

RULES CONCERNING CHANGE, ETC. OF ASSESSMENT RATES FOR SUBSTITUTE SECURITIES RELATED TO MARGIN TRANSACTIONS

(April 18, 2006)

(Purpose)

Article 1 The purpose of the Rules Concerning Change, etc. of Assessment Rates for Substitute Securities Related to Margin Transactions (hereinafter referred to as “Rules”) is, when a Regular Member substitutes securities for margin in a margin transaction, to prescribe the rules for the case where the Regular Member changes the rates by which the market value of the securities are multiplied in the calculation of substitute price (hereinafter referred to as “Assessment Rates”) or for the case where the Regular Member excludes the securities from the substitute securities for margin (hereinafter referred to as “Change, etc. of Assessment Rates”) at the discretion of the Regular Member, thereby contributing to the protection of investors.

(Compliance with Laws and Regulations, Rules, etc.)

Article 2 When making a Change, etc. of Assessment Rates, a Regular Member must comply with the Financial Instruments and Exchange Act and other related laws and regulations, rules, etc. in addition to this Rules, and must make such change to a reasonable and proper extent to correspond to associated risks from the viewpoint of protecting investors.

(Explanation and Dissemination of Events That Cause Change, etc. of Assessment Rates to Customers)

Article 3 A Regular Member must explain in advance the possibility of the Change, etc. of Assessment Rates to a customer who makes a margin transaction for the first time in as concrete terms as possible, by indicating the said events that cause such change, etc., and a period taken to apply the Assessment Rates after the change.

2. A Regular Member must, with regards to the matters prescribed in the preceding Paragraph and required to be explained, disseminate them in a proper method such as by delivering a document, displaying it at a counter, or posting it on its web page.

(Notice of Change, etc. of Assessment Rates to Customers)

Article 4 When a Regular Member decides to make the Change, etc. of Assessment Rates, the Regular Member must notify the matters set forth in each Item below to customers in advance:

- (1) Assessment Rates after the change (or the fact the securities are excluded from the substitute securities, if applicable);
- (2) The day the Assessment Rates after the change is applied; (or the day when the securities are excluded from the substitute securities, if applicable);
- (3) Reason for the change (or the reason the securities are excluded from the substitute securities, if applicable); and
- (4) Other matters deemed necessary.

(Dissemination Period When Change, etc. of Assessment Rates is Applied)

Article 5 The day the Assessment Rates after the change is applied that is prescribed in the provision of the preceding Article, Item (2) (or the day when the securities are excluded, if applicable) shall be informed by delivering the notice prescribed in the preceding Article, and such Change, etc. shall be effective after a certain period of time prescribed by a Regular Member. Even if an event deemed to make a material effect on the management occurs, and a share price would be expected to decline significantly and continuously in the future, and a Regular Member urgently makes the Change, etc. of Assessment Rates because the Regular Member cannot make a proper assessment of the securities as margin since the market price of the securities does not reflect the actual share price level, the day the Assessment Rates after the change is applied must be the next business day from the day a notice prescribed in the provision of the preceding Article is made, or a later day.

(Establishment, etc. of Internal Rules, etc.)

Article 6 A Regular Member must establish and comply with internal rules that prescribe matters set forth from Article 1 to the preceding Article, and inspect that the internal rules are properly complied with, on a regular basis and on the responsibility of Internal Administration Supervisor.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) This rule is based on the September 30, 2007 edition of the original Japanese text.

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
--