

DETAILED RULES RELATING TO THE RULES CONCERNING UNDERWRITING, ETC. OF SECURITIES

(April 24, 1996)

(Purpose)

Article 1 These Detailed Rules shall prescribe the matters deemed necessary with respect to the enforcement of the Rules Concerning Underwriting, Etc. of Securities (hereinafter referred to as the “Rules”).

(Conclusion of Contract)

Article 2 The contract prescribed in Article 9, Paragraph 2, Item 1 of the Rules must set forth the following matters:

- (1) A Lead Managing Regular Member Underwriter and an Independent Managing Regular Member Underwriter shall cooperate with each other for fair and sufficient Underwriting examination concerning the public offering of Share Certificates, Real Estate Investment Trust Certificates (limited to the investment securities set forth in Article 2, Paragraph 1, Item 11 of the Financial Instruments and Exchange Act (hereinafter referred to as the “FIEA”; the same shall apply hereinafter from this Article to Article 5), Infrastructure Funds (limited to the investment securities set forth in the same Item of the FIEA; the same shall apply hereinafter from this Article to Article 5), Share Option Certificates, Investment Equity Subscription Right Certificates, Bonds with Share Options, or Corporate Bond Certificates, etc. by the issuer;
- (2) An Independent Managing Regular Member Underwriter shall have the authorization equivalent to those held by a Lead Managing Regular Member Underwriter in terms of the conduct of administrative procedures and express its opinion on the adequacy of Underwriting examination to the issuer or externally;
- (3) An Issuer shall give the same information as that given to a Lead Managing Regular Member Underwriter to an Independent Managing Regular Member Underwriter, and respond to the hearing requested by the Independent Managing Regular Member Underwriter;
- (4) A Lead Managing Regular Member Underwriter shall provide an Independent Managing Regular Member Underwriter with the details of the Underwriting examination as necessary;
- (5) A Lead Managing Regular Member Underwriter shall consult with an Independent Managing Regular Member Underwriter to determine fair and proper issue price, etc. of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, Share Option Certificates, Investment Equity Subscription Right Certificates, Bonds with Share Options, and Corporate Bond Certificates, etc., and provide the Independent Managing Regular Member Underwriter with the state of investors’ demand;
- (6) A Lead Managing Regular Member Underwriter shall consult with an Independent Managing Regular Member Underwriter to have a fair and proper issue price, etc. of Share Option Certificates, Investment Equity Subscription Right Certificates, Bonds with Share Options, or Corporate Bond Certificates, etc. (hereinafter referred to as the “Bonds with Share Options, etc.”) prescribed in Article 2, Item 11 of the Rules, and provide the Independent managing Regular Member Underwriter with the necessary information;

- (7) If an Independent Managing Regular Member Underwriter judges, in the course of Underwriting examination for public offering of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, or Bonds with Share Options, etc., that the details of the Underwriting examination conducted by a Lead Managing Regular Member Underwriter and/or the issue price, etc. of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, or Bonds with Share Options, etc. determined by a Lead Managing Regular Member Underwriter are inappropriate, and as a result, decides not to underwrite, the Underwriting of public offering of such Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, or Bonds with Share Options, etc. shall be cancelled;
- (8) Matters prescribed in each Item of Article 11 of the Rules;
- (9) A Lead Managing Regular Member Underwriter and an Independent Managing Regular Member Underwriter shall prepare a document to prove that the contract provisions from Items 1 through 8 are surely and sufficiently performed by the day immediately following the payment day of public offering of Share Certificates, Bonds with Share Options, etc., Real Estate Investment Trust Certificates, or Infrastructure Funds, or immediately if the public offering is cancelled, and retain it in five years at each side.

(Timing of Contract Conclusion)

Article 3 The contract on the Underwriting examination procedures prescribed in Article 9, Paragraph 2, Item 1 of the Rules shall be concluded at least one month before the date of application for listing in a Financial Instruments Exchange by the issuer in the case of initial public offering of Share Certificates, Real Estate Investment Trust Certificates or Infrastructure Funds, or 17 business days before the issuance resolution date in the case of public offering of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, Share Option Certificates, Investment Equity Subscription Right Certificates, or Bonds with Share Options issued by a listed issuer.

2. The contract on the Underwriting examination procedures prescribed in Article 9, Paragraph 2, Item 1 of the Rules shall be concluded at least 17 business days before the issuance resolution date in the case of public offering of Corporate Bond Certificates, etc. (or at least 14 business days before the expected effective date of issuance registration in the case of issuance registration of Corporate Bond Certificates, etc. (or 14 business days before the expected conditions determination date if there is an unavoidable reason)).

(Commencement of Underwriting Examination by Independent Managing Regular Member Underwriter)

Article 4 An Independent Managing Regular Member Underwriter (excluding an additional Independent Managing Regular Member Underwriter prescribed in Article 11 of the Rules; the same shall apply hereinafter in this Article) shall commence the Underwriting examination after the date agreed with the Lead Managing Regular Member Underwriter and at least one month before the date of listing application to a Financial Instruments Exchange by the issuer in the case of initial public offering of Share Certificates, Real Estate Investment Trust Certificates, or Infrastructure Funds, or 17 business days before the issuance resolution date in the case of public offering of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, or Bonds with Share Options, etc. issued by a listed issuer (or at least 14 business days before the expected effective date of issuance registration in the case of issuance registration of Corporate Bond Certificates, etc. (or 14 business days before the expected conditions determination date if there is an unavoidable circumstance)).

2. An Independent Managing Regular Member Underwriter shall commence the Underwriting examination after the date agreed with the Lead Managing Regular Member Underwriter and at least 17 business days before the issuance resolution date in the case of public offering of Corporate Bond

Certificates, etc. issued by the issuer other than listed issuer (or at least 14 business days before the expected effective date of issuance registration in the case of issuance registration of Corporate Bond Certificates, etc. (or 14 business days before the conditions determination date if there is an unavoidable circumstance)).

(Materials for Announcement, Etc.)

Article 5 Matters prescribed in the Detailed Rules that are set forth in Article 9, Paragraph 1, Item 3 of the Rules shall be as follows:

- (1) The Parent Corporation, etc. or Subsidiary Corporation, etc. of the issuer became the Lead Managing Regular Member Underwriter;
- (2) Concrete explanation about the relationship between the issuer and the Lead Managing Regular Member Underwriter;
- (3) Details of measures to be taken for the purpose of not being influenced by the issuer when the Lead Managing Regular Member Underwriter determines the issue price, etc.

2. Matters prescribed in the Detailed Rules that are set forth in Article 9, Paragraph 2, Item 5 of the Rules shall be as follows:

- (1) The Parent Corporation, etc. or Subsidiary Corporation, etc. of the issuer became the Lead Managing Regular Member Underwriter;
- (2) Concrete explanation about the relationship between the issuer and the Lead Managing Regular Member Underwriter;
- (3) Name of the Independent Managing Regular Member Underwriter who was properly engaged in the determination of prices, etc. in the underwriting of public offering of Share Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, or Bonds with Share Options, etc.;
- (4) Details of measures to be taken for the purpose of not being influenced by the issuer when the Independent Managing Regular Member Underwriter determines the issue price, etc.;
- (5) Concrete method of determining the prices, etc.

(Individual Materials for Underwriting Examination)

Article 6 Materials prescribed in the Detailed Rules that are set forth in Article 12, Paragraph 2 of the Rules shall be as follows:

- (1) Purpose of use of the collected funds;
- (2) Expected balance sheet and expected cash flow table;
- (3) Company profile (position and share in the industry, industry trend, business summary, change of business, etc.);
- (4) Business condition and profit plan;
- (5) Accounting status (list of customers, list of suppliers, monthly orders received and sales, and list of affiliated companies, etc.)

- (6) Current financial condition and business performance (latest financial condition, list of contingent liabilities, current business performance, important subsequent event, current orders, and backlog of orders and sales, etc.)
- (7) Consideration about risk of business, etc.;
- (8) Other materials the Regular Member Underwriter deems necessary.

(Receipt of Underwriting Examination Materials)

Article 7 A Lead Managing Regular Member Underwriter shall receive the Underwriting examination materials prescribed in Article 12, Paragraph 2 of the Rules according to the following procedures:

- (1) When underwriting the public offering or secondary distribution for initial public offering, the Underwriting examination materials shall be received sufficiently in advance in order to conduct the Underwriting examination;
- (2) When underwriting the public offering or secondary distribution of securities issued by a listed issuer, or Corporate Bond Certificates issued by a non-listed issuer, the Underwriting examination materials shall be, in principle, received 17 business days before the date of resolution of issuance (or 14 business days before the effective date of issuance registration in case the issuance registration of Corporate Bond Certificates is made).

(Support from the Lead Managing Regular Member Underwriter to the Regular Member Underwriters)

Article 8 Support from the Lead Managing Regular Member Underwriter to the Regular Member Underwriters (excluding the Independent Managing Regular Member Underwriter; the same shall apply hereinafter in this Article) prescribed in Article 13, Paragraph 1 of the Rules shall be provided as follows in principle:

- (1) If a Lead Managing Regular Member Underwriter underwrites the public offering or secondary distribution for the initial public offering, it shall provide the materials set forth in Article 7 to other Regular Member Underwriters 15 business days before the date of resolution of the issuance.
- (2) If a Lead Managing Regular Member Underwriter underwrites the public offering or secondary distribution of securities issued by a listed issuer, or public offering or secondary distribution of Corporate Bond Certificates, etc. issued by a non-listed issuer, it shall provide the materials set forth in Article 7 to Other Regular Member Underwriters by the date of resolution of the issuance.
- (3) In the case of each Item above, if there is information that is deemed indispensable for Other Regular Member Underwriters to conduct the Underwriting examination regarding the materials prescribed in the Article 12, Paragraph 2, Items 1 through 4, the Lead Managing Regular Member Underwriter shall provide such information to Other Regular Member Underwriters in a timely manner.

(Details of Underwriting Examination Items for Initial Public Offering)

Article 9 In the case of the Underwriting of a public offering or secondary distribution of Share Certificates, Preferred Equity Investment Certificates, and Beneficiary Certificates of Foreign Share Trust for an Initial Public Offering prescribed in Article 16, Paragraph 2 of the Rules, the details of the Underwriting Examination Items shall be set forth in each Item below:

- (1) Eligibility for going public

- (a) Legitimacy and sociality of the business;
 - (b) Management philosophy of the company, awareness regarding compliance and risk management by the officers;
 - (c) Whether it falls under anti-social forces, whether there is a relationship with anti-social forces, and measures to eliminate them and their operating status;
 - (d) Soundness of purpose of using the market at the listing.
- (2) Soundness and independency of corporate management
- (a) Necessity of transactions with affiliated parties (including human-affiliated companies prescribed in Article 1, Item 31(c) of the Cabinet Office Ordinance on the Disclosure of Corporate Information, etc.), suitability of terms and conditions of the transaction with them;
 - (b) Independence from a parent company, etc. (a parent company of the corporation, or the other corporation of whom the corporation is an affiliated company; the same shall apply hereinafter);
 - (c) Structure of capital participation to affiliated companies and the control of such invested companies.
- (3) Business continuity system
- (a) Compliance with laws and regulations in its corporate activities and the development status of the compliance system;
 - (b) Protection of intellectual property that is necessary to promote the business, and infringement of the intellectual property of third parties;
 - (c) Conclusion of important contracts/agreements for business continuity, and reservation of rights.
- (4) Corporate governance and internal administration system
- (a) Validity of the corporate structure design (validity of the corporate structure design in the light of the size of the company and its business risks);
 - (b) Fulfillment of responsibilities by the representative directors, directors, and the board of directors (or fulfillment of responsibilities by the representative executive officers and executive officers in the case of a Company with Nominating Committee, etc.);
 - (c) Fulfillment of responsibilities by the auditors and the board of company auditors and the internal audit function (or fulfillment of responsibilities by the board of directors, the nominating committee, the compensation committee, and the audit committee, and the internal audit function, in the case of a Company with Nominating Committee, etc., or fulfillment of responsibilities by the audit and supervisory committee and the internal audit function, in the case of a Company with Audit and Supervisory Committee);
 - (d) Operation and checking function of internal administration system (development of organization and internal rules for management of receivables, budget management, labor management, and system management, etc.).
- (5) Financial condition and business performance
- (a) Soundness of the financial conditions and cash flow management;

- (b) Analysis of any change in the financial conditions and the business performance;
 - (6) Business performance forecast
 - (a) Validity of the basis for preparing a profit plan;
 - (b) Progress of the profit plan;
 - (c) Growth potential and stability of the company;
 - (d) Surplus distribution policy.
 - (7) Purpose of the use of the funds to be raised (or the purpose of the secondary distribution in the case of a secondary distribution; the same shall apply hereinafter)
 - (a) Appropriateness of purpose of use of the funds to be raised (appropriateness based on consistency with the business plan);
 - (b) Proper disclosure of purpose of use of the funds to be raised.
 - (8) Proper disclosure of the company's business
 - (a) Adaptability to the statutory disclosure system and timely disclosure system
 - (b) Appropriateness of the information disclosed, such as business risks and company information, completeness of the scope of disclosure, and adequacy of the representation of the disclosed information.
2. In the case of underwriting the Real Estate Investment Trust Certificates prescribed in Article 16, Paragraph 2 of the Rules (limited to the investment securities set forth in Article 2, Paragraph 1, Item 11 of the FIEA; the same shall apply in this Article and the following Article) for an Initial Public Offering, the details of the Underwriting Examination Items shall be set forth in each Item below:
- (1) Eligibility for going public
 - (a) Legitimacy and sociality of the business of the investment corporation, asset management company, and its parent company, etc.;
 - (b) Awareness regarding compliance and risk management, etc. by the executive officers of the investment corporation, management of the asset management company, and management of its parent company, etc.
 - (c) Whether it falls under anti-social forces, whether there is a relationship with anti-social forces, and measures to eliminate them and their operating status;
 - (d) Soundness of purpose of use of the market at the listing.
 - (2) Soundness of asset management
 - (a) Relationship with any asset management company and its parent company, etc.;
 - (b) System to restrict transactions involving a conflict of interest with an asset management company, its parent company, etc. and other stakeholders;

- (c) Procedures for the sale and purchase, etc. of specified asset prescribed in the of Article 2, Item 1 of the Act on Investment Trusts and Investment Corporations;
 - (d) The necessity of transactions with stakeholders and the appropriateness of terms and conditions of the transactions.
- (3) Corporate governance and internal administration systems
- (a) Fulfillment of responsibilities by the executive officers of investment corporations, representative directors, directors, and the board of directors of asset management companies (or fulfillment of responsibilities by the representative executive officers and executive officers in the case of a Company with Nominating Committee, etc.);
 - (b) Fulfillment of responsibilities by the audit officers of investment corporations and the auditor and board of company auditors of asset management companies and internal audit functions (or fulfillment of responsibilities by the board of directors, the nominating committee, the compensation committee and the audit committee, and internal audit functions, in the case of a Company with Nominating Committee, etc., or fulfillment of responsibilities by the audit and supervisory committee and the internal audit function, in the case of a Company with Audit and Supervisory Committee);
 - (c) Operation of Internal administration systems of asset management companies (development of organization and internal rules for investment management policies, investment management systems, and measures to avoid conflicts of interest).
- (4) Consistency of properties to be incorporated into a portfolio with an investment policy
- (a) Investment policy;
 - (b) Details on properties to be incorporated into a portfolio (compliance with the related laws and regulations, contracts for properties, and engineering reports (investigation reports on the condition of buildings and the risks, etc. ; the same shall apply hereinafter));
 - (c) Acquisition price and the background to the acquisition.
- (5) Profit forecasts for investment corporations and properties
- (a) Financial condition and business performance;
 - (b) Validity of the basis for preparing a profit plan;
 - (c) Growth potential and stability.
- (6) Proper disclosure
- (a) Adaptability to the statutory disclosure and timely disclosure systems by investment corporations and asset management companies;
 - (b) Appropriateness of disclosed contents such as the status of funds, property information, and investment risk, completeness of the scope of disclosure, and adequacy of the representation of the disclosure;
 - (c) Proper disclosure of the purpose of the use of the funds to be raised.

(Details of Underwriting Examination Items for Public Offering by Listed Issuer)

Article 10 When underwriting the public offering or secondary distribution of Share Certificates, Share Option Certificates, Preferred Equity Investment Certificates, and Beneficiary Certificates of Foreign Share Trust issued by a listed issuer prescribed in the provision of Article 17, Paragraph 2 of the Rules, the details of Underwriting examination Items shall be set forth in each Item below:

- (1) Eligibility
Whether it falls under anti-social forces, and whether there is a relationship with anti-social forces;
- (2) Financial condition and business performance
 - (a) Soundness of the financial conditions and cash flow management;
 - (b) Analysis of the reason for any change in the financial condition and business performance;
 - (c) Achievement of announced profit plan.
- (3) Business performance forecast
 - (a) Validity of the basis for preparing a profit plan;
 - (b) Progress of the profit plan;
 - (c) Surplus distribution conditions and the surplus distribution policy.
- (4) Purpose of use of the funds to be raised (or purpose of the secondary distribution in the case of a secondary distribution; the same shall apply in this Item)
 - (a) Appropriateness of purpose of use of the funds to be raised (appropriateness based on the consistency with the business plan);
 - (b) Proper disclosure of purpose of use of the funds to be raised;
 - (c) Appropriation of the funds raised in the past.
- (5) Share price development
 - (a) Share price trend;
 - (b) Trading volume trend;
 - (c) Adequacy of the issuance volume based on the liquidity of Share Certificates, etc. (or the offering volume in the case of a secondary distribution).
- (6) Proper disclosure of company's business, etc.
 - (a) Appropriateness of the company information disclosed such as the business risks, completeness of the disclosed scope, and adequacy of representation of the disclosed information;
 - (b) Proper disclosure of the status after the end of latest business year.

2. When underwriting the public offering or a secondary distribution of Real Estate Investment Trust Certificates or Investment Equity Subscription Right Certificates (limited to those for which the investment securities underlying the Investment Equity Subscription Rights are Real Estate Investment Trust Certificates) issued by a listed issuer prescribed in the provision of Article 17, Paragraph 2 of the Rules, the details of Underwriting Examination Items shall be set forth in each Item below:
- (1) Eligibility
Whether it falls under anti-social forces, and whether there is a relationship with anti-social forces;
 - (2) Consistency of properties to be incorporated into a portfolio with the investment policy
 - (a) Investment policy;
 - (b) Details of properties to be incorporated into a portfolio (compliance with the related laws and regulations, contracts for properties, and engineering reports);
 - (c) Acquisition price and a background to the acquisition.
 - (3) Profit forecast for the investment corporations and properties
 - (a) Financial condition and business performance;
 - (b) Validity of the basis for preparing a profit plan;
 - (c) Growth potential and stability;
 - (d) Achievement of announced profit plans.
 - (4) Proper disclosure of company information and purpose of use of the funds to be raised
 - (a) Appropriateness of the disclosed contents such as a status of the funds, property information, investment risk, completeness of the scope of disclosure, and adequacy of the representation of the disclosure;
 - (b) Proper disclosure of purpose of use of the funds to be raised;
 - (c) Appropriation of the funds raised in the past;
 - (d) Proper disclosure of the status after the end of the latest business year.
 - (5) Development of share price, etc.
 - (a) Price trend in investment securities;
 - (b) Trading volume trend in investment securities;
 - (c) Adequacy of the issuance volume based on the liquidity of the investment securities (or the offering volume in the case of a secondary distribution).

(Details for Underwriting Examination Items of Corporate Bond Certificates)

Article 11 When underwriting the public offering or a secondary distribution of Corporate Bond

Certificates prescribed in the provision of Article 18, Paragraph 3 of the Rules, the details of Underwriting Examination Items shall be set forth in each Item below:

- (1) Eligibility
Whether it falls under anti-social forces, and whether there is a relationship with anti-social forces;
- (2) Financial condition and cash flow
 - (a) Soundness of the financial conditions and cash flow;
 - (b) Analysis of changes in the financial conditions, business performance, and cash flow;
- (3) Purpose of use of the funds to be raised
 - (a) Appropriateness of purpose of use of the funds to be raised;
 - (b) Proper disclosure of purpose of use of the funds to be raised
 - (c) Appropriation of funds raised in the past.
- (4) Proper disclosure of company's business, etc.
 - (a) Appropriateness of disclosed contents regarding company information, etc. such as business risks, completeness of the scope of the disclosure, and adequacy of the representation of the disclosed information;
 - (b) Proper disclosure of the status after the end of the latest business year.

(Publication of Details regarding Purpose of Use of Funds)

Article 12 The Press Release Materials prescribed in the Article 20, Paragraph 1 of the Rules shall be the Press Release Materials at the time of the resolution of the issuance of a public offering of Share Certificates, etc. Provided, however, that in the case of a public offering of Share Certificates, etc. issued by an issuer of the OTC handled securities prescribed in the Article 2, Item 4 of the "Rules Concerning Over-The-Counter Securities," a company explanation material prescribed in the same Article, Item 3 (or a prospectus in case the filing of a securities registration statement is required) shall be regarded as the Press Release Materials.

2. In the event that purpose of use of the funds to be raised is changed or the funds raised are appropriately prescribed in Article 20, Paragraph 5 of the Rules, a Lead Managing Regular Member Underwriter must request the issuer to publicize the details of such a change of the funds to be raised or the appropriation of the funds raised that are subject to the same Article, Paragraph 2 each time such a change or appropriation occurs, and publicize the particulars of the appropriation of such funds by describing them in a brief business report; provided, however, that this shall not apply in cases where five years have passed since the payment date of the public offering of the Share Certificates, etc. in connection with such funds raised.
3. The request prescribed in the provision of the preceding Paragraph shall be made at the time of the public offering. When any change in the use of the funds to be financed or the appropriation of the funds financed that are subject to the provision of Article 20, Paragraph 2 of the Rules is recognized after the payment date of the public offering, the request shall be made each time such a change or appropriation occurs.

(Publication of Trends in Share prices)

Article 13 The “Information on the dilution of indicator per share” prescribed in the Article 22, Paragraph 1, Item 2 of the Rules shall mean the dilutive shares-adjusted net profit amount per share in the current financial year prescribed in the Article 95-5-3, Paragraph 1 of the Rules Concerning the Terminology, Form, and Preparation Method regarding Financial Statements, Etc. and the “status of dilutive shares” shall mean the number of shares by assuming the exercise of rights attached to the dilutive shares prescribed in the same Paragraph after the issuance of the Share Certificates, etc. under a public offering of Share Certificates, etc. (excluding Preferred Equity Investment Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, Beneficiary Certificates of Foreign Share Trust, and Beneficiary Certificates of Foreign Infrastructure Funds in Trust) divided by the number of outstanding shares immediately before the issuance of such Share Certificates, etc.

(Process of Book Building)

Article 14 The process of Book Building stipulated in Article 25, Paragraph 2 of the Rules shall be prescribed in the following:

(1) Determination of Tentative Terms and Conditions

A Regular Member Underwriter shall take into account the matters prescribed in (a), (b), or (c) below in a comprehensive manner depending on the classification set forth in (a), (b), or (c) below, and determine the Tentative Terms and Conditions in consultation with the issuer or Secondary Distributor:

(a) Determination of the Tentative Terms and Conditions of any public offering or a secondary distribution of Share Certificates, etc. for an Initial Public Offering (excluding the listing of Share Certificates, etc. issued by an issuer (hereinafter referred to as a “Foreign Market Listed Issuer”) whose Share Certificates etc. listed in a Foreign Financial Instruments Market (including the Over-The-Counter market; the same shall apply hereinafter) in a Domestic Financial Instruments Exchange Market).

- (i) Business profile, financial condition, and business performance of the issuer of the Share Certificates, etc. for the public offering or a secondary distribution;
- (ii) Opinions from persons who have professional knowledge and experience in investment in securities; and
- (iii) Other materials and opinions that may be referenced for the determination of the Tentative Terms and Conditions.

(b) Determination of the Tentative Terms and Conditions of the public offering or a secondary distribution of Share Certificates, issued by a listed issuer or Foreign Market Listed Issuer

- (i) The market value and liquidity of the Share Certificates, Preferred Equity Investment Certificates, Real Estate Investment Trust Certificates, Infrastructure Funds, Beneficiary Certificates of Foreign Share Trust, or Beneficiary Certificates of Foreign Infrastructure Funds in Trust of the issuer of the Share Certificates, etc. for public offering or secondary distribution and the Financial Instruments Markets (for Beneficiary Certificates of Foreign Share Trust, or Beneficiary Certificates of Foreign Infrastructure Funds in Trust, if foreign share certificates or foreign Infrastructure Funds that are entrusted securities prescribed in Article 2-3, Item 3 of the Enforcement Order of the Financial Instruments and Exchange Act are listed in a Foreign Financial Instruments Market, such Financial Instruments Market shall be included) in which the Share Certificates, Preferred Equity Investment Certificates, Real Estate Investment Trust

Certificates, Infrastructure Funds, Beneficiary Certificates of Foreign Share Trust, or Beneficiary Certificates of Foreign Infrastructure Funds in Trust are publicly disclosed;

(ii) Business profile, financial condition, and business performance of the issuer of the Share Certificates, etc. for the public offering or secondary distribution; and

(iii) Other materials and opinions that may be referenced for the determination of the Tentative Terms and Conditions.

(c) Determination of the Tentative Terms and Conditions of the public offering of Corporate Bond Certificates, etc.

(i) Credibility of the issuer of Corporate Bond Certificates, etc. for public offering, and summary of issuance terms and conditions

(ii) Opinions from persons who have professional knowledge and experience in investment in securities;

(iii) Matters that may be referenced depending on the type of public offering such as yield of corporate bonds that have already been issued by the issuer of the Corporate Bond Certificates, etc. for the public offering, yield of Corporate Bond Certificates, etc. issued by an issuer who has credibility similar to that of the issuer of the Corporate Bond Certificates, etc. for the public offering, trading reference prices, etc.;

(iv) Other materials and opinions that may be referenced for the determination of the Tentative Terms and Conditions.

(2) Survey of the Demand

A Regular Member shall determine the basic policy for assessing the demand and designate the Regular Member in charge of Book Building. In this case, the Regular Member shall carry out a survey of the demands based on the policy and shall not include demands that are clearly subject to the following in the survey:

(a) Demands not based on the investor's demand;

(b) Excessive demands aimed at having an allotment; and

(c) Multiple demands based on the same demand by a single investor.

(3) Record Retention

A Regular Member shall keep records of the survey of demand either in writing or in electromagnetic methods, etc. for a six-month period.

2. When a Regular Member finds an overlap demands with demands at another Regular Member in the survey of the demand prescribed in Item 2 of the preceding Paragraph, the Regular Member shall consult with another Regular Member.

(Pre-Marketing Procedures)

Article 15 Pre-Marketing Procedures prescribed in Article 25-2, Paragraph 2 of the Rules shall be as follows:

(1) Determination of examination scope of issue price, etc.

A Regular Member Underwriter shall consider the matters set forth below in a comprehensive

manner to determine the scope of examination of issue price, etc. (including the Tentative Terms and Conditions if the Tentative Terms and Conditions are to be determined) after discussing with the issuer. When determining the Tentative Terms and Conditions, provisions of the preceding Article, Paragraph 1, Item 1(c) shall apply *mutatis mutandis*.

- (a) Credibility of the issuer of Corporate Bond Certificates, etc. for public offering, and summary of issuance terms and conditions;
- (b) Opinions from investors on the level of issuance terms and conditions;
- (c) Matters may be referred depending on the type of public offering such as yield of corporate bonds that have already been issued by the issuer of the Corporate Bond Certificates, etc. for the public offering, yield of Corporate Bond Certificates, etc. issued by an issuer who has credibility similar to that of the issuer of the Corporate Bond Certificates, etc. for the public offering, trading reference prices;
- (d) Other materials and opinions that may be referenced for the determination of the issuance terms and conditions.

(2) Survey of Level of Issuance Terms and Conditions

A Regular Member Underwriter shall establish the basic policy to understand the level of issuance terms and conditions and designate the Regular Member Underwriter in charge of Pre-Marketing. In this case, the Regular Member Underwriter shall carry out a survey of level of issuance terms and conditions based on the basic policy.

(3) Record Retention

A Regular Member Underwriter shall keep a record of the survey of level of issuance terms and conditions in writing or in electromagnetic methods, etc. for a six-month period.

(Report on Underwriting)

Article 16 The report prescribed in Article 33, Paragraph 1 of the Rules must be submitted by each Regular Member Underwriter for public offering of Share Certificates, etc. (if the Representative Regular Member Underwriter (prescribed in Article 33, Paragraph 2 of the Rules) submits a report pursuant to Article 33, Paragraph 2 of the Rules, such Representative Regular Member Underwriter must submit the report; the same shall apply hereinafter in this Article) pursuant to each Item below:

- (1) Submitting to the Association the Press Release Materials concerning the public offering (limited to the case of IPO) of Share Certificates, etc. underwritten by the Regular Member by the following day (or the following business day if a given day is not a business day) of the date of the issuance resolution and the date of the resolution of price conditions, etc. related to public offering of Share Certificates, etc. by the issuer;
- (2) Submitting to the Association the “Report on Status of Capital Increase” by the 10th (the preceding business day if a given 10th day is not a business day) of the month following the month in which the public offering of Share Certificates, etc. is underwritten.

2. The provisions of the preceding Paragraph shall apply *mutatis mutandis* to the Underwriting of secondary distribution. In such case, “public offering of Share Certificates, etc.” shall be read as “secondary distribution”, “date of the issuance resolution and the date of the resolution of price conditions, etc.” shall be read as “date of public announcement of the secondary distribution” and “Report on Status of Capital Increase” shall be read as “Report on Status of Secondary distribution.”

(Application *Mutatis Mutandis* to Overseas Issuance)

Article 17 When Article 23 of the Rules applies *mutatis mutandis* to public offering of Share Certificates, etc. outside Japan by a listed issuer in Japan in accordance with the Article 37, Paragraph 3 of the Rules, the description in the securities registration statement to be submitted at the time when the secondary distribution of Share Option Certificates is made in Japan and the extraordinary report to be submitted at the time when public offering of Share Certificates, etc. is made outside Japan shall be regarded as descriptions in the securities registration statement. With respect to the description in the extraordinary report, only the provision of Article 20, Paragraph 1 and 2 of the Rules shall apply.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) These Rules are based on the version in effect as of January 1, 2016.

<p>This translation is solely for the convenience of those interested therein, and accordingly all questions that may arise with regard to the meaning of the words or expressions herein shall be dealt with in accordance with the original Japanese text.</p>
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