

DETAILED RULES RELATING TO THE RULES CONCERNING PUBLICATION OF OVER-THE-COUNTER TRADING REFERENCE PRICES, ETC. AND TRADING PRICES OF BONDS

(December 18, 1991)

(Purpose)

Article 1 The Detailed Rules shall prescribe the matters deemed necessary with respect to the enforcement of Rules concerning Publication of Over-the-Counter Trading Reference Prices, etc. and Trading Prices of Bonds (hereinafter referred to as “Rules”).

(Number of Designated-Reporting Members in a case where Reference Statistical Prices [Yields] for Transaction are not Published)

Article 2 The number of reported quotations from Designated-Reporting Members (Association Members prescribed in Article 3, Paragraph 1 of the Rules, same shall apply hereinafter) as prescribed in the proviso of Article 3, Paragraph 3 of the Rules is, in principle, five.

(Handling of Designated Issues)

Article 3 The notification of issues designated as Reporting Issues pursuant to Article 5, Paragraph 1 of the Rules shall be done, in principle, by the dates set forth in the following Items:

- (1) New issues: two business days before the issue date of the said issue; and
 - (2) Existing issues: the 20th day of the previous month (the preceding business day in the case where the given 20th day is a non-business day).
- 2.** Based on the provisions of Article 5, Paragraph 2, the issues designated as Designated Issues (issues prescribed in Article 3, Paragraph 2 of the Rules; the same shall apply hereinafter) by the Association shall be issues with five or more Designated-Reporting Members notifying to the Association prescribed in Article 5, Paragraph 1 of the Rules.
- 3.** Regardless of the preceding two Paragraphs, as for an issue which the Association deemed particularly necessary, the Association may designate an Association Member as a Designated-Reporting Member of the issue and specify it as a Designated Issue.

(Removal of Designated Issues, Etc.)

Article 4 Notification of resignation of reporting on an issue as prescribed in Article 6, Paragraph 1 of the Rules shall be given, in principle, by the 20th of the every month (the preceding business day in the case where the given 20th day is a non-business day).

- 2.** The number of Designated-Reporting Members as prescribed in Article 6, Paragraph 2, of the Rules shall be determined by Article 2.

(Screening Procedures for Designated-Reporting Members)

Article 5 With regard to the screening of Association Members to be designated as Designated-Reporting Members by the Association pursuant to Article 8 of the Rules, the Association Members that are to become Designated-Reporting Members shall submit an application to the Association with documents covering the contents of the following Items attached:

- (1) Criteria used for determining the Reporting Issues;

- (2) Detailed outline of the process of making the quotation for the Reporting Issues;
- (3) Process for reporting to the Association;
- (4) Internal monitoring system regarding the quotations for the Reporting Issues;
- (5) Crisis management system; and
- (6) Internal rules prescribed in Article 19, Paragraph 2 of the Rules.

(Reporting of Corporate Bond Transactions)

Article 6 Reporting of corporate bond transactions as prescribed in Article 11-2, Paragraph 1 of the Rules shall be made pursuant to the provisions of the following Items:

- (1) Corporate bonds to be reported:

Corporate bonds to be reported shall be corporate bonds prescribed in Article 2, Paragraph 1, Item 5 of the Financial Instruments and Exchange Act (including the rights that are deemed as Securities prescribed in Paragraph 2 of the same Article thereof (excluding the rights set forth in each Item of the same Paragraph) and excluding short-term corporate bonds prescribed in Article 66, Item 1 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., short-term corporate bonds prescribed in Article 61-10, Paragraph 1 of the Insurance Business Act, bonds with share options and other bonds separately specified by the Association), which shall fulfill all the requirements below:

- (i) They are subject to public offering or secondary distribution; and
- (ii) They are issued domestically and all the principal, interest, and redeemed principal are on a yen-denominated;

- (2) Transactions to be reported:

Transactions to be reported shall be sale and purchase transactions (excluding Gensaki transactions); provided, however, that the reporting may be omitted pursuant to the provisions separately prescribed by the Association with regard to sale and purchase transactions conducted at a volume less than 10 million yen at face value.

- (3) Matters to be reported:

Matters to be reported shall be as set forth below:

- (i) ISIN (International Securities Identification Numbers specified by the Securities Identification Code Committee);
- (ii) Execution date;
- (iii) Settlement date;
- (iv) Execution price;
- (v) Trading volume (recognized based on the face value); and
- (vi) Other matters separately specified by the Association.

- (4) Frequency of reporting:

The reports required hereunder shall be made every business day, unless otherwise prescribed by the Association.

2. In addition to the provisions of the preceding Paragraph, matters to be reported regarding the corporate bond transactions as prescribed in Article 11-2, Paragraph 1 of the Rules shall be separately determined by the Association.

(Publication of Information on Corporate Bond Transactions)

Article 7 The publication of information on corporate bond transactions required under Article 11-3 of the Rules shall be made pursuant to the provisions of the following Items:

(1) Corporate bonds to be published:

Corporate bonds to be published shall be those covered by an issue rated at AA or higher; provided, however, that the corporate bonds covered by a measure of suspending the publication implemented by the Association pursuant to its separately prescribed provisions shall be excluded.

(2) Transactions to be published:

Transactions to be published shall be those traded at a volume of not less than one hundred million yen at face value.

(3) Matters to be published:

Matters to be published shall be as set forth below:

- (i) Execution date;
- (ii) Issue code;
- (iii) Issue name;
- (iv) Maturity date;
- (v) Yield;
- (vi) Trading volume (recognized based on the face value);
- (vii) Execution price per unit; and
- (viii) Other matters separately specified by the Association.

(4) Frequency of publication:

The publication required hereunder shall be made every business day.

2. In addition to the provisions of the preceding Paragraph, matters concerning the publication of the information on corporate bond transactions as prescribed in Article 11-3 of the Rules shall be separately determined by the Association.

(Short-term and Substantial Amount of Profits)

Article 8 “Short-term” transactions set forth in Article 16, Paragraph 2 of the Rules shall mean the transactions in which the number of days between sale date and purchase date are not exceeding four days on the contract and delivery basis respectively.

2. “A substantial amount of profits” set forth in Article 16 Paragraph 2 of the Rules shall mean profits generated by the transactions to customer of an amount not less than ¥0.3 per ¥100 in face value.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) These Rules are based on the version in effect as of January 1, 2018.

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.