

RULES CONCERNING ESTABLISHMENT OF ORDER MANAGEMENT SYSTEM BY ASSOCIATION MEMBERS

(April 18, 2006)

(Purpose)

Article 1 The purpose of the Rules Concerning Establishment of Order Management System by Association Members is to assist Association Members in establishing an order management system by defining internal rules and other necessary measures for the purpose of preventing incorrect receipt and execution of orders for sale and purchase, etc. (limited to sale and purchase and transactions that are conducted in a session as prescribed by a financial instruments exchange) of securities by Association Members, in financial instruments exchange markets.

(Establishment of Internal Rules)

Article 2 An Association Member must establish internal rules on order management that prescribe the matters set forth in each Item below:

- (1) Matters relating to the pre-deposit of the amount to be purchased or securities to be sold;
- (2) Matters relating to the confirmation of an order upon receipt of the order
- (3) Matters relating to restrictions regarding order placement
- (4) Matters relating to the lifting of restrictions regarding order placement
- (5) Matters relating to the proper human resource allocation and training of staff members engaged in order receipt and execution
- (6) Matters relating to inspection of the order management system
- (7) Other matters as deemed necessary by the Association Member

(Pre-Deposit of Purchase Price or Securities to Be Sold)

Article 3 When an Association Member receives orders from a customer (excluding institutional investors, etc.), in principle, it must endeavor to ensure the safety of the transaction by receiving in advance the purchase amount or securities to be sold from the customer, etc.

(Confirmation of Order)

Article 4 An Association Member must confirm that the contents of an order from a customer and the order itself are appropriate in light of the customer's assets, etc.

(Restriction of Order Placement)

Article 5 An Association Member must set restrictions regarding orders to be placed in a financial instruments exchange market as below, at levels as deemed appropriate by the Association Member:

- (1) Restrictions to prohibit the order placement if the order exceeds a certain size;

- (2) Restrictions to require an approval from a Supervisor (a Supervisor, etc. as prescribed in the next Article) to lift the restriction before order placement, if the order exceeds a certain size.

(Assignment of Supervisor, etc. and Supervisor's Approval to Lift the Restriction of Order Placement)

Article 6 An Association Member must assign a person who may lift the restriction as prescribed in the preceding Article, Item (2) (hereinafter referred to as "Supervisor") in each business unit or office that can place orders to a financial instruments exchange market. Such Supervisor must confirm the contents of the order and approve the lifting of the restriction for orders judged as appropriate. The Supervisor may delegate his/her authority to lift the restriction to a pre-appointed person ("Supervisor, etc.").

(Preparation of System)

Article 7 An Association Member must develop its own buy/sell order processing systems as necessary for the purpose of Article 5 hereof.

(Appropriate Human Resource Allocation and Training)

Article 8 An Association Member must check the business aptitude of officers and employees who are engaged in order receipt and execution, and allocate appropriate human resources in order to comply with internal rules, as well as endeavor to give training, etc. as necessary in order to thoroughly disseminate and ensure understanding among officers and employees.

(Enhancement of Order Management System)

Article 9 An Association Member must conduct regular inspections, under the responsibility of the Internal Administration Supervisor, to check whether order receipt and execution are being conducted properly in accordance with the internal rules.

SUPPLEMENTARY PROVISIONS [Omitted]

(Note) This rule is based on the September 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.