraph 1, Item 2.
2. With regard to the application of the provisions of Rule 604-2, Paragraph 1 to a listed company whose cash flow due to business activities is negative in the consolidated accounting year in which extraordinary loss arose from the 2016 Kumamoto Earthquake, Item 2 of the same paragraph shall be read as follows.
(2) Business Performance
Where the operating profit and cash flow due to business activities are negative in the four most recent consolidated accounting years (excluding the consolidated accounting year in the event that the operating profit and cash flow due to business activities are negative in the consolidated accounting year when the extraordinary loss arose from the 2016 Kumamoto earthquake) and the operating profit or cash flow due to business activities does not cease to be negative within one year, excluding the period of the consolidated accounting year when the cash flow due to business activities
Part 3
Preferred Stocks, etc.

Chapter 1
Preferred Stocks, etc.

Rule 801. Initial Listing Application
1. Initial listing of a preferred stock, etc. shall be made upon application by a listed company which is the issuer of such preferred stock, etc.
2. Where the listed company falls under any of the following items, initial listing application may be made for a preferred stock, etc. issued by a company to be established before its establishment as well, limited to after the resolution of a general shareholders meeting of a listed company which carries out a merger for creating a new company, stock transfer or demerger for creating a new company as prescribed in each of the following items. Initial listing application in this case shall be made by such listed company:
   (1) Where the listed company falls under Rule 208, Item 1 (limited to the part pertaining to a merger for creating a new company by a listed company) or Item 3 (limited to the part pertaining to stock transfer by a listed company) and a stock, etc. of a company to be established receives application of Item 1 or Item 3 of the same rule;
   (2) Where the listed company falls under Rule 215, Item 1 (limited to the part pertaining to a merger for creating a new company by a listed company) or Item 3 (limited to the part pertaining to stock transfer by a listed company) and a stock, etc. of a company to be established receives application of Item 1 or Item 3 of the same rule; or
   (3) Where, in the cases provided in Rule 216-9, Item 1 (limited to parts pertaining to a merger in which a new company is created by a listed company) or Item 3 (limited to parts pertaining to stock transfer made by a listed company); or
   (4) Where a listed company carries out a demerger for creating a new company which is a shareholder directed spin-off, and initial listing application is made before such shareholder directed spin-off for a stock, etc. issued by a company to be established by such shareholder directed spin-off.
3. The provisions of the preceding two paragraphs shall not apply to a preferred stock, etc. to be listed on the basis of the listing order as in Article 125 of the Act.
4. Examination of a preferred stock, etc. pertaining to an initial listing application shall be made pursuant to the provisions of Rules 804 and 805.

Rule 802. Listing Agreements, etc.
1. Where the Exchange lists a preferred stock, etc. pertaining to an initial listing application, an issuer of the preferred stock, etc. pertaining to such initial listing application shall submit a "Listing Agreement for a Preferred Stock, etc." predetermined by the Exchange as specified by the Enforcement Rules; provided, however, that submission shall not be required if an issuer of a listed preferred stock, etc. on the Exchange makes an application for initial listing of another preferred stock, etc.
2. The listing agreement as in the preceding paragraph shall become effective as of the listing day of a preferred stock, etc. pertaining to an initial listing application.
3. The Exchange shall enroll the security in the listed security registry on the listing day of a
4. Preferred stock, etc. (excluding foreign stocks and Mothers-listed securities) shall be assigned to the same market classification (in cases of JASDAQ-listed companies, the same market division and the same sub-division) as that for the domestic stock of a listed company which issues such preferred stock, etc.

Rule 803.  Documents to be Submitted Pertaining to Initial Listing Application, etc.
1. An entity who intends to apply for initial listing of a preferred stock, etc. shall submit a "Security Initial Listing Application Form" predetermined by the Exchange.
2. A "Securities Report for Initial Listing Application" and other documents specified by the Enforcement Rules shall be attached to the "Security Initial Listing Application Form" prescribed in the preceding paragraph.
3. An issuer of a preferred stock, etc. pertaining to an initial listing application shall, if the Exchange approves listing of such preferred stock, etc., agree that the Exchange makes such documents available for public inspection before and after the listing as specified by the Enforcement Rules, out of the documents submitted pursuant to the provisions of the preceding paragraph.
4. Where an initial listing application is made before the establishment pursuant to the provisions of Rule 801, Paragraph 2, documents which cannot be submitted at the time of the initial listing application (limited to those deemed inevitable by the Exchange on a case by case basis), out of the attached documents specified by Paragraph 2, will suffice, if they are submitted immediately after submission becomes possible.
5. An issuer of a subsidiary-linked dividend stock which applies for initial listing of such subsidiary-linked dividend stock shall, if the Exchange approves listing of such subsidiary-linked dividend stock, submit a report containing matters concerning the corporate governance of a subsidiary pertaining to such subsidiary-linked dividend stock (hereinafter referred to as "subject subsidiary") as specified by the Enforcement Rules and shall agree that the Exchange makes such report (including materials containing its details) available for public inspection before and after the listing.
6. Out of the issuers of subsidiary-linked dividend stocks which apply for initial listing of such subsidiary-linked dividend stocks (excluding JASDAQ-listed companies), issuers for which the Exchange deems the structure of the corporate group of the subject subsidiary is peculiar shall submit a report containing risk information pertaining to the structure of the corporate group of such subject subsidiary and shall agree that the Exchange makes such report available for public inspection before and after the listing.
7. The Exchange may, if it deems necessary for listing examination, request an issuer of a preferred stock, etc. pertaining to an initial listing application to submit an informational report or materials in addition to the documents prescribed in each of the preceding paragraphs and/or to provide cooperation in listing examination.

Rule 804.  Formal Requirements of Listing Examination
Listing examination of a preferred stock, etc. shall be carried out on preferred stock, etc. that meets each of the following items. Details of each such item in this case shall be provided by the Enforcement Rules:
(1) The issuer of a security for which an initial listing application is made is an issuer of a listed stock with voting rights;
(2) The security for which an initial listing application is made satisfies the following a. through e.:
   a. The number of holders of a listed preferred stock, etc. of more than one (1) unit is
expected to reach 800 or more by the time of listing;

b. The following (a) through (c) are met:
   (a) The number of tradable shares is expected to reach 4,000 units or more by the time of listing;
   (b) The market capitalization of tradable shares as of the listing day is expected to reach 1 billion yen or more; and
   (c) The number of tradable shares is expected to reach 30% or more of the listed preferred stock, etc. by the time of listing;

c. Such security (limited to those referred to in Article 2, Paragraph 1 of the Book-Entry Transfer Act) is subject to the book-entry transfer operation of the designated book-entry transfer institution, or is likely to be so by the time of listing; and

d. Transfer of a preferred stock, etc. pertaining to an initial listing application is not restricted or is expected not to be restricted by the time of listing; provided, however, that the same shall not apply to cases where transfer of a preferred stock, etc. is restricted pursuant to the provisions of special laws specified by the Enforcement Rules at the same time the details of the restriction are deemed not to hinder trading in the market of the Exchange.

e. Rule 205, Item 9 is met.

Rule 805. Listing Examination
1. Listing examination of a preferred stock, etc. shall be carried out on the matters enumerated in each of the following items with respect to an of the security for which an initial listing application is made:
   (1) Profitability:
      An issuer of a security for which an initial listing application is made is expected to record profits sufficient to pay surplus dividend pertaining to such security;
   (2) Appropriateness of disclosure of corporate information, etc.:
      An issuer is in a status where disclose of the corporate information, etc. may be carried out in an appropriate manner; and
   (3) Other matters deemed necessary by the Exchange from the viewpoint of the public interest or the protection of investors.
2. Examination of matters referred to in each item in the preceding paragraph shall be carried out on the basis of the documents submitted by the issuer of a security for which initial listing application is made on the basis of the provisions of each paragraph of Rule 803.
3. Necessary matters concerning examination defined in the preceding paragraph shall be prescribed by the guidelines for listing examination, etc.

Rule 806. Disclosure of Corporate Information
1. Timely disclosure, etc. carried out by an issuer of a listed preferred stock, etc. shall be as prescribed by this rule in addition to Part 2, Chapter 4.
2. An issuer of a listed preferred stock, etc. which may be acquired by the issuer as prescribed by a provision shall, where the details of accounts are disclosed on the basis of the provisions of Rule 404, disclose the details of a policy of such acquisition as well.
3. Where a body which decides the business execution of an issuer of a listed preferred stock, etc. as in the preceding paragraph decides to change its policy of an acquisition last publicly announced, the body shall disclose the details immediately pursuant to the provisions of the Enforcement Rules.
4. Where an issuer of a listed subsidiary-linked dividend stock falls under any of the following items (concerning the matter prescribed in Item 1 and the fact prescribed in Item
2. excluding cases falling under the criteria prescribed by the Enforcement Rules as those which have an effect of minor significance on investment decision of such listed subsidiary-linked dividend stock), the issuer shall disclose the details immediately pursuant to the provisions of the Enforcement Rules.

(1) Where a body which decides the business execution of a subject subsidiary decides important matters concerning operation, business or assets or a subsidiary-linked dividend stock (including cases where the body decides not to carry out a matter pertaining to such decision);

(2) Where an important fact concerning operation, business or assets of a subject subsidiary or a subsidiary-linked dividend stock arises;

(3) Where the details of account settlement of a subject subsidiary’s business year or cumulative quarterly period, or consolidated accounting year or consolidated cumulative quarterly period are fixed;

(4) Where there occurs a difference (limited to those falling under the criteria specified by the Enforcement Rules as matters which have a material impact on investment decisions of such listed subsidiary-linked dividend stock) in estimated value newly calculated by such subject subsidiary or accounts for such business year compared to the last published estimated value (where there is not such value, published actual value for the previous business year) with respect to sales, operating profits, ordinary profits or net income of such subject subsidiary; or

(5) Where a subject subsidiary calculates an estimated value of surplus dividend.

5. An issuer of a listed subsidiary-linked dividend stock shall disclose matters concerning a controlling shareholder, etc. as prescribed by the Exchange pertaining to such subject subsidiary, where the issuer discloses the details of accounts pertaining to a business year on the basis of the provisions of the preceding paragraph.

6. An issuer of a listed subsidiary-linked dividend stock shall disclose the details immediately pursuant to the provisions of the Enforcement Rules, where a consolidated subsidiary for an immediately prior consolidated accounting year of a subject subsidiary falls under any of the following items (excluding cases falling under the criteria as prescribed by the Enforcement Rules as matters which have an effect of minor significance on investment decisions of such listed subsidiary-linked dividend stock):

(1) Where a body which decides the business execution of a consolidated subsidiary of a subject subsidiary decides important matters concerning operation, business or assets or a subsidiary-linked dividend stock (including cases where the body decides not to carry out a matter pertaining to such decision); or

(2) Where an important fact concerning operation, business or assets of a consolidated subsidiary of a subject subsidiary company or the subsidiary-linked dividend stock arises.

7. The provisions of Rule 401, Rule 411-2, and Rules 413 through 416 shall be applied mutatis mutandis to disclosure pursuant to the provisions of Paragraph 2 through the preceding paragraph.

Rule 807. Report Concerning Corporate Governance

1. Where any change has occurred to the details of a report including the matters regarding corporate governance specified by the Enforcement Rules, an issuer of a listed subsidiary-linked dividend stock shall submit a report after the change without delay. In this case, said issuer of the listed subsidiary-linked dividend stock shall agree that the Exchange makes said report after the change available for public inspection.

2. In cases of the first sentence of the preceding paragraph, if the details of such change
pertain to a matter specified by the Enforcement Rules, an issuer may submit a report after such change without delay after the day of the first annual general shareholders meeting after such change.

**Rule 807-2.  Report Concerning Risk Information Pertaining to Structure of Corporate Group**

Where any change has occurred to the details of a report prescribed in Rule 803, Paragraph 6 (meaning, if a report after a change is submitted pursuant to the provisions of this paragraph, said report after the change), an issuer of such listed subsidiary-linked dividend stock (excluding JASDAQ-listed companies) shall submit a report after the change without delay and shall agree that the Exchange makes said report after the change available for public inspection; provided, however, that the same shall not apply to cases where the Exchange deems that such change in details is of minor significance.

**Rule 808.  Delisting Criteria**

1. Where an issuer of a listed preferred stock, etc. falls under any of the following items, all securities such as preferred stocks, etc. issued by such issuer shall be delisted. The timing of delisting in this case shall be provided by the Enforcement Rules:
   (1) In cases prescribed by the Enforcement Rules that an issuer carries out a material breach concerning a listing agreement pertaining to a preferred stock, etc. or where an issuer ceases to be a party to such listing agreement; or
   (2) Where a stock, etc. issued by the issuer of a listed preferred stock, etc. falls under the criteria prescribed in any of Rules 601 through 604-5 (excluding cases where the Exchange deems appropriate, out of the cases falling under of Rule 601, Paragraph 1, Item 18 (including cases according to Rule 602, Paragraph 1, Item 1 or Paragraph 2, Item 3; Rule 603, Paragraph 1, Item 6; Rule 604, Paragraph 1, Item 2 or Paragraph 2, Item 1; Rule 604-2, Item 3; Rule 604-3, Item 2; Rule 604-4, Paragraph 1, Item 2; or Rule 604-5, Item 2)).

2. Where a listed preferred stock, etc. falls under any of the following items, it shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:
   (1) Number of shareholders:
      Where the number of holders having a unit or more of a preferred stock, etc. is less than 400 as of the end of a business year of a listed company and the number does not reach at least 400 within a year; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise;
   (2) Tradable shares:
      Any of the following a. through c. is met; provided, however, that the same shall not apply to cases where the Enforcement Rules specify otherwise:
      a. Where the number of tradable shares is less than 2,000 units as of the end of a business year of a listed company and the number does not reach at least 2,000 units within a year;
      b. Where the market capitalization of the tradable shares is less than 500 million yen as of the end of a business year of a listed company and it does not reach at least 500 million yen within a year; provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, the Exchange shall specify the criterion concerning the market capitalization of tradable shares on a case by case basis; or
      c. Where the number of tradable shares is less than 5% of the total number of a listed preferred stock, etc. as of the end of a business year of a listed company and the
3. A listed company does not submit a scheduled plan of public offering, secondary offering or distribution with a quantitative limit by the date specified by the Enforcement Rules;

(3) Where the remaining period of a preferred stock, etc. reaches its maturity;

(4) Where the average monthly trading volume of a listed preferred stock, etc. for each year ending December 31 is less than ten (10) units;

(5) Where no trade has been made for three (3) months till the end of every month;

(5)-2 In the event that said market capitalization of a listed preferred stock, etc. is less than a value obtained by multiplying the number of the listed preferred stocks, etc. by two (2), it does not reach at least said value within three (3) months;

(6) Where such security (limited to those referred to in Article 2, Paragraph 1 of the Book-Entry Transfer Act) ceases to be subject to the book-entry transfer operation of the designated book-entry transfer institution;

(7) Where an issuer of a listed preferred stock, etc. attempts to make a restriction on transfer of a preferred stock, etc.; provided, however, that the same shall not apply to cases where a restriction is imposed concerning transfer of a preferred stock, etc. on the basis of the provisions of special laws specified by the Enforcement Rules and, in addition, the details of the restriction are deemed not to hinder trading in the market of the Exchange;

(8) Where an issuer of a listed preferred stock, etc. acquires all the shares pertaining to such security; or

(9) In addition to each of the preceding items, where the Exchange deems that delisting of such security is appropriate for the public interest or the protection of investors.

3. With regards to the application of the provisions of Items 1 and 2 of the preceding paragraph pertaining to a listed company whose shareholder, etc. record date is not the end of a business year, the number of holders of preferred stocks, etc. and tradable shares, the market capitalization of tradable shares, and the number of listed preferred stocks, etc. as of the shareholders, etc. record date shall be deemed to be those as of the end of the business year.

Rule 809. Delisting Day
Details of a delisting day in cases where delisting of a listed preferred stock, etc. is decided shall be provided by the Enforcement Rules

Rule 810. Designation of Securities Under Supervision
Where a listed preferred stock, etc. is likely to be delisted, the Exchange may designate such listed preferred stock, etc. as a security under supervision to make investors aware of that fact pursuant to the provisions of the Enforcement Rules.

Rule 811. Designation of Securities to be Delisted
Where a listed preferred stock, etc. is decided to be delisted, the Exchange may designate such listed preferred stock, etc. as a security to be delisted for a period until the day before the delisting day pursuant to the provisions of the Enforcement Rules to make investors aware of that fact.

Rule 812. Fees Relating to Listing
An issuer who makes an application for initial listing of a preferred stock, etc. and an issuer of a listed preferred stock, etc. shall pay a listing examination fee, initial listing fee, additional listing fee, annual listing fee, and other fees relating to listing pursuant to the provisions of

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Chapter 2
Senior Securities

Rule 813.  Initial Listing Application
1. Initial listing of a senior security (meaning a senior beneficiary certificate which is issued by a subsidiary corporation (including a business trust established in the State of Delaware in the USA where all beneficiary certificates with voting rights are substantially held by such listed company) established by a listed company in a foreign country exclusively to raise capital for such listed company, out of beneficiary certificates of foreign investment trusts (limited to those classified as securities investment trusts); the same shall apply hereinafter) shall be carried out upon application of an issuer of such senior security and an entity prescribed by the Enforcement Rules as a listed company which is the parent corporation of an issuer of such senior security (hereinafter referred to as "subject parent corporation").

2. Where the case falls under any of the following items, listing may be applied for a senior security issued by a subsidiary corporation of a company to be established before its establishment as well, limited to after the resolution of a general shareholders meeting of a listed company which carries out a merger for creating a new company, stock transfer, or demerger for creating a new company as prescribed in each such item. Initial listing application in this case shall be carried out by such listed company:
   (1) In cases enumerated in Rule 208, Item 1 (limited to the part pertaining to merger in which a new company is created by a listed company) or Item 3 (limited to the part pertaining to stock transfer made by a limited company), where the stock, etc. of a company to be established is subject to application of Item 1 or Item 3 of the same rule;
   (2) In cases enumerated in Rule 215, Item 1 (limited to the part pertaining to merger in which a new company is created by a listed company) or Item 3 (limited to the part pertaining to stock transfer made by a limited company), where the stock, etc. of a company to be established is subject to application of Item 1 or Item 3 of the same rule; or
   (3) In cases enumerated in Rule 216-9, Item 1 (limited to parts pertaining to a merger in which a new company is created by a listed company) or Item 3 (limited to parts pertaining to stock transfer made by a listed company), where the stock, etc. of a company to be established is subject to application of Item 1 or Item 3 of the same rule; or
   (4) Where a listed company carries out a demerger in which a new company is created, which is a shareholder directed spin-off, and initial listing application is made before such shareholder directed spin-off for a stock, etc. issued by a company to be established by such shareholder directed spin-off.

3. Examination of a senior security pertaining to an initial listing application shall be made pursuant to the provisions of Rules 816 and 817.

Rule 814.  Listing Agreements, etc.
1. Where the Exchange lists a senior security pertaining to an initial listing application, an issuer of a senior security pertaining to such initial listing application and the subject parent corporation shall submit "Listing Agreement for a Senior Security" predetermined by the
Exchange as specified by the Enforcement Rules.

2. A listing agreement referred to in the preceding paragraph shall take effect on the day of the listing of the senior security pertaining to an initial listing application.

3. The Exchange shall record the security in the listed security registry on the listing day of a senior security pertaining to an initial listing application.

**Rule 815. Documents to be Submitted Pertaining to Initial Listing Application, etc.**

1. An entity who intends to apply for initial listing of a senior security shall submit a "Security Initial Listing Application Form" predetermined by the Exchange.

2. "Table of a Senior Security Distribution" and other documents as specified by the Enforcement Rules shall be attached to the "Security Initial Listing Application Form" prescribed by the preceding paragraph.

3. An issuer of a senior security pertaining to an initial listing application and the subject parent corporation shall, where the Exchange approves listing of such senior security, agree that the Exchange makes such documents available for public inspection before and after the listing as specified by the Enforcement Rules, out of the documents submitted pursuant to the provisions of the preceding paragraph.

4. Where an initial listing application is made before the establishment pursuant to the provisions of Rule 813, Paragraph 2, documents which cannot be submitted at the time of the initial listing application (limited to those deemed inevitable by the Exchange on a case by case basis), out of the attached documents specified by Paragraph 2, will suffice, if they are submitted immediately after submission becomes possible.

5. The Exchange may, if it deems necessary for listing examination, request an issuer of a senior security pertaining to an initial listing application or the subject parent corporation to submit an informational report or materials in addition to the documents prescribed in each of the preceding paragraphs and/or to provide cooperation in listing examination.

**Rule 816. Formal Requirements of Listing Examination**

Listing examination of a senior security shall be carried out on senior security that meets each of the following items. Details of each such item in this case shall be provided by the Enforcement Rules:

1. The security for which an initial listing application is made satisfies the following a. through d.:
   a. The number of holders of a senior security of more than one (1) unit is expected to reach 800 or more by the time of listing;
   b. The following (a) through (c) must be satisfied:
      (a) The number of tradable shares is expected to reach 4,000 units or more by the time of listing;
      (b) The market capitalization of tradable shares as of the listing day is expected to reach 1 billion yen or more; and
      (c) The number of tradable shares is expected to reach 30% or more of the listed senior security (meaning a senior security listed on the exchange; the same shall apply hereinafter) by the time of listing;
   c. Transfer of a senior security pertaining to an initial listing application is not restricted or is expected not to be restricted by the time of listing; provided, however, that the same shall not apply to cases where it is deemed necessary to impose transfer restriction on a senior security in order for the application to satisfy the provisions of laws in a home country or where it is equivalent to this and, in addition, where the details of the restriction are deemed not to hinder trading in the market of the Exchange; and
d. Such security is subject to the book-entry transfer operation for foreign stocks, etc. of a designated book-entry transfer institution, or it is expected to be handled by the time of listing; and

(2) An issuer of a senior security is in conformity with Rule 205, Item 7 (limited to where the issuer of such senior security prepares financial documents).

Rule 817. Listing Examination
1. Listing examination of a senior security shall be carried out on the matters enumerated in each of the following items:
   (1) The subject parent corporation is deemed to be the substantial issuer of the senior security; and
   (2) Other matters deemed necessary by the Exchange from the viewpoint of public interest or the protection of investors.
2. Examination of the matters referred to in each item of the preceding paragraph shall be carried out on the basis of the documents submitted by the issuer of the security for which an initial listing application is made and the subject parent corporation pursuant to the provisions of each paragraph of Rule 815 and questions, etc.
3. Necessary matters concerning listing examination defined in the preceding paragraph shall be prescribed by the guidelines for listing examination, etc.

Rule 818. Ensuring Appropriate Shareholder Services and Profit Distribution Payment Works
An issuer of a listed senior security shall ensure that shareholder services specified by the Enforcement Rules or any other shareholder services and profit distribution payment works for a beneficial shareholder of foreign stocks, etc. will be carried out appropriately.

Rule 819. Written Confirmation Regarding the Appropriateness and Accuracy of Securities Reports, etc.
Where an issuer of a listed senior security submits a securities report or an interim report to the Prime Minister, etc., it shall submit to the Exchange a document stating to the effect that the representative of such issuer recognizes that there is no false statement in such securities report or interim report as of the time of their submission together with its reason pursuant to the provisions of the Enforcement Rules without delay. In this case, the issuer of such listed senior security shall agree that the Exchange will make such document available for public inspection.

Rule 820. Selection of Agents, etc. of Issuers of Listed Senior Securities
An issuer of a listed senior security shall select the subject parent corporation of a listed senior security (where such subject parent corporation is a listed foreign company, an entity selected by such listed foreign company pursuant to the provisions of Rule 426) as an entity with the authority to act as a proxy of the issuer of such listed senior security with respect to all acts in relation to the Exchange.

Rule 821. Delisting Criteria
1. Where an issuer of a listed senior security or the subject parent corporation falls under any of the following items, all senior securities issued by such issuer shall be delisted. Details of each such item in this case shall be provided by the Enforcement Rules:
   (1) Where an issuer of a listed senior security or the subject parent corporation commits a material violation concerning a listing agreement pertaining to a senior security or
where they cease to become a party of such listing agreement;

(2) Where a stock, etc. issued by the subject corporation of a listed senior security falls under the criteria prescribed by any of Rules 601 through 604-5 (excluding cases where the Exchange deems appropriate, out of the cases falling under Rule 601, Paragraph 1, Item 18 (including cases in accordance with Rule 602, Paragraph 1, Item 1 or Paragraph 2, Item 3; Rule 603, Paragraph 1, Item 6; Rule 604, Paragraph 1, Item 2 or Paragraph 2, Item 1; Rule 604-2, Item 3; Rule 604-3, Item 2; Rule 604-4, Paragraph 1, Item 2; and Rule 604-5, Item 2));

(3) Where an issuer of a listed senior stock, etc. falls under any of Item 6, Item 7 (excluding cases where the provisions of the second sentence of the same item apply), Item 10 or Item 11 of Rule 601, Paragraph 1; or

(4) Where the subject parent corporation of a listed senior security is deemed not to be a substantial issuer of a listed senior security.

2. Where a listed senior security falls under any of the following items, it shall be delisted. Details of each such item and the timing of delisting in this case shall be provided by the Enforcement Rules:

(1) Number of shareholders:
Where the number of holders having a unit of a listed senior security is less than 400 as of the end of a business year of an issuer of a listed senior security and the number does not reach at least 400 within a year;

(2) Tradable shares:
Any of the following a. through c. is met:

a. Where the number of tradable shares is less than 2,000 units as of the end of a business year of an issuer of a listed senior security and the number does not reach at least 2,000 units within a year;

b. Where the market capitalization of the tradable shares is less than 500 million yen as of the end of a business year of an issuer of a listed senior security and it does not reach at least 500 million yen within a year; provided, however, that where the general market condition rapidly deteriorates and the Exchange deems that this criterion is not appropriate, the Exchange specifies the criterion pertaining to the market capitalization of tradable shares on a case by case basis; or

c. Where the number of tradable shares is less than 5% of the total number of a listed senior security as of the end of a business year of an issuer of a listed senior security and an issuer of a listed senior security does not submit a scheduled plan of public offering, secondary offering or distribution with a quantitative limit by the day prescribed by the Exchange;

(3) Where all listed senior securities are decided to be redeemed;

(4) Where a listed senior security ceases to be subject to the handling of book-entry transfer operation for listed foreign stocks, etc. of a designated book-entry transfer institution;

(5) Where an issuer of a listed senior security attempts to impose a restriction on transfer of a senior security; provided, however that the same shall not apply to cases where it is deemed necessary to impose transfer restriction on a senior security in order for the application to satisfy the provisions of laws of a home country or where it is equivalent to this and, in addition, where the details of the restriction does not deemed to hinder trading in the market of the Exchange; or

(6) In addition to each of the preceding items, where the Exchange deems that delisting of such security is appropriate for the public interest or the protection of investors.
Rule 822. Delisting Day
Details of a delisting day in cases where delisting of a listed senior security is decided shall be provided by the Enforcement Rules.

Rule 823. Designation of Securities Under Supervision
Where a listed senior security is likely to be delisted, the Exchange may designate such listed senior security as a security under supervision to make investors aware of that fact pursuant to the provisions of the Enforcement Rules.

Rule 824. Designation of Securities to be Delisted
Where a listed senior security is decided to be delisted, the Exchange may designate such listed senior security as a security to be delisted for a period until the day before the delisting day pursuant to the provisions of the Enforcement Rules to make investors aware of that fact.

Rule 825. Fees Relating to Listing
The subject parent corporation which applies for initial listing of a senior security and the subject parent corporation of a listed senior security shall pay an initial listing fee, annual listing fee and other fees relating to listing pursuant to the provisions of the Enforcement Rules.

Chapter 3
Miscellaneous Provisions

Rule 826. Provisions Applied Mutatis Mutandis, etc.
1. The provisions of Rule 301, Paragraph 1, Paragraph 2, and Paragraph 7, and Rules 306, 606, 608 and 612 shall be applied mutatis mutandis to a preferred stock, etc. and a senior security. In this case details shall be provided by the Enforcement Rules.
2. The provisions of Rule 302, Rule 303, and Rule 304 shall be applied mutatis mutandis to a preferred stock, etc. In this case details shall be provided by the Enforcement Rules.
3. The provisions of Rule 412 shall be applied mutatis mutandis to examination pertaining to disclosure of corporate information made by an issuer of a listed senior stock, etc. on the basis of the provisions of this part.
4. The provisions of Rules 501 through 504 and Rules 508 through 510 shall be applied mutatis mutandis to ensuring effectiveness concerning an issuer of a listed preferred stock, etc.
5. The provisions of Rule 605 (excluding Paragraph 2) and Rule 607 shall be applied mutatis mutandis to examinations pertaining to delisting of a listed preferred stock, etc. and a listed senior security.