September 3, 2014

Tokyo Stock Exchange, Inc.

I. Purpose

Rules and regulations for rights offerings have been developed quickly in response to strong calls from the investor community after a series of capital increases that resulted in significant dilutions. Recently, while we observe an increase in the number of rights offerings in Japan, critics have also highlighted cases of companies, that are unable to use the conventional method of raising funds, using rights offerings to newly issue a large number of shares without a third party evaluating whether such financing activity was reasonable. This has led to concerns that rights offerings of such nature could undermine the interests of existing shareholders.

After consulting the Advisory Group Improvements to the TSE Listing System, TSE released the recommendations of the advisory group in "Toward Encouraging Rights Offerings in Japan" (*) in July this year. The advisory group recommends that listings of subscription warrant securities not subject to an evaluation process be required to pass an examination equivalent to an underwriting examination by a securities company or obtain approval from its shareholders. In addition, the issuer should be required to satisfy certain performance criteria.

TSE will revise the listing criteria for subscription warrant securities to incorporate the above recommendations into the listing rules and make other necessary amendments.

(*) TSE website: http://www.tse.or.jp/listing/seibi/discussion.html (in Japanese only)

II. Outline

| Items | Contents | Remarks |
|---------------------------|--|--|
| 1. Revision to Listing | - In addition to the existing listing criteria, listings of subscription | * Rights offerings that do not have underwriters |
| Criteria for Subscription | warrant securities (limited to those pertaining to | committed to unexercised portions are known as |

| Items | Contents | Remarks |
|----------------------------|--|---|
| Warrant Securities | non-commitment-type rights offerings) shall satisfy the criteria in | non-commitment-type rights offerings. |
| | the following (1) and (2). | - The existing listing criteria are as follows: |
| | | (1) The subscription warrant securities are issued by a |
| | | gratis allotment of subscription warrants; |
| | | (2) The exercise period expires within two (2) months of |
| | | the record date, etc. of the allotment; |
| | | (3) It has not been judged that the distribution status, etc. |
| | | after listing is significantly unsatisfactory; |
| | | (4) The number of the subscription warrant securities is |
| | | not less than 2,000 units; |
| | | (5) The subscription warrants are eligible for handling by |
| | | a designated book-entry transfer institution in its |
| | | book-entry transfer operation or it is expected that |
| | | they will become so eligible by the time of listing; and |
| | | (6) The listing is not deemed inappropriate from the |
| | | perspective of the public interest or investor |
| | | protection. |
| | | |
| (1) Criteria on evaluating | - Issuance shall involve either of the processes in the following i. | * This revision introduces a process to justify a capital |
| whether the capital | and ii.: | increase in the same way as a public offering and a |
| increase is reasonable | | commitment-type rights offering. |
| | | |

| Items | Contents | Remarks |
|---|---|--|
| | i. Examination by a securities company (limited to trading participants) to justify the capital increase ii. Confirmation of the intent of shareholders by means such as a resolution of a general shareholders meeting | The examination in i. shall be equivalent to an underwriting examination, and documents containing explanations of its results shall be submitted. Trading participants conducting examinations in i. shall develop examination system in accordance with the "Regulations Concerning Trading Participants' Listing Eligibility Examination Systems." |
| (2) Criteria on business results and financial conditions | - The business results and financial conditions of the listed company issuing the subscription warrant securities shall not fall under any of the following i. and ii.: | * These criteria are intended to complement the evaluation process for justifying a capital increase. |
| | i. No business years recording ordinary income during the most recent two (2) years ii. Liabilities in excess of assets as of the end of the most recent business year or quarterly accounting period. | |

| Items | Contents | Remarks |
|-----------|--|--|
| 2. Others | - The listing date of subscription warrant securities shall be on or | * Subscription warrant securities are listed after the start |
| | after the first day of the exercise period. | of the exercise period to facilitate smooth price |
| | | formation with arbitrage trading, which will be less |
| | | constrained by difficulties in the lending and |
| | | borrowing of the underlying stock. |

III. Implementation Date (Scheduled)

These rules will be implemented in October 2014 with the exception of 2., which will be implemented from the day the partial amendments to the Companies Act (Act No. 90 of 2014) come into effect.