Development of Rules in Connection with the 2014 Amendments to the Companies Act

January 30, 2015 Tokyo Stock Exchange, Inc.

I. Purpose

Tokyo Stock Exchange, Inc. (hereinafter referred to as "TSE") will make necessary revisions to its rules, including those on matters requiring timely disclosure, in response to the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014; hereinafter referred to as "the Companies Act Amendment"), which will establish rules on special controlling shareholder's requests for sale of shares, etc. and partially relax the independence requirements for outside directors/auditors, among other amendments.

II. Outline

Item	Content	Remarks
1. Development of Rules in		
Connection with		
Establishment of Rules on		
Special Controlling		
Shareholder's Request for		
Sale of Shares, etc.		
(1) Additional Matters	- Timely disclosure on a special controlling	
Requiring Timely	shareholder's request for sale of shares, etc. shall be	

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Item	Content	Remarks
Disclosure	required in the following cases. (1) Where the decision-making body for business execution of a listed company has decided to approve (or not to approve) a request for sale of shares, etc. (2) Where a special controlling shareholder has decided to make a request for sale of shares, etc. with respect to a listed company or where such special controlling shareholder has decided not to make such request.	
(2) Additional Delisting Criterion	- If a special controlling shareholder acquires all the shares of a listed company, the stock, etc. shall be delisted.	- As in the case of cashing-out minority shareholders using class shares with whole acquisition clause, the delisting day shall be the day that is three days (excluding non-business days) prior to the acquisition day.
2. Revision to Disclosure on Independence of	- If more than ten (10) years have elapsed since a person was involved in the business execution of a	- This rule prescribes the handling of designations, as independent director/

Item	Content	Remarks
Independent	listed company or its subsidiary, he/she may be	auditor, of persons that fall into the
Director/Auditor	designated as an independent director/auditor. When	new category recognized by the
	making such designation, the listed company shall be	Companies Act Amendment as
	required to disclose such fact and a summary of such	outside.
	relationship.	- The Companies Act Amendment
		recognizes that persons who have left
		a listed company for more than ten
		(10) years will have an insubstantial
		relationship with the listed company
		as outside persons, and, thus, can be
		expected to be effective outside
		directors/auditors. In line with such
		amendment, such persons will also be
		recognized as independent in the TSE
		rules. In such case, however,
		depending on the circumstances,
		investors may raise questions
		regarding the independence of
		someone who formerly held a post at
		the listed company or its subsidiary.

Item	Content	Remarks
		As such, for the purpose of facilitating
		investment decisions, such fact and a
		summary shall be disclosed even if
		more than ten (10) years have elapsed.
		- The "Japan's Corporate Governance
		Code (Exposure Draft)," released by
		the Council of Experts Concerning the
		Corporate Governance Code on Dec.
		17, 2014 (joint secretariats TSE and
		the Financial Services Agency),
		contains a recommendation that, with
		respect to the independence criteria
		and related disclosure requirements
		established by securities exchanges,
		the Council expects securities
		exchanges to undertake appropriate
		reviews as necessary while taking into
		account future developments. The
		review in response to the
		recommendation will be conducted

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Item	Content	Remarks
		separately.
3. Other	- TSE shall make other necessary revisions.	- Other revisions will be made, such as
		including an audit, etc. committee in
		addition to the existing list of organs
		that a listed company should establish,
		which include a board of auditors and
		nomination committee.

III. Implementation Date (Scheduled)

These revisions will be implemented from the day on which the Companies Act Amendment comes into effect.