

# **Rules Concerning the Publication of Explanatory Documents on Status of Business and Property**

(May 17, 2017)

## **(Purpose)**

**Article 1** The purpose of the Rules Concerning the Publication of Explanatory Documents on Status of Business and Property is to increase transparency of business and property of the Regular Members and the Specified Business Members (hereinafter referred to as the “Regular Members, etc.”) by prescribing the obligation and a method for publicizing a document to explain the status of business and property of the Regular Members, etc. (the explanatory documents as prescribed in Article 46-4 of the Financial Instruments and Exchange Act; hereinafter referred to as the “Explanatory Documents”), thereby contributing to helping an investment decision by customers and protecting investors.

## **(Publication Using the Internet)**

**Article 2** When the Regular Members, etc. prepare the Explanatory Documents, the Regular Members, etc. must immediately publicize such Explanatory Documents (including the one that changes description(s) on the Explanatory Documents pursuant to Paragraph 1 of the following Article; the same shall apply hereinafter in this Article) by any of the methods prescribed in each Item below, regardless of whether the Regular Members, etc. have already placed such Explanatory Documents in their offices or publicized them for public review pursuant to Article 46-4 of the Financial Instruments and Exchange Act.

- (1) A method using the Internet such as posting the Explanatory Documents on their website (limited to a method in which that investors can always review them easily);
- (2) A method to request the Association to post their Explanatory Documents on the Association’s website.

**2.** The Association shall post the Explanatory Documents on its website that is requested to do so by the Regular Members, etc. pursuant to the preceding Paragraph, Item 2, and take measures to enable the public to review such Explanatory Documents publicized pursuant to Item 1 of the preceding Paragraph through the Association’s website.

## **(Change in Descriptions)**

**Article 3** When the Regular Members, etc. (excluding Large Companies prescribed in Article 2, Item 6 of the Companies Act; the same shall apply hereinafter in this Article) make a publication as prescribed in Paragraph 1 of the preceding Article, in the description of “Name of and the Number of Shares Held by the Top 10 Shareholders in Terms of Holding Volume (hereinafter

referred to as the ‘Top 10 Shareholders’), and the Ratio of Voting Rights Associated with the Shares Held by Respective Top 10 Shareholders to the Total Voting Rights” in the Explanatory Documents, if an individual shareholder meets either of the following conditions (except for those who are officers and employees of the Regular Members, etc.), the name of such individual shareholder may be described as “Individual” instead of the “Name” of such individual shareholder.

- (1) An individual shareholder whose voting rights ratio is not included in the range that is calculated by adding the ratio of each of the Top 10 Shareholders in descending order to reach two-thirds of the total voting rights ratio;
- (2) An individual shareholder whose voting rights are less than 3% of the voting rights held by the total shareholders.

2. When the Regular Members, etc. make changes to the descriptions pursuant to the preceding Paragraph, the Regular Members, etc. must take measures necessary to avoid misunderstanding that the changed Explanatory Documents would be the same as the original Explanatory Documents.

### **Supplementary Provisions**

These Rules shall be enforced on June 1, 2017 and apply to the publication of the Explanatory Documents for the first business term that ends on or after the enforcement date.