



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.

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February 19, 2007

Securities and Exchange Commission,
100 F Street, N.E.,
Washington, D.C. 20549.

Office of Trading Practices and Processing,
Division of Market Regulation,
Attention: James A. Brigagliano, Esq.

Re: Request for Exemption from Rule 14e-5 for Statutory Put in
Japanese Tender Offers

Dear Mr. Brigagliano:

We are writing to request that the Securities and Exchange Commission (the "Commission") grant an exemption from compliance with the provisions of Rule 14e-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") for certain purchases required by Japanese law for Japanese target companies that are affiliates of tender offerors.

Recently, there has been a significant increase in merger and acquisition activities among Japanese companies and in many of these cases, cash tender offers for shares of common stock of target Japanese companies are involved. In connection with such tender offers, in cases where target companies are "covered persons" under Rule 14e-5 because they are affiliates of the tender offerors and the tender offers are conducted in compliance with the provisions of Regulation 14E of the Exchange Act, the tender offerors have typically obtained no action relief on behalf of the target companies from the Commission from the restriction on purchase of target shares outside of the tender offers under Rule 14e-5 of the Exchange Act.¹

¹ See letters from James A. Brigagliano to Kirin Beverage Corporation (available May 11, 2006), World Co., Ltd. (available July 27, 2005), Mefos Ltd. (available July 18, 2005), Fuji Television Network, Incorporated (available January 6, 2005), Daibiru Corporation (available September 8, 2004), Matsushita Electric Works, Ltd. (available December 19, 2003), Banyu Pharmaceutical Co., Ltd. (available September 12, 2003) and Banyu Pharmaceutical Co., Ltd. (available January 9, 2003).

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