



Regulations and Rules for Enforcement for Companies

Regulations and Rules for Enforcement for Companies

Regulations for Companies	Rules for Enforcement
CHAPTER 1 GENERAL PROVISIONS	
Reg 1. Purpose	E 1. Purpose
<p>1. These Regulations are formulated pursuant to Article 4, Paragraph 4 of the Operational Bylaws and set out the rules applying to the listing and delisting of Securities listed on the Market and other necessary matters.</p> <p>2. The Exchange will operate these Regulations within a "principles-based framework". In applying these Regulations, the Exchange will interpret them in accordance with the purpose and principle of each provision, preserving the transparency and integrity of the Market.</p>	<p>These Rules for Enforcement set out details of the Regulations for Companies (hereinafter, the Regulations).</p>
Reg 2. Agreement with a J-Nomad	E 2. Number of J-Nomads
<p>1. A Listed Company and an Initial Listing Applicant must enter into an agreement as stipulated in Reg 11 of the Regulations for J-Nomads with a J-Nomad and retain a J-Nomad at all times.</p> <p>2. A Listed Company and an Initial Listing Applicant must seek advice from the J-Nomad regarding its compliance with these Regulations whenever appropriate and take that advice into account.</p> <p>3. A Listed Company and an Initial Listing Applicant must co-operate with their J-Nomad where such J-Nomad performs its obligations stipulated in these Regulations for J-Nomads with respect to matters relating to Listing Management and Initial Listing.</p>	<p>A Listed Company can only retain the services of one J-Nomad at any one time.</p>

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Reg 3. Advice regarding Interpretation of Regulations	
When making a judgment regarding the interpretation of these Regulations a Listed Company must consult with its J-Nomad .	
Reg 4. Communication	
<ol style="list-style-type: none"> 1. Reports or other documents to be presented to the Exchange by a Listed Company or an Initial Listing Applicant are to be channelled through their J-Nomad. 2. Communications from the Exchange to a Listed Company or Initial Listing Applicant will be channelled through the relevant J-Nomad. 	
Reg 5. Language Used in Documents	
In the creation of disclosure materials to be disclosed via TDnet , a Listed Company and Initial Listing Applicant must select either the English or Japanese language and continue thereafter, to use the same language.	
Reg 6. Accommodation of Home Country Laws etc.	
In cases in which the issuer of the Securities is a foreign company, the application of Exchange rules to that company is to be done while taking into consideration the legal system, business practices, etc, of its home country.	
CHAPTER 2 NEW LISTINGS	
Reg 7. Listing Application	E 3. Listing Application
<ol style="list-style-type: none"> 1. The Initial Listing Applicant must file with the Exchange an Initial Listing Application for the Securities at least 10 business days prior to the expected date of listing admission, in the format stipulated in the 	<ol style="list-style-type: none"> 1. The format of an Initial Listing Application for Securities under Reg 7, Paragraph 1 of the Regulations shall be as appended Form 1.

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<p>Rules for Enforcement. Where, as a result of a merger (<i>gappei</i>), corporate split (<i>kaisha bunkatsu</i>), share exchange (<i>kabushiki kokan</i>), share transfer (<i>kabushiki iten</i>) or other such means involving a Listed Company, a new company is to be established or such Listed Company is to become the surviving entity, an application may be made by such Listed Company before the date of establishment of the new company or the effective date of such measure.</p> <p>2. If any changes or corrections are required to an Initial Listing Application or in other cases deemed necessary by the Exchange, the Exchange may postpone an admission to a date later than the expected listing admission date as referred in Paragraph 1 of this Reg 7.</p> <p>3. Where a Listed Company undertakes a Reverse Take Over, it must file a Re-Listing Application in accordance with the Rules for Enforcement. The Listed Company that files a Re-Listing Application will be subject to the regulations in this Chapter.</p>	<p>2. When a Listed Company undertakes a Reverse Take Over, it must;</p> <ol style="list-style-type: none"> (1) Submit a Re-Listing Application immediately after the timely disclosure required by Reg 19 relating to such Reverse Take Over; (2) Submit a Re-Listing Application under Reg 7, Paragraph 3 of the Regulations accompanied by financial statements etc. and Auditor's Report (as stipulated in E 4, Paragraph 5) of the counterparties of the Reverse Take Over; and (3) Pass a resolution at a general meeting approving the Reverse Take Over.
<p>Reg 8. Documents to be Submitted at Time of Initial Listing Application</p>	<p>E 4. Documents to be Submitted at Time of Initial Listing Application</p>
<p>1. An Initial Listing Applicant must submit the following documents at the time of its Listing Application:</p> <ol style="list-style-type: none"> (1) Specified Securities Information (2) Written Oath regarding the Initial Listing Application in the format stipulated in the Rules for Enforcement. (3) Report concerning Corporate Governance as stipulated in the Rules for Enforcement (4) Articles of Incorporation of such Initial Listing Applicant (5) Other documents deemed necessary by the Exchange 	<ol style="list-style-type: none"> 1. The format of the Written Oath regarding the Initial Listing Application under Reg 8, Paragraph 1, Item 2 of the Regulations shall be as shown as appended Form 2. 2. The Report concerning Corporate Governance under Reg 8, Paragraph 1, Item 3 of the Regulations shall contain the items below: <ol style="list-style-type: none"> (1) Information regarding the Initial Listing Applicant's approach to corporate governance, its capital structure, corporate affiliation, etc.; (2) An outline of the management decision-making process and executive and audit management and other matters relating to corporate governance; (3) Details of how it has implemented policies relating to shareholders

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	<p>and other stakeholders;</p> <p>(4) Its approach to internal control and risk management and the status of implementation of such internal control and risk management (including systematic measures to prevent antisocial elements); and</p> <p>(5) Any other items deemed necessary by the Exchange.</p>
<p>2. In certain cases, an Initial Listing Applicant should submit information other than the Specified Securities Information, as stipulated in the Rules for Enforcement.</p> <p>3. The contents and the form of Specified Securities Information must be as stipulated in the Rules for Enforcement.</p> <p>4. Financial statements, etc. contained in Specified Securities Information (including information equivalent to Issuer Filing Information to be submitted pursuant to Paragraph 2 of this Reg 8) must be accompanied by an Auditor's Report as stipulated in the Rules for Enforcement.</p> <p>5. The financial statements, etc. contained in Specified Securities Information must be prepared in conformance with any of the following: Japanese GAAP, US GAAP, International Financial Reporting Standards (IFRS), or other accounting standards stipulated in the Rules for Enforcement.</p>	<p>3. The “cases” and “information” required under Reg 8, Paragraph 2 of the Regulations are described below:</p> <p>(1) An Initial Listing Applicant not having an obligation to submit an Annual Securities Report at the time of the Initial Listing Application which is <i>not</i> to carry out a Primary Offering for Subscription or Secondary Distribution to Specified Investors at the time of the listing:</p> <p style="padding-left: 40px;">Information equivalent to the Issuer Filing Information</p> <p>(2) An Initial Listing Applicant having an obligation to submit an Annual Securities Report for the securities to be listed at the time of the Initial Listing Application which is to carry out a Primary Offering for Subscription or Secondary Distribution to Specified Investors at the time of the listing:</p> <p style="padding-left: 40px;">A copy of the Securities Registration Statement</p> <p>(3) An Initial Listing Applicant having an obligation to submit an Annual Securities Report for the securities to be listed at the time of the Initial Listing Application which is not to carry out a Primary Offering for Subscription or Secondary Distribution to Specified Investors at the time of the listing:</p> <p style="padding-left: 40px;">A copy of the Annual Securities Report and the Interim Report</p>

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	<p>In such cases, the Initial Listing Applicant must also provide any additional relevant information as deemed necessary by the Exchange.</p> <p>4. The contents of the Specified Securities Information under Reg 8, Paragraph 3 of the Regulations are stipulated in Article 2, Paragraph 2, Item 1 (a) to (d) of the Cabinet Office Ordinance concerning Disclosure on the Specified Securities Information and described in the Form 3 (limited to the cases where the Securities do not fall under categories of investment trust type Securities or certain other investment Securities defined in the Law). The Initial Listing Applicant must prepare the Specified Securities Information in accordance with the Form 3 or other forms deemed equivalent by the Exchange.</p> <p>5. An Auditor's Report under Reg 8, Paragraph 4 of the Regulations shall (a) contain an unqualified opinion, unqualified conclusion, or equivalent opinion or conclusion and (b) satisfy the following conditions:</p> <ol style="list-style-type: none"> (1) It is to contain the results of an audit or review conducted in accordance with the Japanese generally accepted auditing or reviewing standards or standards corresponding to these standards (such as the ISA). (2) It is to contain an audit certification prepared in accordance with Article 193-2 of the Law or an equivalent. (3) It is to be prepared by an audit corporation. (4) It is to be prepared relating to the latest consolidated accounting period or business year. <p>6. Other accounting standards under Reg 8 Paragraph 5 of the Regulations means any standard that is equivalent to Japanese GAAP, U.S. GAAP or IFRS and deemed as appropriate with the agreement of the J-Nomad and an audit corporation and approved by the Exchange. Disclosure must be made of the differences to one of the above 3 standards (so-called "reconciliation disclosure") subject to an audit by an audit corporation.</p>

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Reg 9. Public Announcement at Time of Initial Listing Application	E 5. Methods of Initial Public Announcement at Time of Initial Listing Application
<ol style="list-style-type: none"> 1. The Exchange and an Initial Listing Applicant shall make public the documents stipulated in Reg 8, Paragraph 1 by the methods as stipulated in the Rules for Enforcement on the listing application date. 2. If there are any changes or corrections to the Specified Securities Information published in accordance with the preceding paragraph, the Initial Listing Applicant shall make a public announcement by way of such method as stipulated in the Rules for Enforcement promptly. 	<p>The methods of publication under Reg 9, Paragraphs 1 and 2 of the Regulations and "The method prescribed by the Exchange" under Article 3, Item 1, Article 5, Paragraph 2, Item1 and Article 8, Paragraph 2, Item 1 of the Cabinet Office Ordinance concerning Disclosure on Specified Securities Information shall be continuous announcements under all the methods below:</p> <ol style="list-style-type: none"> (1) Announcement on the Exchange website (2) Announcement on the Initial Listing Applicant's website (3) Announcement on a Timely Disclosure Network System ("TDnet")
Reg 10. Other Documents to be Submitted	
<p>The Exchange may require an Initial Listing Applicant to provide it with such information in such form and within such limit as it considers appropriate.</p>	
Reg 11. Qualification Requirements for Initial Listing Applicants	
<p>An Initial Listing Applicant must satisfy all of the qualification requirements stipulated below:</p> <ol style="list-style-type: none"> (1) It is an appropriate company to be admitted to the Market, it acts fairly with integrity in relation to investors and the Market and does not damage the reputation of the Market; (2) It has performed its business fairly and in good faith; (3) It has appropriate and effective directors and board, corporate governance, financial reporting, audit and internal control systems in place including in relation to ensuring compliance with the these Regulations on an ongoing basis; (4) It is in a position to comply with its disclosure obligations, as required by these Regulations; and (5) It has no connections whatsoever with antisocial elements. 	

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Reg 12. Listing Admission	
The Exchange shall only admit the Securities of an Initial Listing Applicant to listing upon confirmation that the qualification requirements for listing as stipulated in Reg 11 have been satisfied.	
Reg 13. Announcement of Listing Admission	
Admission by the Exchange of an Initial Listing Application shall be subject to public announcement.	
Reg 14. Listing Agreement	E 6. Listing Agreement
<ol style="list-style-type: none"> 1. At the time of admission by the Exchange, an Initial Listing Applicant must submit a "Listing Agreement" as stipulated in the Rules for Enforcement. 2. On the listing date of the relevant Securities, the Exchange shall record in the Registry of Listed Securities the name and other matters with respect to such Securities. 	The format of the Listing Agreement under Reg 14, Paragraph 1 of the Regulations shall be as shown as appended Form 4.
Reg 15. Primary Offering for Acquisition or Secondary Distribution prior to Listing	E 7. Retention of Records of Share Transfer prior to Listing
To ensure the fairness of initial offerings of domestic Securities issued by an Initial Listing Applicant (excluding: issuers of domestic Securities listed on other exchanges in Japan or equivalent companies; applicants as stipulated in the second sentence of Reg 7, Paragraph 1; and foreign companies), the Offering etc Before Listing and third-party allocation prior to listing must be as stipulated in the Rules for Enforcement.	<p>An Initial Listing Applicant must retain records for a period of 5 years from the date of listing detailing:</p> <ol style="list-style-type: none"> (1) the allocation of shares or warrants through third party allotment to Special Interested Parties etc.; and (2) the acquisition or transfer of shares or warrants including the exercise of warrants (but excluding Offering etc Before Listing) by Special Interested Parties etc. <p>during the period commencing 2 years prior to the end of the last business year</p>

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	(for which annual accounts have been approved by shareholders) preceding the initial listing application date until the listing date.
	E 8. Resale Restrictions on Solicitation etc prior to Listing
	<p>When an Initial Listing Applicant has made:</p> <ul style="list-style-type: none"> (1) Any allocation of shares through third party allotment (excluding Offering etc Before Listing); or (2) Any allocation of warrants through third party allotment; or (3) A delivery of shares or exercise of warrants (limited to the warrants stipulated in the preceding paragraph <p>during the period commencing 1 year prior to the end of the last business year (for which annual accounts have been approved by shareholders) preceding the initial listing application date until the listing date, it must ensure that the counterparty confirms to the J-Nomad in writing that it will:</p> <ul style="list-style-type: none"> (1) Retain these shares and warrants for a period from the date of such allocation or delivery until 6 months from the date of listing (or for a 1 year period from the date of allocation or delivery, if that is longer). However, this restriction shall not apply where the J-Nomad deems the party to be in serious financial difficulty or any other unavoidable circumstance. (2) Provide prior written notice to such Initial Listing Applicant if it intends to transfer the shares or warrants to relating to such allocation, and report the details to such Initial Listing Applicant after the transfer. (3) Take any other actions deemed as necessary by the Exchange.

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Reg 16. Restriction on Dealings	
<ol style="list-style-type: none"> 1. An Initial Listing Applicant must have an appropriate system to prevent its Officers from disposing of any of its Securities for at least one year from the date of listing. The relevant Securities can be disposed during that year only where the disposal is deemed acceptable by its J-Nomad. 2. An Initial Listing Applicant must have an appropriate system to ensure that its Officers do not deal in any of its Securities during a Close Period. 	
<p>CHAPTER 3 OBLIGATIONS AFTER LISTING</p> <p>Section 1 Obligation of Keeping Qualification Requirements</p>	
Reg 17. Continuing Obligation to Fulfil Qualification Requirements for Initial Listing Applicants	
Listed Companies must at all time meet the qualification requirements stipulated in Reg 11.	
<p>Section 2 Obligation of Company Information Disclosure</p>	
Reg 18. Disclosure	
<ol style="list-style-type: none"> 1. A Listed Company must disclose Company Information in a timely, accurate, fair (as concerns investors) manner at all times and must take reasonable care to ensure that any information it discloses is not misleading, false or deceptive and does not omit anything likely to affect the import of such information. 	

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<p>2. A Listed Company must utilize TDnet in the disclosure of Company Information. Other methods may be designated by the Exchange in the event of an operational failure of TDnet or in other circumstances as deemed necessary by the Exchange.</p>	
<p>Reg 19. Disclosure of Material Company Information</p>	<p>E 9. Disclosure of Material Company Information</p>
<p>A Listed Company must, in accordance with the Rules for Enforcement, make immediate disclosure where changes in the following could exert a material influence on the investment decisions of investors:</p> <p>(1) The financial position of such Listed Company;</p> <p>(2) The business of such Listed Company;</p> <p>(3) The results of such Listed Company; or</p> <p>(4) Other relevant developments.</p>	<p>1. Disclosure required pursuant to Reg 19 of the Regulations includes the circumstances as stipulated in Annex 1 as the adequate standards of timely disclosure accepted in Japanese capital markets.</p> <p>2. The contents of the disclosure required under Reg 19 of the Regulations should include the following items, where they are likely to exert a material influence on the investment decisions of investors:</p> <p>(1) The reason for matters being disclosed by a Listed Company or the background to the occurrence relating to the matter to be disclosed;</p> <p>(2) The details of the matter to be disclosed;</p> <p>(3) The effect on the business results of such Listed Company; and</p> <p>(4) Other necessary information.</p>
<p>Reg 20. Disclosure of Related Party Transactions</p>	<p>E 10. Disclosure of Related Party Transactions</p>
<p>A Listed Company must, as stipulated in the Rules for Enforcement, promptly disclose any Related Party Transactions.</p>	<p>1. A Listed Company must disclose Related Party Transactions in accordance with the standards stipulated in E 9, Paragraph 1.</p> <p>2. In respect of Related Party Transactions which require to be published pursuant to Reg 20 of the Regulations, a Listed Company must disclose the contents stipulated in E 9, Paragraph 2.</p> <p>3. A Listed Company must ensure, and demonstrate to its J-Nomad, that the Related Party Transactions pursuant to Reg 20 are fair and reasonable</p>

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<p>Reg 21. Aggregation of Transactions</p> <p>Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether Regs 19 and 20 apply where:</p> <p>(1) They are entered into by a Listed Company with the same party (including an individual, corporation, partnership, association, trust or other entity);</p> <p>(2) They involve the acquisition or disposal of securities or an interest in one particular business; or</p> <p>(3) Together they lead to a principal involvement in any business activity or activities which did not previously form a part of the Listed Company's principal activities.</p>	
<p>Reg 22. Other Matters for which the Exchange Requires Disclosure</p> <p>Where there are any matters as stipulated in the Rules for Enforcement, the Listed Company must promptly disclose the contents in accordance with the Rules for Enforcement.</p>	<p>E 11. Other Matters for which Exchange Requires Disclosure</p> <p>1. "Matters" under Reg 22 of the Regulations are as follows:</p> <ul style="list-style-type: none"> (1) Changes to the board of directors; (2) Acquisition or disposal of the shares of the Listed Company by its directors (3) Changes to the head office address; (4) Changes to the website address; (5) Changes to the J-Nomad or Liquidity Provider; (6) Changes to the dividend record date; (7) Changes to the dividend payment date; and (8) Material changes to matters included in documents submitted at the time of the Listing Application. <p>2. In respect of the matters which require to be published pursuant to the preceding paragraph, a Listed Company must disclose the contents stipulated in E 9, Paragraph 2.</p>

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<p>Reg 23. Disclosure of Financial Results</p> <ol style="list-style-type: none"> 1. A Listed Company must disclose the annual and interim financial result within 2 months from the end of the relevant business year or interim accounting period in accordance with the Rules for Enforcement. 2. In the event that a Listed Company is unable to make disclosure within the period stipulated in the preceding paragraph, it must promptly notify the Exchange and make public that fact and other facts stipulated in the Rules for Enforcement. 	<p>E 12. Disclosure of Financial Results</p> <ol style="list-style-type: none"> 1. Annual and interim financial results under Reg 23, Paragraph 1 of the Regulations, are to be released in a format stipulated by the Exchange. 2. The “facts” under Reg 23, Paragraph 2 of the Regulations are: <ol style="list-style-type: none"> (1) The reason for the failure to disclose annual and interim financial results within the period stipulated in Reg 23, Paragraph 1 of the Regulations; and (2) The expected date on which financial results are to be disclosed.
<p>Reg 24. Disclosure of Issuer Filing Information</p> <ol style="list-style-type: none"> 1. A Listed Company (except a company having an obligation to submit an Annual Securities Report) must prepare Issuer Filing Information and publish it within three months from the conclusion of business year and of an interim accounting period. The contents, method of publication and form of the Issuer Filing Information must be as stipulated in the Rules for Enforcement. 2. If there are any changes or corrections in the Issuer Filing Information as stipulated in the preceding paragraph, a Listed Company must make a public announcement by the means as stipulated in the Rules for Enforcement promptly. 3. Issuer Filing Information must be accompanied by an Auditor’s Report as stipulated in the Rules for Enforcement 	<p>E 13. Disclosure of Issuer Filing Information</p> <ol style="list-style-type: none"> 1. The contents of Issuer Filing Information under Reg 24, Paragraph 1 of the Regulations are stipulated in Article 7, Paragraph 3, Item 1 (a) to (c) of the Cabinet Office Ordinance concerning Disclosure on Specified Securities Information and described in Form 5 (except for investment trust type Securities.). An Initial Listing Applicant must prepare Issuer Filing Information in accordance with Form 5 or other forms deemed equivalent by the Exchange. 2. The standards for preparation of financial statements in Issuer Filing Information must be as stipulated in Reg 8, Paragraph 5. 3. The method of publication under Reg 24, Paragraphs 1 and 2 of the Regulations and "The method prescribed by the Exchange" under Article 7, Paragraph 1, Item 1, Article 9, Item1 and Article 11, Item 1 of the Cabinet Office Ordinance concerning Disclosure on Specified Securities Information are as stipulated in E 5. 4. An Auditor’s Report under Reg 24, Paragraph 3 of the Regulations must satisfy the provisions of E 4, Paragraph 5(b).

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<p>Reg 25. Reports and Disclosure with respect to Enquiries concerning Company Information</p>	<p>E 14. Exchange Enquiries</p>
<p>The Exchange may require a Listed Company to provide it with such information in such form and within such time limit as it considers appropriate. The Exchange may also require the relevant Listed Company to publish such information promptly.</p>	<p>Enquiries under Reg 25 of the Regulations mean an enquiry which the Exchange deems necessary to ensure a fair and orderly market. This will include enquiries relating to facts and the background during the period from which events occurred until they were disclosed.</p>
<p>Reg 26. Company Website</p>	<p>E 15. Provision of Information on Company Website</p>
<p>A Listed Company must from the date of admission provide the information stipulated in the Rules for Enforcement free of charge on its company website. A Listed Company must make reasonable efforts to keep that information up to date at all times.</p>	<p>The information which must be provided under Reg 26 of the Regulations is:</p> <ol style="list-style-type: none"> (1) Specified Securities Information (including other documents submitted in accordance with E 4, Paragraph 3); (2) Business overview; (3) Bios of Officers; (4) Articles of Incorporation; (5) Annual and interim financial result; (6) Materials disclosed via TDnet over the preceding 12 months; (7) Matters disclosed based on statutory disclosure requirements over the preceding 12 months; (8) Documents sent to shareholders over the preceding 12 months; (9) The name of its J-Nomad; (10) The name of its Liquidity Provider; (11) The number of Listed Securities in issue and, in so far as it is aware, the percentage of Listed Securities that is not in public hands. This information should be updated at least every 6 months; (12) Details of any restrictions on the transfer of its Listed Securities; (13) Name and percentage holdings of shareholders with a holding of 5% or more in the Listed Securities. This information should be updated at least every 6 months; and (14) Any other information deemed necessary by the Exchange.

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Section 3 Other Obligations	
Reg 27. Announcement of Specified Securities Information by Listed Company	E 16. Announcement of Specified Securities Information by Listed Company
<ol style="list-style-type: none"> 1. When issuing new shares through a Primary Offering for Subscription to Specified Investors or carrying out a Secondary Distribution to Specified Investors, a Listed Company must prepare Specified Securities Information and make it public in advance by the means as stipulated in the Rules for Enforcement. 2. If there are any changes or corrections in the Specified Securities Information as stipulated in the preceding paragraph of this regulation, a Listed Company must promptly make such changes or corrections public by the means as stipulated in the Rules for Enforcement. 	<p>The method of public announcement under Reg 27 of the Regulations, is as stipulated under E 5.</p>
Reg 28. Further Listings	
<p>A Listed Company that wishes to list further Securities of a class already listed must submit a Further Listing Application to the Exchange as stipulated in Reg 7, Paragraph 1.</p>	
Reg 29. Norms of Corporate Behaviour	E 17. Norms of Corporate Behaviour
<p>In relation to a stock split etc., an issuance of MSCBs etc., an introduction of anti-takeover measures and other corporate actions as stipulated in the Rules for Enforcement, a Listed Company must respect the interests of shareholders and proper functioning of the secondary market in accordance with the Rules for Enforcement.</p>	<p>Under Reg 29 of the Regulations a Listed Company must, in accordance with the corporate action listed below, comply with the actions stipulated in relation to each category:</p> <ol style="list-style-type: none"> (1) Stock split, allotment of bonus shares, allotment of bonus warrants, share consolidation, change in trading unit: A Listed Company must not act in a manner that brings about disorder or disturbance in the secondary market.

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	<p>(2) Issuance of MSCB, etc.: A Listed Company must impose restrictions as appropriate on conversion or exercise in order to prevent any adverse impact on the secondary market and the rights of shareholders of the conversion or execution of MSCBs, etc.</p> <p>(3) Procedures regarding exercise of voting rights by shareholders: A Listed Company must ensure adequate procedures for the exercise of voting rights by all shareholders at the shareholders meeting.</p> <p>(4) Introduction of anti-takeover measure: A Listed Company, when introducing an anti-takeover measure, must provide sufficient disclosure, assure transparency, and respect the proper functioning of the secondary market and the interests of shareholders.</p> <p>(5) Other corporate actions: A Listed Company must strive to maintain an internal system, etc., to ensure the absence of any adverse impact on the proper functioning of the secondary market and the interests of shareholders.</p>
Reg 30. Restrictions on Assignment of Securities	
No restrictions or planned restrictions on the assignment of Listed Securities other than those pursuant to Article 2, Paragraph 3, Item 2 (b) (2) of the Law will be permitted.	
Reg 31. Ensuring the Existence of Liquidity Providers	E 18. Liquidity Provider
1. A Listed Company shall, upon obtaining the consent of a trading participant on the Exchange , designate this trading participant as a Liquidity Provider , and shall report this fact to the Exchange and publish it.	A Liquidity Provider described in Reg 31, Paragraph 2 of the Regulations shall make best endeavours to: (1) provide bid and ask prices of Securities pertaining to the assigned Listed Company ; and (2) endeavour to provide opposing quotations to existing bids and offers in

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2. The duties of a Liquidity Provider are as stipulated in the Rules for Enforcement.	such Securities within the scope deemed appropriate by the trading participant in order to ensure orderly trading and taking into consideration trading conditions and prices etc.
Reg 32. Issuing Analyst Reports	E 19. Analyst Reports
A Listed Company should endeavour to ensure analyst reports related to such Listed Company are released on a regular basis in such circumstances as described in the Rules for Enforcement.	“Circumstances” under Reg 32 of the Regulations means around the time of the release of the Issuer Filing Information or other material disclosure by the relevant Listed Company .
Reg 33. Handling at Designated Depository Organizations	
The Listed Securities of a Listed Company must be handled by a depository organization designated by the Exchange .	
Reg 34. Share Administration Agency Body	E 20. Share Administration Agency Bodies
A Listed Domestic Company shall designate a Share Administration Agency Body as stipulated in the Rules for Enforcement.	A Share Administration Agency Body approved by the Exchange in Reg 34 of the Regulations, shall be those parties listed below: (1) Trust banks; and (2) Daiko Clearing Services Corporation, Tokyo Securities Transfer Agent Co., Ltd. or Japan Securities Agents, Ltd.
Reg 35. Administration Services for Beneficial Shareholders of a Foreign Securities, and Dividend Payment Services	
A Listed Foreign Company shall ensure that the administrative services for Beneficial Shareholders of Foreign Securities and other shareholder services and dividend payment services are performed in an appropriate manner.	
Reg 36. Listing Fees	E 21. Listing Fees
An Initial Listing Applicant and a Listed Company shall pay an Initial Listing Fee, an Annual Listing Fee and other listing fees as stipulated in the Rules for Enforcement.	The amount of the Initial Listing Fee, the Annual Listing Fee and other listing fees are specified in Annex 2.

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<p style="text-align: center;">CHAPTER 4 MAINTENANCE OF ORDERLY MARKETS</p> <p style="text-align: center;">Section 1 Measures to Assure Effectiveness of Regulations for Companies</p>	
<p>Reg 37 Measures to Assure Effectiveness of Regulations for Companies</p>	<p>E 22. Procedures for the Measures to Assure Effectiveness of Listing Rules</p>
<ol style="list-style-type: none"> 1. In order to ensure compliance with these Regulations and other rules, where the Exchange deems it necessary for the Market operations, it may require a Listed Company to provide reports or submit documents. 2. If the Exchange finds that a Listed Company has breached these Regulations or any other rules of the Market, the Exchange may take the following measures as stipulated in the Rules for Enforcement against the non-compliant Listed Company: <ol style="list-style-type: none"> (1) Issue a warning notice or censure ; (2) Impose penalty measures; or (3) Cancel the listing of its Securities. <p style="margin-left: 40px;">known collectively, hereafter, as the “Measures”.</p> 3. In cases where the Exchange takes the Measures stipulated in Items 1 or 2 of the preceding paragraph, it may, where it deems necessary, publicise this fact. 4. On deciding to cancel a listing pursuant to Item 3 of Paragraph 2 the Exchange will place those Securities on the Watch List and publicise this fact. 	<ol style="list-style-type: none"> 1. Where taking the measure contained in Reg 37, Paragraph 2, Item 3 of the Regulations, the Exchange shall grant a Listed Company a prior opportunity to state its case and present evidence. However, the Exchange may take measures pursuant to Reg 37, Paragraph 2, Items 1 and 2 of the Regulations without granting a Listed Company any opportunity to state its case, or present evidence. 2. When granting a Listed Company an opportunity to state its case, or present evidence, the Exchange shall send such Listed Company reasonable advance notice in writing setting out the following matters: <ol style="list-style-type: none"> (1) The nature of the planned Measures; (2) The facts as recognised by the Exchange, along with the application of the laws and rules governing these facts; and (3) The fact that such Listed Company may state its case, and have an opportunity to present evidence to the Exchange, as well as the time limit for doing so. 3. The Measures shall take effect at the time of the serving of notice of the imposition of such Measures.

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Reg 38. Appeals against a Sanction of a Listed Company	E 23. Procedures for Filing Objections
<ol style="list-style-type: none"> 1. In the event that a Listed Company considers the Measures stipulated in Reg 37 Paragraph 2 to be unjustified, it may file an objection with the Exchange as stipulated in the Rules for Enforcement. 2. The Exchange may alter or revoke the relevant Measures in accordance with the Rules for Enforcement. 	<ol style="list-style-type: none"> 1. The filing of an objection as stipulated in Reg 38, Paragraph 1 of the Regulations shall be made in writing, listing the Measures subject to the objection and the reasons for such objection, within 10 business days of the Listed Company being served with the notice. 2. In the event of an objection being filed, the Exchange may alter or revoke the Measures subject to the objections, upon examination of the contents of the objection. 3. In the event of the Exchange conducting such an examination, it shall notify the Listed Company of the results.
Reg 39. Trading Suspension and Cancellation of Suspension	
The Exchange shall immediately notify a Listed Company in the event that trading of its Listed Securities is suspended or the suspension is cancelled.	
Section 2 Delisting	
Reg 40. Delisting other than by Application	
<ol style="list-style-type: none"> 1. If a Listed Company no longer retains a J-Nomad, the Exchange will place such Listed Company on the Watch List and publicly announce this fact promptly. 2. With regards to Listed Securities, that have been placed on the Watch List as stipulated in Reg 37, Paragraph 4 or of the preceding paragraph, the Exchange will delist any such company on the Watch List as of the 11th business day starting from the day the company is placed on the Watch List (i.e. the date of placement on the Watch List is counted as Day 1 of 10). However, this will not apply if the Listed Company has appointed a new J-Nomad in accordance with 	

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<p>Reg 11 of the Regulations for J-Nomads by 3 p.m. (JST) on the 8th business day starting from the day the company is placed on the Watch List.</p> <p>3. If the Exchange deems it necessary, it may delist any company on the Watch List at any time prior to the lapse of 10 business days after the placement on the Watch List.</p>	
Reg 41. Delisting by Application	E 24. Delisting Application
<p>1. A Listed Company may also request to have its Securities delisted in accordance with the Rules for Enforcement. To do so, it must submit a delisting application to the Exchange as stipulated in the Rules for Enforcement.</p> <p>2. When a delisting application is received from a Listed Company, the Exchange shall make a public announcement of that fact (including the date of delisting) and place the relevant Listed Securities on the Watch List.</p>	<p>A Listed Company which intends to request to have its Securities delisted should:</p> <p>(1) Submit a delisting application to the Exchange at least 20 business days before it wishes to delist; and</p> <p>(2) Pass a special resolution at a general meeting of shareholders, save where the Exchange otherwise agrees.</p>
Reg 42. Deletion from Registry	
<p>The Exchange shall delete all details of the relevant Listed Securities from the Registry on the delisting date.</p>	
CHAPTER 5 DEFINITIONS	
Reg 43. Definitions	
<p>In these Regulations the terms listed below shall have the meanings ascribed to such terms as follows:</p> <p>(1) Auditor's Report: audit report or corresponding document with</p>	

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<p>respect to financial statements of any consolidated financial year or financial year, or interim audit report, quarterly review report or corresponding document with respect to financial statements of any consolidated interim accounting period or interim accounting period or consolidated second quarter accounting period or second quarter accounting period.</p> <p>(2) Close period: (i) The period of two months preceding the publication of a Listed Company's half yearly and annual results (or, if shorter, the period from its half year end or financial year end to the time of publication); or (ii) Any other period when a Listed Company is in possession of undisclosed material company information; or (iii) Any time it has become reasonably probable that such information will be required by these regulations to be announced.</p> <p>(3) Exchange: TOKYO AIM.</p> <p>(4) Initial Listing Applicant: an issuer which is not listed on the Market of the Exchange and who makes an application for the initial listing of its securities.</p> <p>(5) Issuer Filing Information: “the information prescribed by the Exchange” under Article 7, Paragraph 2, Item 1 of the Cabinet Office Ordinance concerning Provision or Publication of Specified Securities Information etc. and Article 27-32, Paragraph 1 of the Law and contents thereof as stipulated in Reg 24, Paragraph 1 and related Rules for Enforcement.</p> <p>(6) Japanese GAAP: accounting standards as stipulated in Article 1 of the Ordinance concerning Terms, Forms and Method of Preparation of Consolidated Financial Statements and other related regulations of Japan.</p>	

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<p>(7) J-Nomad: a nominated advisor approved by the Exchange in accordance with Reg 6 of the Regulations for J-Nomad.</p> <p>(8) Law: the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended).</p> <p>(9) Listed Company: an issuer of Listed Securities.</p> <p>(10) Listed Domestic Company: an issuer of Share Certificates stipulated in Article 2, Paragraph 1, Item 9 of the Law.</p> <p>(11) Listed Foreign Company: an issuer of securities stipulated in Article 2, Paragraph 1, Item 17 of the Law.</p> <p>(12) Listed Securities: Securities listed on the Market.</p> <p>(13) Liquidity Provider: means a Trading Participant appointed by a Listed Company to secure orderly trading of the Securities of such Listed Company.</p> <p>(14) Market: a market operated by the Exchange.</p> <p>(15) MSCB, etc.: a Listed Security which is:</p> <ul style="list-style-type: none"> (i) A subscription right (warrant); (ii) A bond with subscription right that has been simultaneously subscribed and allotted, and issued for sale and purchase as a single unit; or (iii) A share certificate with a put option (for which the compensation to be conferred upon the execution of the put option is the Listed Security of the issuer of the option) <p>issued by the Listed Company through a solicitation of fewer than 50 parties, which has, as a condition of issue a term that could</p>	

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<p>allow the per-share strike price of a warrant or purchase right conferred or granted by the security to be revised more than once over a six-month period based on the price of the listed shares, etc., to be granted upon the execution of the warrant, etc.).</p> <p>(16) Not in public hands: Listed Securities which are not freely transferable and those that directly or indirectly held by the following persons;</p> <ul style="list-style-type: none"> (i) The relevant Listed Company itself; (ii) Officers of such Listed Company ; (iii) Affiliate companies of such Listed Company or their Officers; (iv) Major shareholders (10% or more of the voting rights) of such Listed Company; or (v) Other Listed Securities which are not freely transferable. <p>(17) Offering etc Before Listing: public offering, secondary distribution, Primary Offering for Subscription and Secondary Distribution to Specified Investors</p> <p>(18) Officers: directors (<i>torishimari-yaku</i>), accounting advisors(<i>kaikei-sanyo</i>), auditors (<i>kansa-yaku</i>), executive officers (<i>shikko-yaku</i>) administrative officers (<i>riji</i>), auditor-secretary (<i>kanji</i>) or equivalent person to them (where such person is a corporation, the person in charge of that corporation).</p> <p>(19) Related Party Transactions: transactions with a related party which need to be disclosed in accordance with the accounting standards, which a Listed Company has adopted based on Reg 8, Paragraph 5 of the Regulations.</p> <p>(20) Reverse Take Over:</p> <ul style="list-style-type: none"> (i) An absorption-type merger (<i>kyushu gappei</i>) with an unlisted company; (ii) A share exchange (<i>kabushiki kokan</i>) in which an unlisted company 	

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<p>will become a wholly owned subsidiary company;</p> <p>(iii) An acquisition of a business from an unlisted company (<i>kaisha bunkatsu</i>);</p> <p>(iv) The transfer of a business from an unlisted company, requiring the consent of the business counterparties;</p> <p>(v) An acquisition of shares of an unlisted company resulting in that unlisted company becoming a subsidiary company; or</p> <p>(vi) Any other similar activity which has the same effect same as (i) to (v) above and:</p> <ul style="list-style-type: none"> - Where the gross assets, net assets, sales or pre-tax profit of the latest consolidated accounting period of a company or business to be merged with a Listed Company exceeds 100% of those of such Listed Company ; or - Which results in a fundamental change in business, board or shareholder voting control. <p>(21) Securities:</p> <p>(i) Securities issued by domestic companies;</p> <p>(ii) Marketable securities issued by foreign companies (as defined in Article 2, Paragraph 1, Item 17 of the Law);</p> <p>(iii) Preferred securities (as defined in Article 2, Paragraph 1, Item 7 of the Law);</p> <p>(iv) Securities with warrants attached issued by domestic companies (as defined in Article 2, Paragraph 1, Item 9 of the Law);</p> <p>(v) Securities with attached warrants issued by foreign companies (as defined in Article 2, Paragraph 1, Item 17 of the Law);</p> <p>(vi) Investment trust beneficiary securities (as defined in Article 2, Paragraph 1, Item 10 of the Law);</p> <p>(vii) Foreign investment trust beneficiary securities (as defined in Article 2, Paragraph 1, Item 10 of the Law);</p> <p>(viii) Domestic investment securities (as defined in Article 2, Paragraph 1, Item 11 of the Law);</p> <p>(ix) Foreign investment securities (as defined in Article 2, Paragraph 1,</p>	

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<p>Item 11 of the Law); (x) Foreign stock depository receipts (as defined in Article 2, Paragraph 1, Item 20 of the Law); (xi) Beneficiary securities of issuing trusts (as defined in Article 2, Paragraph 1, Item 14 of the Law); and (xii) Beneficiary securities of overseas issuing trusts.</p> <p>(22) Special Interested Parties etc.: the “special interested parties etc.” as defined in Article 1, Item 31 of the Cabinet Office Ordinance concerning Disclosure on Companies Information etc.</p> <p>(23) Specified Securities Information: “the information prescribed by the Exchange” under Article 2, Paragraph 1, Item 1 of the Cabinet Office Ordinance concerning Provision or Publication of Specified Securities Information etc. (the “Cabinet Office Ordinance concerning Disclosure on Specified Securities Information”) and Article 27-31, Paragraph 1 of the Law and the contents thereof are stipulated in Reg 8, Paragraph 3 and related Rules for Enforcement.</p> <p>(24) U.S. GAAP: generally accepted accounting standards as exist in the U.S.A.</p> <p>(25) IFRS: International Financial Reporting Standards.</p>	
<p>Supplemental Clauses</p> <ol style="list-style-type: none"> 1. The English version of these Regulations is provided for information purposes only and the Japanese version must be regarded as definitive and legally binding. 2. These Regulations will be enforced by the Exchange. 	<p>Supplemental Clauses</p> <ol style="list-style-type: none"> 1. The English version of these Rules is provided for information purposes only and the Japanese version must be regarded as definitive and legally binding. 2. These Rules will be enforced by the Exchange