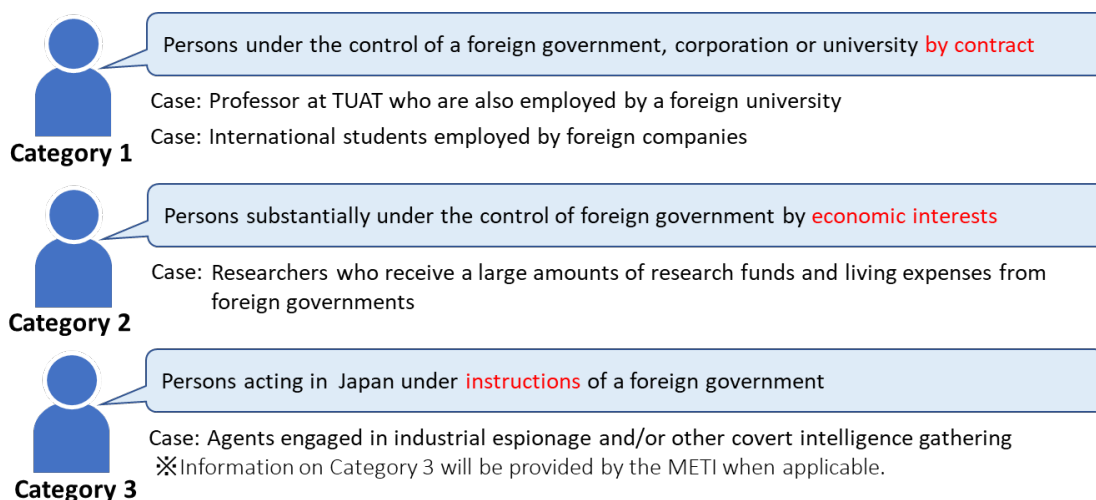


Explanation of Terminology Used in the Foreign Exchange and Foreign Trade Act

➤ Specific Categories

When a resident of Japan who is provided with technology is being significantly influenced by a non-resident (of a specified foreign country), they are considered to fall under one of these “specific categories.” The three specific categories are as follows, and they apply to all residents of Japan regardless of their nationality; in other words, even a Japanese national can fall under one of the specific categories.



Specific Category 1:

Persons who have entered into an employment contract, delegation contract, service contract, or any other contract with a corporation or any other organization established under foreign laws and regulations (hereinafter referred to as a "Foreign Corporation"), or with a foreign government, foreign governmental agency, foreign local government, foreign central bank, foreign political party or any other political organization (hereinafter referred to as a "Foreign Government"), and are thus subject to the directions and orders of said Foreign Corporation or Foreign Government, or owe a duty of care to said Foreign Corporation or Foreign Government, according to their contract, except for in either of the following cases:

- (a) When the Person has entered into an employment contract, delegation contract, service contract, or any other contract with a Japanese corporation and according to said contract is subject to the directions and orders of the Japanese corporation, or owes a duty of care to the Japanese corporation, and the Japanese corporation or the Person has agreed with

the Foreign Corporation or Foreign Government that the directions and orders of the Japanese corporation, or the Person's duty of care to the Japanese corporation, shall prevail over the directions and orders of the Foreign Corporation or Foreign Government, or the Person's duty of care to the Foreign Corporation or Foreign Government.

- (b) When the Person has entered into an employment contract, delegation contract, service contract, or any other contract with a Japanese corporation and according to said contract is subject to the directions and orders of the Japanese corporation or owes a duty of care to the Japanese corporation, and said Person has entered into an employment contract, delegation contract, service contract or any other contract with a Group Foreign Corporation (a Foreign Corporation that directly or indirectly holds 50% or more of the voting rights in a Japanese corporation, or a Foreign Corporation in which 50% or more of the voting rights are held by a Japanese corporation; the same shall apply hereinafter) and according to said contract is subject to the directions and orders of the Group Foreign Corporation or owes a duty of care to the Group Foreign Corporation.

Specific Category 2

Persons who earn or have agreed to earn large amounts of money or other significant profits (money or other profits that account for 25% or more of said Person's annual income when converted into monetary terms) from a Foreign Government.

➤ Foreign Exchange and Foreign Trade Act (FEFTA)

This law regulates the management and coordination of foreign transactions, such as foreign exchange and foreign trade, to ensure that international transactions develop normally and that peace and security are maintained in Japan and the international community. When exporting technologies or goods regulated by FEFTA to non-residents or to Persons falling under a specific category, an application for permission must be filed with the Minister of Economy, Trade and Industry in accordance with said law.