



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

February 20, 2007

Izumi Akai
Sullivan & Cromwell LLP
Otemachi First Square
5-1, Otemachi 1-chome
Chiyoda-ku, Tokyo 100-0004, Japan

**Re: Exemptive Relief for Purchases Pursuant to Statutory Puts in
Japanese Tender Offers
File No.: TP 07-46**

Dear Mr. Akai:

In your letter dated February 19, 2007,¹ as supplemented by conversations with the staff of the Division of Market Regulation ("Staff"), you request exemptive relief from the restrictions of Rule 14e-5 under the Securities Exchange Act of 1934 ("Exchange Act") for purchases by Japanese target companies during the period from the time of the announcement of a tender offer for the target's securities until the expiration of the tender offer (the "relevant period").

Specifically you request a limited exemption on behalf of any Japanese target company that is a "covered person" as defined in Rule 14e-5 under the Exchange Act and that is required to make purchases of its shares during the relevant period, pursuant to the Statutory Put under the Corporation Law of Japan (the "Corporation Law") where such option is exercised by odd-lot shareholders. As you note in your letter, the Securities and Exchange Commission ("Commission") has granted relief substantially similar to that requested in a number of instances for similarly situated Japanese target companies who are required to make purchases pursuant to the Corporation Law at the option of odd-lot shareholders.

The Commission hereby grants an exemption from Rule 14e-5 under the Exchange Act on the basis of your representations and the facts presented, but without necessarily concurring in your analysis, to permit any Japanese target company to comply

¹

A copy of your letter is attached with this response. By including a copy of your correspondence, we avoid having to repeat or summarize the facts you presented. The defined terms in this letter have the same meaning as in your letter, unless otherwise noted.

with the Corporation Law and purchase its shares in the event that one or more odd-lot shareholders exercise their Statutory Puts during the relevant period of the tender offer. This exemption is subject to the following conditions:

1. The target company must be a foreign private issuer within the meaning of Rule 3b-4(c) under the Exchange Act;
2. The target company shall have no class of securities registered under Section 12 of the Exchange Act and shall not be subject to the periodic reporting requirements of the Exchange Act;
3. Apart from the limited exemption to allow purchases pursuant to the Statutory Put, the tender offer must comply with the provisions of Regulation 14E of the Exchange Act and the other applicable rules and regulations promulgated under the Exchange Act;
4. The Corporation Law provides for a Statutory Put for all holders of shares constituting less than one unit;
5. The tender offer shall be subject to, and shall be structured to comply with, applicable Japanese statutory and regulatory requirements governing tender offers and the rules and regulations of the relevant Japanese stock exchanges on which the target's shares are listed; and
6. The tender offeror shall include appropriate disclosure in the Japanese offering materials regarding the possibility of the exercise by odd-lot holders of the Statutory Put during the tender offer.

The foregoing exemption from Rule 14e-5 under the Exchange Act is based solely on your representations and the facts presented to Staff, and is strictly limited to the application of Rule 14e-5 under the Exchange Act to the transactions described above and in your letter dated February 19, 2007. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

This exemption is subject to modification or revocation if at any time the Commission or Staff determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act. In addition, persons relying on this exemption are directed to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act, and Rule 10b-5

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thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the persons relying on this exemption. The Division of Market Regulation expresses no view with respect to any other questions that the described transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the transactions described.

For the Commission,
by the Division of Market Regulation,
pursuant to delegated authority,



James A. Brigagliano
Associate Director
Division of Market Regulation

Attachment

